

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

524
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FROM: Don Kent, Treasurer/Tax Collector

SUBMITTAL DATE:
February 13, 2013

SUBJECT: Resolution No. 2013-044 – Desert Sands Unified School District Fiscal Year 2012-13 Tax and Revenue Anticipation Notes (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2013-044 for the issuance and sale of Tax and Revenue Anticipation Notes for the Desert Sands Unified School District (the "District") in a principal amount not to exceed \$32,000,000.

BACKGROUND: Government Code Section 53853 provides that a school district's tax and revenue anticipation notes are to be issued by the Board of Supervisors of Riverside County when the Riverside County Superintendent of Schools has jurisdiction over that district. The Riverside County Superintendent of Schools has jurisdiction over the District, therefore the District has requested, by resolution, that the Board of Supervisors issue Desert Sands Unified School District, Riverside County, State of California, 2012-13 Tax and Revenue Anticipation Notes (the "Notes") on behalf of the District. The District requests the issuance of the Notes to fund its short-term operating cash requirements during the 2012-13 fiscal year. (Continued on page two.)




Don Kent, Treasurer/Tax Collector

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER DATE: 2/13/13
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	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
BY: 

Karen L. Johnson

County Executive Office Signature

- Consent
- Policy
- Consent
- Policy

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

Prev. Agn. Ref.: **District:** 5/5 **Agenda Number:**

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3-83

Resolution No. 2013-044 authorizes the issuance of Desert Sands Unified School District, Riverside County, State of California, 2012-13 Tax and Revenue Anticipation Notes in a principal amount not to exceed \$32,000,000. The District has pledged certain of its unrestricted revenues to be received or accrued during fiscal year 2012-13 for the repayment of the Notes.

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

The Office of County Counsel has reviewed Resolution No. 2013-044 and has approved it as to form.

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RESOLUTION NO. 2013-044

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY PROVIDING FOR THE ISSUANCE OF DESERT SANDS UNIFIED SCHOOL DISTRICT, RIVERSIDE COUNTY, STATE OF CALIFORNIA, 2012-13 TAX AND REVENUE ANTICIPATION NOTES

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

3 RESOLUTION NO. _____

4 RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE
5 COUNTY PROVIDING FOR THE ISSUANCE OF DESERT SANDS
6 UNIFIED SCHOOL DISTRICT, RIVERSIDE COUNTY, STATE OF
7 CALIFORNIA, 2012-13 TAX AND REVENUE ANTICIPATION NOTES

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

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

19 WHEREAS, the Riverside County Superintendent of Schools (the "County
20 Superintendent") has jurisdiction over the Desert Sands Unified School District (the
21 "District"), and this Board of Supervisors of Riverside County (the "County Board") has
22 received a resolution of the Board of Education of the District (the "District Board"), being
23 the governing board of the District, dated February 5, 2013, entitled "RESOLUTION OF
24 THE BOARD OF EDUCATION OF THE DESERT SANDS UNIFIED SCHOOL
25 DISTRICT AUTHORIZING THE ISSUANCE OF 2012-13 TAX AND REVENUE
26 ANTICIPATION NOTES AND REQUESTING THE BOARD OF SUPERVISORS OF
27 THE COUNTY OF RIVERSIDE TO ISSUE SAID NOTES" (the "District Resolution")
28 which District Resolution requests the borrowing of not exceeding Thirty-Two Million
Dollars (\$32,000,000) at an interest rate not to exceed that allowed by law, through the
issuance by the County Board of 2012-13 Tax and Revenue Anticipation Notes (the "Notes")
in the name of the District; and

WHEREAS, such Notes shall be payable on such date that is not later than thirteen
months after the date of delivery thereof; and

WHEREAS, pursuant to Section 53856 of the Act, the District may pledge any taxes,
income, revenue (including, but not limited to, revenue from state and federal governments),
cash receipts or other moneys of the District (including moneys deposited in inactive or term
deposits, but excepting certain moneys encumbered for a special purpose); and the District
Resolution specifies that certain of such revenues that will be received by the District for the
General Fund thereof shall be pledged for the payment of the Notes; and

FORM APPROVED COUNTY COUNSEL
BY Dale A. Gardner 2/7/13 DATE

1 WHEREAS, the Notes shall be a general obligation of the District, and to the extent
2 not paid from the Unrestricted Revenues (defined herein) pledged for the payment thereof
3 shall be paid with interest thereon from any other moneys of the District lawfully available
4 therefor, as required by Section 53857 of the Act, and shall not in any way be payable from
5 County money; and

6 WHEREAS, the Notes shall be in denominations of \$5,000 principal amount or
7 integral multiples thereof, as permitted by Section 53854 of the Act; shall be issued on a date
8 provided in the Note Purchase Agreement (defined herein) therefor; and shall be in the form
9 and executed in the manner prescribed in the District Resolution and herein, as required by
10 Section 53853 of the Act; and

11 WHEREAS, the District has found and determined that said \$32,000,000 maximum
12 principal amount of Notes to be issued by the County Board, when added to the interest
13 payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the
14 uncollected taxes, income, revenue (including but not limited to revenue from state and
15 federal governments), cash receipts and other moneys of the District which will be available
16 for the payment of the Notes and interest thereon, as required by Section 53858 of the Act;
17 and

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

23 WHEREAS, the District received a qualified certification on its first interim report
24 for fiscal year 2012-13, such that the issuance of the Notes shall be conditioned on the receipt
25 by the District of finding by the County Superintendent, pursuant to Section 42133 of the
26 Education Code, that the District's repayment of the Notes is probable;

27 NOW, THEREFORE, the Board of Supervisors of Riverside County hereby resolves
28 as follows:

Section 1. Authorization of Issuance of Notes: Terms Thereof; Paying Agent.
As required by law, the County Board hereby authorizes the issuance, in the name of the
District, of an amount not-to-exceed \$32,000,000 principal amount of Notes under Sections
53850 *et seq.* of the Act, designated as "Desert Sands Unified School District, County of
Riverside, State of California, 2012-13 Tax and Revenue Anticipation Notes." The Notes are
authorized to be issued in one or more series of Notes, with appropriate series designation,
numbered from 1 consecutively upward in order of issuance, and in the denominations of
\$5,000 principal amount or integral multiples thereof. The Notes shall be dated the date of
delivery thereof; shall mature (with or without option of prior redemption, as set forth in the
Note Purchase Agreement defined herein) on a day (or days, if more than one series of Notes
is issued) in which banks in New York or California are open for business and no later than
thirteen months after the date of issuance (on a 30-day month/360-day year basis); and shall
bear interest, payable on or before maturity and computed on a 30-day month/360-day year
basis, at the per annum rate or rates set forth in the Note Purchase Agreement relating for the
Notes (the "Note Purchase Agreement"), by and among the County, the District and RBC

1 Capital Markets, LLC (the “Underwriter”), but not in excess of the maximum rate allowed by
2 law.

3 Both the principal of and interest on the Notes shall be payable, only upon surrender
4 thereof, in lawful money of the United States of America at the principal corporate trust
5 office of U.S. Bank National Association, which is hereby designated as the paying agent,
6 authentication agent, registrar and transfer agent for the Notes (in such capacity, the “Paying
7 Agent”).

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

18 Section 3. Transfer and Exchange of Notes. Subject to the provisions of
19 Section 4 hereof, the registration of any Note may, in accordance with its terms, be
20 transferred, upon the registration books kept by the Paying Agent for such purpose, by the
21 person in whose name it is registered, in person or by his or her duly authorized attorney,
22 upon surrender of such Note for cancellation, accompanied by delivery of a written
23 instrument of transfer, duly executed in a form approved by the Paying Agent.

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

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

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Section 4. Use of Depository.

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

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

(ii) To any Substitute Depository not objected to by the Paying Agent, upon (1) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as Depository, or (2) a determination by the District to substitute another Depository for The Depository Trust Company (or its successor) because The Depository Trust Company or its successor (or any Substitute Depository or its successor) is no longer able to carry out its functions as Depository; provided, that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or Substitute Depository or its successor) from its functions as Depository, or (2) a determination by the Paying Agent to remove The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as Depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) of this Section 4, upon receipt of the outstanding Notes by the Paying Agent, together with a request of the District to the Paying Agent, a new Note shall be executed and delivered in the aggregate principal amount of the Notes registered in the name of such successor or such Substitute Depository, or their nominees, as the case may be, all as specified in such request of the District. In the case of any transfer pursuant to clause (iii) of subsection (a) of this Section 4, upon receipt of the outstanding Notes by the Paying Agent together with a request of the District to the Paying Agent, new Notes shall be executed and delivered in such denominations numbered in the manner determined by the Paying Agent and registered in the names of such persons as are requested in such a request of the District; provided, the Paying Agent shall not be required to deliver such new Notes within a period less than sixty (60) days from the date of receipt of such a request of the County. Thereafter, Notes shall be transferred pursuant to Section 3 hereof.

(c) The Paying Agent shall be entitled to treat the person in whose name any Note is registered as the owner thereof for all purposes of this resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent, the District or the County; and the Paying Agent shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners

1 of the Notes and neither the County, the District nor the Paying Agent will have any
2 responsibility or obligations, legal or otherwise, to the beneficial owners or to any other
3 party, including The Depository Trust Company or its successor (or Substitute Depository or
its successor), except for the registered owner (the "Owner") of any Notes.

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

7 Section 5. Deposit and Investment of Note Proceeds; No Arbitrage. The moneys
8 so borrowed shall be deposited into a segregated account within the general fund of the
9 District and shall be pledged to the payment of the Notes to the extent sufficient Pledged
10 Revenues (as defined below) and other legally available Revenues are not deposited into the
11 Repayment Fund (as defined below). The District has covenanted that it will make no use of
12 the proceeds of the Notes that would cause the Notes to be "arbitrage bonds" under Section
13 148 of the Internal Revenue Code of 1986, as amended (the "Code"); and, to that end, so long
14 as any of the Notes are outstanding, the District, and all of its officers having custody or
15 control of such proceeds, shall comply with all requirements of said section, including
restrictions on the use and investment of proceeds of the Notes and the rebate of a portion of
investment earnings on certain amounts, including proceeds of the Notes, if required, to the
Federal government, and of the Income Tax Regulations of the United States Treasury
promulgated thereunder or under any predecessor provisions, to the extent that such
regulations are, at the time, applicable and in effect, so that the Notes will not be "arbitrage
bonds."

16 Section 6. Payment of Notes.

17 (a) Source of Payment. The principal amount of the Notes, together with
18 the interest thereon, shall be payable from taxes, income, revenue (including, but not limited
19 to, revenue from state and federal governments), cash receipts and other moneys of the
20 District (including moneys deposited in inactive term deposits but excepting therefrom
moneys encumbered for a special purpose), as provided in Section 53856 of the Act, and
which are generally available for the payment of current expenses and other obligations of
the District (collectively, the "Unrestricted Revenues").

21 To the extent the Notes mature during the fiscal year succeeding fiscal year 2012-13,
22 the Notes shall be payable only from Unrestricted Revenues which are received in or accrued
23 to fiscal year 2012-13. The District has determined that included in such revenues are State
24 apportionments which otherwise would be received between July 2012 through June 2013
25 but, due to the deferral of the State monies thereby, will not be received until after June 30,
2013 (collectively, the "Deferred Revenues"). The District has further determined that the
Deferred Revenues are accrued to the District's 2012-13 fiscal year, and lawfully available to
pay the principal of and interest on the Notes.

26 The Notes shall be a general obligation of the District, and to the extent the Notes are
27 not paid from the Unrestricted Revenues pledged to the repayment thereof described herein,
shall be paid with interest thereon from any other moneys of the District lawfully available

1 therefor, as provided herein and by law.

2 Notwithstanding anything to the contrary contained herein or in any document
3 mentioned herein or related to the Notes, the County shall not have any monetary or other
4 liability hereunder or by reason hereof or in connection with the transactions contemplated
5 hereby and the Notes shall be payable solely from the moneys of the District available
6 therefor as set forth in this Section and in Section 4 of the District Resolution. Further, the
7 County shall have no responsibility for or liability as a result of the use of the proceeds of the
8 sale of the Notes.

9 (b) Pledged Revenues. Except as otherwise provided in the Purchase
10 Contract or the Notes, as security for the payment of the principal of and interest on the
11 Notes, as provided in the District Resolution, the District has pledged an amount equal to
12 thirty-four percent (34%) of the principal of and interest due on the Notes from the first
13 Unrestricted Revenues received by the District in the month ending June 30, 2013; an amount
14 equal to thirty-three percent (33%) of the principal of and interest due on the Notes from the
15 first Unrestricted Revenues received by the District in the month ending July 31, 2013, and
16 an amount equal to thirty-three percent (33%) of the principal of and interest due on the
17 Notes, as well as any deficiency in the amount required to be deposited during any prior
18 month, from the first Unrestricted Revenues received by the District in the month ending
19 August 31, 2013 (such pledged amounts being hereinafter called the "Pledged Revenues").
20 Except as otherwise provided in the Purchase Contract or the Notes, the Pledged Revenues
21 shall be deposited by the District no later than the last day of each month specified above into
22 the Repayment Fund (defined herein).

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

26 In the event that there are insufficient Unrestricted Revenues received by the District
27 to permit the deposit into the Repayment Fund of the full amount of Pledged Revenues to be
28 deposited from such Unrestricted Revenues, then the amount of any such deficiency shall be
satisfied and made up from any other moneys of the District lawfully available for the
repayment of the Notes and the interest thereon.

(c) Covenant Regarding Additional Short term Borrowing. The District
has covenanted and warranted that, during the term that provision for the payment of
principal and interest of the Notes has not been made, the District will not request the County
Treasurer-Tax Collector (the "Treasurer-Tax Collector"), to make temporary transfers of
funds in the custody of the Treasurer-Tax Collector, to meet any obligations of the District
during the 2012-13 fiscal year pursuant to the authority of Article XVI, Section 6 of the
Constitution of the State of California or any other legal authority.

(d) Deposit of Pledged Revenues in Repayment Fund. The Pledged
Revenues shall be held (in accordance with the District Resolution) in a special fund
designated as the "Desert Sands Unified School District, Riverside County, State of
California, 2012-13 Tax and Revenue Anticipation Notes Repayment Fund" (herein called
the "Repayment Fund") and applied as directed in this Resolution and the District Resolution.
Any moneys placed in the Repayment Fund shall be for the benefit of the holders of the

1 Notes, and until the Notes and all interest thereon are paid or until provision has been made
2 for the payment of the Notes at maturity with interest to maturity, the moneys in the
3 Repayment Fund shall be applied only for the purposes for which the Repayment Fund is
4 created.

4 (e) Disbursement and Investment of Moneys in Repayment Fund. From
5 the date this Resolution takes effect, all Pledged Revenues shall, when received, be deposited
6 and accounted for in the Repayment Fund. After such date as the amount of Pledged
7 Revenues deposited in the Repayment Fund shall be sufficient to pay in full the principal of
8 and interest on the Notes, when due, any moneys in excess of such amount remaining in or
9 accruing to the Repayment Fund shall be transferred to the General Fund of the District upon
10 the request of the District. On the maturity date of the Notes, the moneys in the Repayment
11 Fund shall be used to pay the principal of and interest on the Notes and any excess remaining
12 in the Repayment Fund after payment of Notes shall be transferred to the District.

9 Moneys in the Repayment Fund shall be invested in accordance with the District
10 Resolution, at the request of the District in investment securities or other investments
11 permitted by applicable California law, as it is now in effect and as it may be amended,
12 modified or supplemented from time to time, including investments authorized by Section 12
13 hereof; to the extent that moneys invested or held by the County are subject to arbitrage
14 rebate, neither the County nor any officer or employee of the County shall assume hereunder
15 or under the provisions of any rebate certificate any duty or obligation to make the actual
16 calculations of arbitrage rebate liability of the District, or to pay any such rebate or any
17 penalties in regard thereto if the District miscalculates or fails to pay or cause such rebate or
18 such penalties to be paid.

15 Section 7. Execution of Notes. The Chair of the Board of Supervisors is hereby
16 authorized to sign the Notes by manual signature; the Treasurer-Tax Collector to sign the
17 Notes by manual signature, and the Clerk of the Board (the "Clerk") to countersign the Notes
18 by manual signature; the Clerk is hereby authorized to affix the seal of the County Board
19 thereto; and said officers are hereby authorized to cause the blank spaces thereof to be filled
20 in as may be appropriate. The County also authorizes the Paying Agent to authenticate the
21 Notes. No Note shall be valid or obligatory for any purpose or shall be entitled to any
22 security or benefit hereunder unless and until the certificate of authentication printed on the
23 Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying
24 Agent shall be conclusive evidence that the Bond so authenticated has been duly issued,
25 signed and delivered under this Resolution and is entitled to the security and benefit of this
26 Resolution.

22 Section 8. Approval of Note Purchase Agreement. Pursuant to the District
23 Resolution, the District Board has authorized the sale of the Notes at a negotiated sale. The
24 form of Note Purchase Agreement for the Notes by and among the District, the County and
25 RBC Capital Markets, LLC (the "Underwriter"), substantially in the form presented to this
26 meeting and on file with the Clerk of the County, is hereby approved. The Superintendent,
27 the Assistant Superintendent, Business Services or the Director of Fiscal Services of the
28 District or a designated deputy thereof (the "District Officers), each alone, have been
authorized by the District Resolution, and the Treasurer-Tax Collector or the Treasurer-Tax
Collector's designee are hereby authorized to execute and deliver the Note Purchase
Agreement, and each of the District Officers and the Treasurer-Tax Collector are hereby

1 authorized and requested to acknowledge such Note Purchase Agreement, but with such
2 changes therein, deletions therefrom and modifications thereto as each shall approve, such
3 approval to be conclusively evidenced by his or her execution and delivery thereof; provided,
4 however, that the maximum interest rate on the Notes shall not exceed that authorized by
5 law, and that the Underwriter's discount shall not exceed 0.5 %, of the par amount of the
6 Notes. The Treasurer-Tax Collector or the Treasurer-Tax Collector's designee, in
7 conjunction with the District Officers, are hereby further authorized to determine the
8 maximum principal amount of Notes to be specified in the Note Purchase Agreement, up to
9 \$32,000,000 and to enter into and execute the Note Purchase Agreement with the
10 Underwriter, if the conditions set forth in this Resolution and the District Resolution are
11 satisfied.

12 Section 9. Authorization of Preliminary Official Statement and Official
13 Statement. Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond and
14 Disclosure Counsel, has been authorized by the District to prepare a Preliminary Official
15 Statement and an Official Statement relating to the Notes, to be used in connection with the
16 offering and sale of the Notes.

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

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

Section 12. Investment of Note Proceeds. Notwithstanding anything to the
contrary contained herein, the proceeds of the Notes shall be pledged to the payment of the
Notes in the event and to the extent sufficient Pledged Revenues of the District and other
legally available revenues are not deposited into the Repayment Fund. In addition to
investments in the Treasurer-Tax Collector's Investment Pool, pursuant to Section 53601(1)
of the Government Code of the State of California, the following are hereby designated as
additional authorized investments for the proceeds of the Notes and the Repayment Fund: (i)
a guaranteed investment contract with a financial institution or insurance company which has
or its guarantor has at the date of execution thereof one or more outstanding issues of
unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated not
lower than the second highest rating category (without regard to subcategories) by Standard
& Poor's Ratings Services and Moody's Investors Service; or (ii) the Local Agency
Investment Fund (LAIF) administered by the State of California.

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Section 13. 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 Notes 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.

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

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

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Section 15. 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 February 26, 2013.

COUNTY OF RIVERSIDE

By: _____
Chairman

ATTEST:

Clerk of the Board of Supervisors

EXHIBIT A
FORM OF NOTE

REGISTERED
No. _____

REGISTERED
\$ _____

DESERT SANDS UNIFIED SCHOOL DISTRICT
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA
2012-13 TAX AND REVENUE ANTICIPATION NOTE

<u>Rate of Interest:</u>	<u>Note Date:</u>	<u>Maturity Date:</u>	<u>CUSIP:</u>
_____ %	_____, 2013	_____, 20__	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

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

It is hereby certified, recited and declared that this Note is one of an authorized issue of Notes in the aggregate principal amount of _____ Dollars (\$_____) all of like date, tenor and effect, made, executed and given pursuant to and by authority of a resolution of the Board of Supervisors of Riverside County (the "County") duly passed and adopted on February 26, 2013 and a Resolution of the Board of Education of the District duly passed and adopted on February 5, 2013, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue (including, but not limited to, revenue from state and federal governments), cash receipts and other moneys including moneys deposited in inactive or term deposits (but excepting certain moneys encumbered for a special purpose), received in or accrued to fiscal year 2012-13, and which are generally available for the payment of current expenses and other obligations of the District (the "Unrestricted Revenues"). As security for the payment of the principal of and interest on the Notes the District has pledged an amount equal to thirty-four percent (34%) of the principal of and interest due on the Notes from the first Unrestricted Revenues received by the District in the month ending June 30, 2013; an amount equal to thirty-three percent (33%) of the principal of and interest due on the Notes from the first Unrestricted Revenues received by the District in the month ending July 31, 2013, and an amount equal to thirty-three percent (33%) of the principal of and interest due on the Notes, as well as any deficiency in the amount required to be deposited during any prior month, from the first Unrestricted Revenues received by the District in the month ending August 31, 2013 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge on such Pledged Revenues, and shall be payable therefrom, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor.

This Note is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the corporate trust office of the Paying Agent, in Los Angeles, California, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution, and upon surrender and cancellation of this Note except that this Note shall not be transferred or exchanged later than the 15th day prior to the maturity date hereof. Upon such transfer a new Note or Notes of authorized denominations and for the same aggregate principal amount will be issued to the transferees in exchange herefor.

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

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

IN WITNESS WHEREOF, Riverside County has caused this Desert Sands Unified School District, Riverside County, State of California, 2012-13 Tax and Revenue Anticipation Note to be executed by the Chairman of its Board of Supervisors and by the Clerk of its Board of Supervisors by manual or facsimile signature and countersigned by the Treasurer-Tax Collector by manual signature and has caused a facsimile of its official seal to be printed hereon this ___ day of _____, 2013.

RIVERSIDE COUNTY

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

By: _____ [Manual Signature] _____
Treasurer-Tax Collector

Countersigned

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

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Resolutions referred to herein which has been authenticated and registered on _____, 2013.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By: _____
Authorized Signatory

LEGAL OPINION

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

[Facsimile Signature]

Superintendent, Desert Sands Unified
School District

ASSIGNMENT

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

Dated: _____

Signature Guaranteed by:

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

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

RESOLUTION NO. 29/2012-2013

**RESOLUTION OF THE BOARD OF EDUCATION OF THE DESERT SANDS
UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF 2012-
2013 TAX AND REVENUE ANTICIPATION NOTES AND REQUESTING
THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE TO
ISSUE SAID NOTES**

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

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

WHEREAS, the County Superintendent of Schools (the "County Superintendent") of the County of Riverside (the "County") has jurisdiction over the Desert Sands Unified School District (the "District"), and this Board of Education (the "Board"), being the governing board of the District, hereby requests the borrowing of not-to-exceed Thirty-Two Million Dollars (\$32,000,000) at an interest rate not to exceed the maximum rate allowed by law, through the issuance by the Board of Supervisors of the County (the "County Board") of 2012-2013 Tax and Revenue Anticipation Notes (the "Notes") in the name of the District, such Notes to be sold by negotiated sale as authorized hereby; and

WHEREAS, such Notes may be made payable no later than thirteen months after the date of delivery thereof; and

WHEREAS, pursuant to Section 53856 of the Act, the District may pledge to the payment of the Notes any taxes, income, revenue (including but not limited to, revenue from State and federal governments), cash receipts or other moneys, including moneys deposited in inactive or term deposits (but excepting moneys encumbered for a special purpose); and this Resolution specifies that certain of such revenues which will be received by the District for the General Fund thereof shall be pledged for the payment of the Notes; and

WHEREAS, the Notes shall be a general obligation of the District, and, to the extent not paid from Unrestricted Revenues (defined herein) pledged for the payment thereof, shall be paid with interest therein from any other moneys of the District lawfully available therefor, as required by Section 53857 of the Act, and shall not in any way be payable from County moneys; and

WHEREAS, the Notes shall be in denominations of \$5,000 principal amount, or integral multiples thereof, as permitted by Section 53854 of the Act; and the Note shall further be issued on a date to be designated pursuant to, and shall be in the form and executed in the manner prescribed in this Resolution, and the County Resolution (defined herein), all as permitted and required by Section 53853 of the Act; and

WHEREAS, the Board has found and determined that said \$32,000,000 maximum principal amount of Notes to be issued in the name of the District by the County Board in fiscal year 2012-2013, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including but not limited to revenue from state and federal governments), cash receipts and other moneys of the District which will be available for the payment of the Notes and interest thereon, as required by Section 53858 of the Act; and

WHEREAS, the Notes will not be issued in an amount greater than the maximum anticipated cumulative cash flow deficit to be financed by the anticipated tax or other revenue sources for the period for which such taxes or other revenues are anticipated and during which such Notes are outstanding, all as provided in Section 1.103-14(c) of the Income Tax Regulations of the United States; and

WHEREAS, the District received a qualified certification on its first interim report for fiscal year 2012-13, such that the issuance of the Notes shall be conditions on the receipt by the District of finding by the County Superintendent, pursuant to Section 42133 of the Education Code, that the District's repayment of the Notes is probable;

NOW, THEREFORE, the Board of Education of the Desert Sands Unified School District hereby resolves as follows:

Section 1. Authorization of Issuance of Notes; Terms Thereof; Paying Agent. The Board hereby requests the County Board to issue, in the name of the District, an amount not to exceed \$32,000,000 principal amount of Notes under Sections 53850 *et seq.* of the Act, designated "Desert Sands Unified School District, County of Riverside, State of California, 2012-2013 Tax and Revenue Anticipation Notes." The Notes are authorized to be issued in one or more series of Notes, with appropriate series designation, numbered from 1 consecutively upward in order of issuance, and in the denominations of \$5,000 principal amount or integral multiples thereof. The Notes shall be dated the date of delivery thereof; shall mature (with or without option of prior redemption, as set forth in the Note Purchase Agreement defined herein) on a day (or days, if more than one series of Notes is issued) in which banks in New York or California are open for business and no later than thirteen months after the date of issuance (on a 30-day month/360-day year basis); and shall bear interest, payable on or before maturity and computed on a 30-day month/360-day year basis, at the per annum rate or rates set forth in the Note Purchase Agreement relating for the Notes (the "Note Purchase Agreement"), by and among the County, the District and RBC Capital Markets, LLC (the "Underwriter"), but not in excess of the maximum rate allowed by law.

Both the principal of and interest on the Notes shall be payable, only upon surrender thereof, in lawful money of the United States of America at the principal corporate trust office of U.S. Bank National Association, which is hereby designated as the paying agent, authentication agent, registrar and transfer agent for the Notes (in such capacity, the "Paying Agent"). For purposes of the Notes, the Paying Agent shall be deemed to be a "fiscal agent" within the meaning of Section 53601 of the Government Code of the State of California. This Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable.

Section 2. Form of Notes. The Notes shall be issued in registered form and shall be substantially in the form set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures. The Notes shall be initially

registered in the name of "Cede & Co." as nominee of The Depository Trust Company, and shall be evidenced by one or more note certificates, in the full principal amount of the Notes. The Depository Trust Company, New York, New York is hereby appointed depository for the Notes. Registered ownership may not thereafter be transferred except as set forth in the resolution of the County Board authorizing the issuance of the Notes by the County pursuant to Section 53853 of the Act (the "County Resolution"). There shall be attached to each Note, the legal opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, respecting the validity of said Notes.

Section 3. Deposit of Note Proceeds; No Arbitrage. The moneys so borrowed shall be deposited in the General Fund of the District. The District hereby covenants that it will make no use of the proceeds of the Notes that would cause the Notes to be "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"); and, to that end, so long as any of the Notes are outstanding, the District, and all of its officers having custody or control of such proceeds, shall comply with all requirements of said section, including restrictions on the use and investment of proceeds of the Notes and the rebate of a portion of investment earnings on certain amounts, including proceeds of the Notes, if required, to the Federal government, and of the Income Tax Regulations of the United States Treasury promulgated thereunder or under any predecessor provisions, to the extent that such regulations are, at the time, applicable and in effect, so that the Notes will not be "arbitrage bonds."

Section 4. Payment of Notes.

(A) **Source of Payment.** The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue (including but not limited to revenue from state and federal governments), cash receipts and other moneys including moneys deposited in inactive or term deposits (but excepting certain moneys encumbered for a special purpose), as provided in Section 53856 of the Act, and which are generally available for the payment of current expenses and other obligations of the District (collectively, the "Unrestricted Revenues").

To the extent the Notes mature during the fiscal year succeeding fiscal year 2012-2013, the Notes shall be payable only from Unrestricted Revenues which are received in or accrued to fiscal year 2012-13. Included in such revenues are State apportionments which otherwise would have been or would be received between July 2012 through June 2013 but which, due to the deferral of the State monies thereby, will not be received until after June 30, 2013 (collectively, the "Deferred Revenues"). The Deferred Revenues are hereby determined to be accrued to the District's 2012-13 fiscal year, and are further determined to be lawfully available to pay the principal of and interest on the Notes.

The Notes shall be a general obligation of the District, and to the extent the Notes are not paid from the Unrestricted Revenues pledged to the repayment thereof described herein, the Notes shall be paid with interest thereon from any other moneys of the District lawfully available therefor, as provided herein and by law.

(B) **Pledged Revenues.** Unless otherwise provided for in the Note Purchase Agreement or in the Note, as security for the payment of the principal of and interest on the Notes, the District hereby pledges an amount equal to 25% of the principal of and interest due on the Notes from the first Unrestricted Revenues received by the District in the month ending June 30, 2013; an amount equal to 37.5% of the principal of and interest due on the Notes from the first Unrestricted Revenues received by the District in the month ending July 31, 2013, and an amount equal to 37.5%

of the principal of and interest due on the Notes, as well as any deficiency in the amount required to be deposited during any prior month, from the first Unrestricted Revenues received by the District in the month ending August 31, 2013 (such pledged amounts being hereinafter called the "Pledged Revenues"). Unless otherwise provided for in the Note Purchase Agreement or in the Note, the Pledged Revenues identified above shall be deposited by the District no later than the last day of June, November and December 2013, respectively, into the Repayment Fund (defined herein).

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

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

(C) Covenant Regarding Additional Short-term Borrowing. The District hereby covenants and warrants that, while provision for the payment of principal and interest on the Notes has not been made, the District will not request the County Treasurer-Tax Collector (the "Treasurer-Tax Collector") to make temporary transfers of funds in the custody of the Treasurer-Tax Collector meet any obligations of the District during the 2012-2013 fiscal year pursuant to the authority of Article XVI, Section 6 of the Constitution of the State of California or any other legal authority.

(D) Deposit of Pledged Revenues in Repayment Fund. The Pledged Revenues shall be held in a special fund designated as the "Desert Sands Unified School District, 2012-2013 Tax and Revenue Anticipation Notes Repayment Fund" (herein called the "Repayment Fund") and applied as directed in this Resolution. The District, in consultation with the Treasurer-Tax Collector, shall direct the moneys in the Repayment Fund to be invested, as provided in Section 4(E) of this Resolution. Any moneys accounted for in the Repayment Fund shall be for the benefit of the holders of the Notes, and until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to maturity, the moneys in the Repayment Fund shall be applied only for the purposes for which the Repayment Fund is created.

(E) Disbursement and Investment of Moneys in Repayment Fund. From the date this Resolution takes effect, all Pledged Revenues shall, when received, be accounted for in the Repayment Fund. After such date as the amount of Pledged Revenues accounted for in the Repayment Fund shall be sufficient to pay in full the principal of and interest on the Notes, when due, any moneys in excess of such amount remaining in or accruing to the Repayment Fund shall be transferred to the general fund of the District upon the request of the District. On the maturity date of the Notes, the moneys in the Repayment Fund shall be used, to the extent necessary, to pay the principal of and interest on the Notes.

Moneys accounted for in the Repayment Fund, to the greatest extent possible, shall be invested at the request of the District in either investment securities by the Treasurer-Tax Collector (or independent fiscal agent), or otherwise as permitted by applicable California law and Section 9 hereof, as it is now in effect and as it may be amended, modified or supplemented from time to time including the investments authorized in this Resolution; provided that no such investments shall have a maturity date later than the maturity date of the Notes.

Section 5. Execution of Notes. The District hereby requests the Chairman of the County Board of Supervisors to sign the Notes manually or by facsimile signature; the Treasurer-Tax Collector to sign the Notes manually; the Executive Officer-Clerk of the County Board (the "Clerk") to countersign the Notes manually or by facsimile signature; the Clerk to affix the seal of the County thereto by facsimile impression thereof; and said officers to cause the blank spaces thereof to be filled in as may be appropriate. The District also authorizes the Paying Agent to authenticate the Notes. No Note shall be valid or obligatory for any purpose or shall be entitled to any security or benefit hereunder 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 6. Section 6. Authorization of Preliminary Official Statement, Official Statement. The Preliminary Official Statement relating to the Notes, substantially in the form on file with the Secretary or Clerk of the Board is hereby approved and the Superintendent, the Assistant Superintendent, Business Services and the Director, Fiscal Services, or a designee thereof (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 the Underwriter to be used in connection with the offering and sale of the Notes. 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 Notes and is directed to deliver copies of any final Official Statement to the purchasers of the Notes. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

Section 7. Approval of Note Purchase Agreement. The Board hereby approves the sale of the Notes at a negotiated sale. The form of Note Purchase Agreement for the Notes, by and among the District, the County and the Underwriter, substantially in the form presented to this meeting and on file with the Secretary or Clerk to the Board, is hereby approved. The Authorized Officers, each alone, are hereby authorized to execute and deliver the Note Purchase Agreement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the maximum interest rate on the Notes shall not exceed that authorized by law and that the Underwriter's discount shall not exceed 0.5% of the par amount of the Notes. The Authorized Officers are hereby further authorized to determine the maximum principal amount of Notes to be specified in the Note Purchase Agreement, up to \$32,000,000 and to enter into and execute the Note Purchase Agreement with the Underwriter and the County, if the conditions set forth in this Resolution and the County Resolution are satisfied.

Section 8. Delivery of Notes. The proper officers of the County Board are hereby requested to deliver the Notes to the purchaser thereof. All actions heretofore taken by the officers and agents of the Board, including the Authorized Officers or their designees, with respect to the Notes are hereby approved, confirmed and ratified, and the officers of the Board, including the Authorized Officers, are hereby authorized and directed to do any and all things and take any and all actions

which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes in accordance with this Resolution and the County Resolution.

Section 9. Proceeds of Notes Conditionally Pledged; Investment of Note Proceeds; Authorization to Invest Note Proceeds. Notwithstanding anything to the contrary contained herein, the proceeds of the Notes shall be pledged to the payment of the Notes in the event and to the extent sufficient Pledged Revenues of the District and other legally available revenues are not deposited into the Repayment Fund. In addition to investments in the Pooled Investment Fund maintained by the Treasurer-Tax Collector, pursuant to Section 53601(1) of the Government Code of the State of California, the following are hereby designated as additional authorized investments for the proceeds of the Notes and the Repayment Fund: (i) a guaranteed investment contract with a financial institution or insurance company which has or its guarantor has at the date of execution thereof one or more outstanding issues of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated not lower than the second highest rating category (without regard to subcategories) by Standard & Poor's Ratings Services and Moody's Investors Service; or (ii) the Local Agency Investment Fund (LAIF) administered by the State of California.

Section 10. Continuing Disclosure. The Board hereby covenants and agrees that it will comply with and carry out, and authorizes and directs the Authorized Officers, each alone, to comply and carry out, all of the provisions of that certain Continuing Disclosure Certificate dated the date of issuance and delivery of the Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof (the "Continuing Disclosure Certificate"). Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default under this Resolution; however, any Noteholder 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. The preparation of a Continuing Disclosure Certificate is hereby approved, and the Authorized Officers, each alone, hereby authorized and directed to execute and deliver to the purchaser of the Notes such Continuing Disclosure Certificate, with such changes therein as any such official may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. Transmittal of Resolution. The Superintendent or a designee of the District is hereby directed to send a certified copy of this Resolution to the County Board, the Treasurer-Tax Collector and the County Superintendent.

Section 12. Further Actions Authorized.

(A) RBC Capital Markets, LLC, is hereby designated as the Underwriter to the District in connection with the issuance of the Notes. Stradling Yocca Carlson & Rauth, a Professional Corporation, is hereby designated as Bond Counsel and Disclosure Counsel to the District in connection with the issuance of the Notes.

(B) 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 Notes 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. It is hereby covenanted that the Board and its appropriate officials will cause the County,

to take all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them for carrying out the provisions of this Resolution.

(C) The provisions of this resolution as they relate to the terms of the Notes may be amended by the Note Purchase Agreement.

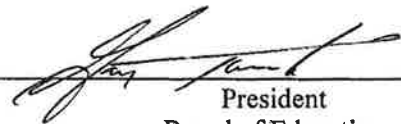
PASSED AND ADOPTED by the Board of Education of the Desert Sands Unified School District this 5th day of February 2013, by the following vote:

AYES: Griffith, Jonathan, Monica, Duran, Tomak

NOES: 0

ABSENT: 0

ABSTAIN: 0

By: 

President
Board of Education
Desert Sands Unified School District

ATTEST:

By: 

Secretary to the Board of Education
Desert Sands Unified School District

SECRETARY'S CERTIFICATE


I, Gary Rutherford, Secretary to the Board of Education of the Desert Sands Unified School District, Riverside County, California, hereby certify as follows:

The following 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 February 5, 2013, of which meeting all of the members of the Board of Education 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 the Superintendent's office and the foregoing is a full, true and correct copy of the original regulation 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: February 5, _____, 2013

By: 
Secretary to the Board of Education
Desert Sands Unified School District

[\$ _____]
DESERT SANDS UNIFIED SCHOOL DISTRICT
(Riverside County, California)
2012-13 Tax and Revenue Anticipation Notes

PURCHASE CONTRACT

[_____], 2013

Board of Supervisors
County of Riverside
4800 Lemon Street, 4th Floor
Riverside, California 92501

Board of Education
Desert Sands Unified School District
47-950 Dune Palms Road
La Quinta, California 92253

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC (the "Underwriter"), acting on its own behalf and not as a fiduciary agent for you, offers to enter into this Purchase Contract (the "Purchase Contract") with the County of Riverside (the "County") and the Desert Sands Unified School District (the "District"), which, upon your acceptance hereof, 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 they will be bound by certain of the provisions hereof, and to the extent binding thereupon, 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.

1. **Purchase and Sale of the Notes.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of [\$ _____] in aggregate principal amount of the District's 2012-13 Tax and Revenue Anticipation Notes (the "Notes"). The Notes shall bear interest at the rate of [_____]% per annum, with a yield to maturity, and shall mature on [_____], 2013. The Notes shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of the Resolution of the District adopted on [_____], 2013 (the "District Resolution"), the Resolution of the Board of Supervisors of the County adopted on [_____],

2013 (the "County Resolution" and, collectively with the District Resolution, the "Resolutions"), and pursuant to Article 7.6 of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (the "Act").

The Underwriter shall purchase the Notes at a price of [\$ _____], consisting of the aggregate principal amount of the Notes in the amount of [\$ _____], plus original issue premium of [\$ _____], and less an Underwriter's discount of [\$ _____].

Inasmuch as this purchase and sale represents a negotiated transaction, the District understands, and hereby confirms, that (i) the purchase and sale of the Notes pursuant to this Purchase Contract is an arm's-length commercial transaction among the District, the County and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as principal and not as agent, fiduciary or financial advisor of the District; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the District with respect to: (x) the offering of the Notes or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the District on other matters); or (y) any other fiduciary or contractual obligation to the District except the obligations expressly set forth in this Purchase Contract; and (iv) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Notes.

2. **The Notes.** The Notes shall be dated as of their date of delivery and shall mature on [_____], 2013. Interest on the Notes shall accrue from the date of delivery thereof and is payable at maturity. The Notes are issued in denominations of \$5,000 or any integral multiple thereof. The Notes shall otherwise be as described in the Official Statement (defined herein), and shall be issued and secured pursuant to the provisions of the County Resolution, this Purchase Contract and the Act. The Paying Agent for the Notes, as designated by the County Resolution, shall be U.S. Bank National Association, Los Angeles, California (the "Paying Agent").

The Notes shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Resolutions. The Notes shall be in book-entry form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

The proceeds of the sale of the Notes are expected to be applied to (i) pay certain costs of the District, as generally set forth in the County Resolution, and (ii) pay the costs of issuance of the Notes.

3. **Use of Documents.** The County and the District hereby authorize the Underwriter to use, in connection with the offering and sale of the Notes, this Purchase Contract, the Official Statement (as defined below), the Resolutions and all information contained herein and therein and all of the documents, certificates or statements furnished by the County or the District to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

4. **Public Offering of the Notes.** The Underwriter agrees to make a *bona fide* public offering of all the Notes at the initial public offering prices or yields to be set forth on

the cover or inside cover page of the Official Statement (defined below) and may subsequently change such offering prices without any requirement of prior notice. The Underwriter may offer and sell Notes to certain dealers (including dealers depositing Notes into investment trusts) and others at prices lower than the public offering prices stated in the Official Statement.

5. **Official Statement.** The District has caused to be drafted and consents to the use of a Preliminary Official Statement, dated [____], 2013 (the “Preliminary Official Statement”), including the cover page, the inside cover page and Appendices thereto, relating to the Notes. The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Notes which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the “Rule”). The Preliminary Official Statement has been prepared for use by the Underwriter in connection with the public offering, sale and distribution of the Notes.

The District hereby authorizes the preparation of a final Official Statement respecting the Notes following the execution hereof (the “Official Statement”) and the District hereby authorizes the use thereof by the Underwriter in connection with the public offering and sale of the Notes. 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 seven business days after the execution hereof, and in sufficient time to accompany any confirmation of a sale of Notes) copies of the Official Statement, which is complete as of the date of its delivery to the Underwriter, in such reasonable quantities 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 (the “MSRB”). The Underwriter hereby agrees to file the Official Statement with the MSRB.

The Underwriter agrees that prior to the time the final Official Statement relating to the Notes is available, the Underwriter will send to any potential purchaser of the Notes, upon the request of such potential purchaser, a copy of the Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

During the period ending on the 25th day after the End of the Underwriting Period (as defined below) (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously 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, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter, at the District’s expense, such number of copies of the

supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

For purposes of this Purchase Contract, the "End of the Underwriting Period" is used as defined in the Rule and shall occur on the later of (a) the date of Closing or (b) when the Underwriter no longer retains an unsold balance of the Notes; unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the District and the Underwriter, the County and the District may assume that the End of the Underwriting Period is the Closing Date.

6. **Closing.** At 9:00 a.m., California Time, on March 20, 2013, or at such other time or on such other date as shall have been mutually agreed upon by the County, the District and the Underwriter (the "Closing"), the County will deliver to the Underwriter, through the facilities of DTC, with the Resolutions, opinions and certificates otherwise called for herein to be delivered at the offices of Stradling Yocca, Carlson & Rauth, a Professional Corporation, in San Francisco, California ("Bond Counsel" and "Disclosure Counsel"), or at such other place as the parties may mutually agree upon, the Notes in book-entry form, duly executed and registered as provided in Section 2 above, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to an account or accounts within the United States designated by the District.

7. **Representations, Warranties and Agreements of the Underwriter.** The Underwriter represents and agrees with the District and the County that, as of the date hereof and as of the Closing Date:

- 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 underwriter with respect to securities of the District.
- C. The Underwriter has, and has had, no financial advisory relationship, as such term is defined in California Government Code Section 53590(c) or MSRB Rule G-23 with the District with respect to the Notes, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

8. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriter that:

- A. The District is a unified school district duly organized and validly existing under the laws of the State of California (the "State"), with the full legal right,

power and authority to (i) request the County to issue the Notes pursuant to the Act; (ii) enter into, execute and deliver this Purchase Contract and the Continuing Disclosure Certificate appended to the Official Statement (the "Continuing Disclosure Certificate"); (iii) adopt the District Resolution; and (iv) carry out the transactions as contemplated by the Resolutions.

B. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Notes; (ii) the District has the legal right, power and authority to enter into this Purchase Contract, to adopt the District Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Contract and the District Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Notes, the Continuing Disclosure Certificate, the District Resolution and this Purchase Contract (collectively, the "District Documents") have been duly authorized and such authorization shall be in force and effect at the time of the Closing; (iv) the District Documents constitute valid and legally binding obligations of the District enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors' rights; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract and by the Official Statement.

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Notes or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions which may qualify the Notes for offer and sale under Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

D. The District has complied with the requirements of the Internal Revenue Code of 1986, as amended, applicable to the Notes.

E. To the best knowledge of the District, the issuance of the Notes, and the execution, delivery and performance of the District Documents, and the compliance with the provisions thereof and hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

F. As of the time of acceptance hereof no action, suit, hearing or investigation is pending or, to the best knowledge of the District, threatened: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of the Notes, the application of the proceeds of the sale of the Notes, or the collection of revenues available to pay the principal of and interest on the Notes, or in any way contesting or affecting the validity or enforceability of the Notes, this Purchase Contract or the District Resolution or contesting the powers of the District or its authority with respect to the Notes, this Purchase Contract or the District Resolution; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Contract or the Resolutions, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Notes from gross income for federal income tax purposes or the exemption of such interest on the Notes from State personal income taxation.

G. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District nor the County in the name and on behalf of the District, will have issued in the name and on behalf of the District, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

H. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

I. [UPDATE.] [With respect to Section 42131 of the Education Code of the State, for the current reporting period, the District received a qualified certification from the County Superintendent of Schools, however, for the next reporting period does not expect to receive a qualified or negative certification from the County Superintendent of Schools.]

J. In accordance with the requirements of the Rule, the District will enter into the Continuing Disclosure Certificate, upon or prior to the sale of the Notes, in which the District will undertake, for the benefit of the Owners of the Notes, to provide certain information as set forth therein. The District, for the past five years, has not been in default with respect to any continuing disclosure obligation it may have incurred prior to the date hereof in connection with the delivery or issuance of any debt instruments, bonds, notes or lease-purchase obligations, and has not failed, in the five years preceding the date hereof, to file annual reports or reports of specified events as required by the Rule and its previous continuing disclosure undertakings, except as may be disclosed in the Preliminary Official Statement.

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 in order to qualify the Notes for offering 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 Notes for investment under the laws of such states and other jurisdictions and to continue such qualifications in effect so long as may be required for the distribution of the Notes (provided, however, that the District will not be required to qualify as a foreign corporation or to file any general or special consent to service of process under the laws of any jurisdiction).

L. The Preliminary Official Statement did not, and the Official Statement will not, as of its date (excluding therefrom information relating to DTC, and information provided by the Underwriter) 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. If the Official Statement is supplemented or amended, at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement as so supplemented or amended 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 made, not misleading.

M. The financial statements of, and other financial information regarding the District, contained in the Official Statement fairly represent the financial position and operating results of the District as of the dates and for the periods set forth therein. Since the date of the Preliminary Official Statement, there has been no adverse change of a material nature in such financial position, results of operation 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.

9. **Representations, Warranties and Covenants of the County.** The County represents, warrants and covenants to the Underwriter that:

A. The County has the power under the Constitution and laws of the State to issue the Notes in the name and on behalf of the District;

B. (i) At or prior to the Closing, the County will have taken all actions required to be taken by it in order to authorize the issuance and delivery of the Notes; (ii) the County has full legal right, power and authority to enter into this Purchase Contract, to adopt the County Resolution, to issue and deliver the Notes to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Contract and the County Resolution; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in the Notes, the County Resolution and this Purchase

Contract have been duly authorized, and such authorization shall be in full force and effect at the time of the Closing; and (iv) this Purchase Contract constitutes a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and to principles of equity relating to or affecting the enforcement of creditors' rights;

C. To the best knowledge of the County, as of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the County; (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices or of the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Notes, or in any way contesting or affecting the validity or enforceability of the Notes, this Purchase Contract or the County Resolution or contesting the powers of the County or its authority with respect to the Notes, the County Resolution or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the consummation of the transactions contemplated by this Purchase Contract or the County Resolution or (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part;

D. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement; and

E. Any certificates signed by an authorized officer of the County and delivered to the Underwriter shall be deemed a representation and warranty by the County to the Underwriter, but not by the person signing the same, as to the statements made therein

10. **Conditions to Closing.** The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the District and the County contained herein and the performance by the District and the County of their respective obligations hereunder and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the date of Closing. Accordingly, the Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Notes are and shall be conditioned upon the performance by the District and the County, respectively, of their obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject at the option of the Underwriter, to the following further conditions, including the delivery by the District and the County of such documents and instruments as are enumerated herein, in form and substance satisfactory to the Underwriter:

A. The representations and warranties of the District and the County contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and

the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District and the County shall be in compliance with each of the agreements made by them, individually, in this Purchase Contract;

B. At the time of the Closing, (i) the Official Statement, this Purchase Contract and the Resolutions shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolutions, this Purchase Contract or the Official Statement to be performed at or prior to the Closing;

C. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, pending or threatened, which has any of the effects described in Section 8.F. hereof, or contesting in any way the completeness or accuracy of the Official Statement;

D. Between the date hereof and the Closing, the market price for the Notes, or the market for or marketability of the Notes at the initial offering prices set forth in the Official Statement, or the ability of the Underwriter to enforce contracts for the sale of the Notes, shall not have been materially adversely affected in the reasonable professional judgment of the Underwriter (evidenced by a written notice to the District and the County terminating the obligation of the Underwriter to accept delivery of and pay for the Notes) by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or passed by either House of the Congress, 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, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on obligations of the general character of the Notes in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Notes, or obligations of the general character of the Notes, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended (the “Securities Act”);

(2) the declaration of war or engagement in or material escalation of major military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue of a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Notes, or obligations of the general character of the Notes, or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, Underwriter such as, and including, the Underwriter;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Notes, or the issuance, offering or sale of the Notes, as contemplated hereby or by the Official Statement, is or would be in violation of the Federal securities laws, as amended and then in effect;

(6) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or results in an omission to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

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

(8) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Notes, including the underlying obligations as contemplated by this Purchase Contract or by the Official Statement, or any document relating to the issuance, offering or sale of the Notes, is or would be in violation of any provision of the federal securities laws at the Closing, including the Securities Act, the Securities and Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

(9) 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 Notes as described herein, or issued a stop order or similar ruling relating thereto;

(10) any amendment shall have been made 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 levy of taxes to pay principal of and interest on the Notes;

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

(12) there shall have occurred or any notice shall have been given of any downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service of any of the District's debt or lease obligations.

E. At or prior to the date of the Closing, the Underwriter shall receive the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) An approving opinion of Bond Counsel as to the validity and tax-exempt status of the Notes, dated the date of Closing, addressed to the District;

(2) A reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in E(1) above;

(3) A supplemental opinion from Bond Counsel, addressed to the Underwriter and the District, to the effect that:

(a) this Purchase Contract has been duly authorized, executed and delivered by the District and the County and, assuming due authorization, execution and delivery by the Underwriter, is a legally valid and binding agreement of the District and the County, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, moratorium, insolvency or other laws affecting creditors' rights or remedies, and is subject to general principles of equity (regardless of whether such enforcement is considered in equity or at law);

(b) the statements contained in the Official Statement in the sections thereof entitled: "THE NOTES" and "TAX MATTERS," insofar as such statements purport to summarize certain provisions of the Notes and the Resolutions and the form and content of Bond Counsel opinion as to the tax status of the Notes for federal and State income tax purposes are accurate in all material respects, present a fair and accurate summary of such documents, such tax status and the matters discussed therein; and

(c) the Notes are not subject to the registration requirements of the Securities Act and the Resolutions are exempt from qualification pursuant to the Trust Indenture Act.

(4) A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has taken all actions required to be taken by it in order to authorize the issuance and delivery of the Notes and has complied with all the terms of the District Resolution and this Purchase Contract to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statements of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading and (v) the Notes being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the Resolutions and (vi) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his or her knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement, the issuance of the

Notes by the County on behalf of the District or the due adoption of the District Resolution;

(5) A tax certificate of the District in form satisfactory to Bond Counsel;

(6) Evidence satisfactory to the Underwriter that the Notes shall have been: (i) rated [“_____”] by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) and [“_____”] by Moody’s Investors Service (“Moody’s”) (or such other equivalent rating as such rating agency may give) and that such ratings have not been revoked or downgraded;

(7) A certificate, together with a fully executed copy of the District Resolution, of the Secretary of the Board of Education to the effect that:

(i) such copy is true and correct copy of the District Resolution; and

(ii) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect as of the Closing.

(8) An opinion of County Counsel, addressed to the County, to the District and the Underwriter, in substantially the form attached as Exhibit A hereto;

(9) A certificate, together with a fully executed copy of the County Resolution, of the Clerk of the Board of Supervisors to the effect that:

(i) such copy is a true and correct copy of the County Resolution; and

(ii) that the County Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect as of the Closing;

(10) A “deemed final” certificate of the appropriate official of the District with respect to the Preliminary Official Statement in accordance with the Rule;

(11) The Continuing Disclosure Certificate, in substantially the form appended to the Preliminary Official Statement, signed by an appropriate official of the District;

(12) A certificate of the Paying Agent, signed by a duly authorized officer of the Paying Agent, and in form and substance satisfactory to the Underwriter, to the effect that, to the best of the Paying Agent’s knowledge, no litigation is pending or threatened (either in state or federal

courts) (A) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Notes, or (B) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Notes or the validity or enforceability of the Notes or any agreement with the Paying Agent;

(13) A receipt of the County for the net proceeds of the Notes;

(14) A certificate signed by an appropriate official of the County to the effect that (i) such official is authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing, (iii) the County has taken all actions required to be taken by it in order to authorize the issuance and delivery of the Notes; (iv) the County has complied with all the terms of the County Resolution and this Purchase Contract to be complied with by the County prior to or concurrently with the Closing and such documents are in full force and effect, (v) the Official Statement under the caption, "RIVERSIDE COUNTY POOLED INVESTMENT FUND" to the best of his or her knowledge does not contain any untrue statements of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; and (vi) the Notes being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the County Resolution;

(15) An opinion of counsel to the Underwriter in form and substance satisfactory to the Underwriter; and

(16) Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Underwriter may reasonably request in order to evidence compliance (i) by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained and of the Official Statement, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

If the County or the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing or by telephone or telecopy, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

11. **Conditions to Obligations of the District.** The performance by the County and the District of their respective obligations under this Purchase Contract is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the County, the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than themselves.

12. **Expenses.** The District shall pay the costs of issuance associated with the Notes, including the following: (i) the fees and disbursements of Bond Counsel and Disclosure Counsel; (ii) the cost of the preparation, printing and delivery of the Notes; (iii) the fees, if any, for ratings agencies, including all expenses related to obtaining the ratings, such as meals, transportation and lodging, if any; (iv) the cost of the printing and distribution of the Official Statement; (v) the fees of the Paying Agent; (vi) the fees of the California Debt and Investment Advisory Commission; and (vii) all other fees and expenses incident to the issuance and sale of Notes. Any expenses owing following the depletion of said amount shall be paid from lawfully available funds of the District. The District hereby directs the Underwriter to wire a portion of the purchase price identified in Section 1 hereof, in an amount equal to [\$ _____] to U.S. Bank National Association, for the payment of such costs.

Except as provided above, the Underwriter shall pay (i) the cost of preparation of this Purchase Contract; (ii) all advertising expenses in connection with the public offering of the Notes; and (iii) all other expenses incurred by it in connection with the public offering of the Notes, including the fees and disbursements of counsel retained by the Underwriter.

The District acknowledges that it has had the opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Notes.

13. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the County, to the Treasurer-Tax Collector, County of Riverside, 4080 Lemon Street, 4th Floor, Riverside, California 92501, if to the District, to the Superintendent of Desert Sands Unified School District, 47-950 Dune Palms Road, La Quinta, California 92253, or if to the Underwriter, RBC Capital Markets, LLC, 777 South Figueroa Street, Suite 850, Los Angeles, California, 90017, Attention: Rod Carter, Managing Director.

14. **Parties In Interest; Survival of Representations and Warranties.** This Purchase Contract when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriter. This Purchase Contract is made solely for the benefit of the County, the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the County or the District in this Purchase Contract shall survive regardless of (a) any investigation of any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Notes hereunder, and (c) any termination of this Purchase Contract.

15. **Execution in Counterparts.** This Purchase Contract may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

16. **Integration.** This Purchase Contract, including the exhibits hereto, constitutes the entire agreement among the parties and between any of them, relating to the Notes, and supersedes all prior agreements and understandings, whether oral or written, concerning the purchase, sale, delivery and terms of payment of the Notes.

17. **Applicable Law.** This Purchase Contract shall be interpreted, governed and enforced in accordance with the law of the State of California applicable to contracts made and performed in such State.

Very truly yours,

RBC CAPITAL MARKETS LLC, as Underwriter

By _____
Managing Director

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

DESERT SANDS UNIFIED SCHOOL DISTRICT

By _____
[]

Accepted at _____ p.m. California Time
on this _____ day of [_____], 2013.

COUNTY OF RIVERSIDE, CALIFORNIA

By _____
Treasurer-Tax Collector

Approved as to form:

COUNTY COUNSEL

By _____
Deputy County Counsel

EXHIBIT A

OPINION OF COUNTY COUNSEL

[Closing Date]

County of Riverside
Treasurer-Tax Collector's Office
4080 Lemon Street, 4th Floor
Riverside, California 92501

Board of Education
Desert Sands Unified School District
47-950 Dune Palms Road
La Quinta, California 92253

RBC Capital Markets LLC
777 South Figueroa Street, Suite 850
Los Angeles, California 90017

Re: [\$ _____] Desert Sands Unified School District 2012-13 Tax and Revenue
Anticipation Notes

Ladies and Gentlemen:

This opinion is rendered and delivered in connection with the issuance by the Board of Supervisors of the County of Riverside (the "County") on behalf of the Desert Sands Unified School (the "District") of [\$ _____] aggregate principal amount of the District's 2012-13 Tax and Revenue Anticipation Notes (the "Notes"). The Notes are being issued pursuant to a resolution of the Board of Supervisors of the County adopted on [____], 2013 (the "County Resolution"), at the request of the District made pursuant to a resolution adopted by its Board of Education on [____], 2013 (the "District Resolution").

In rendering this opinion, we have examined the County Resolution, the Purchase Contract, dated [____], 2013 (the "Purchase Contract"), by and among the County, the District and RBC Capital Markets, LLC, as Underwriter, and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein.

Based upon the foregoing, and solely with respect to the laws of the State of California (the "State"), we are of the opinion, as of the date hereof, that:

1. The County is a political subdivision duly organized and validly existing pursuant to the Constitution and the laws of the State.

2. The County Resolution approving and authorizing the execution, sale and delivery of the Purchase Contract and the issuance of the Notes 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, has

not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof.

3. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public agency or body pending, in which service of process has been completed, or threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Notes to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution of the Purchase Contract or the issuance of the Notes or in any way contesting or affecting the validity or enforceability of the Notes, the Purchase Contract, or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolution or the Purchase Contract; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Notes.

4. The Purchase Contract has been duly authorized, executed and delivered by the County and the Notes have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Purchase Contract will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms.

With respect to the opinions we have expressed above, enforcement of the rights and obligations under the County Resolution, the Purchase Contract and the Notes may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles if equitable remedies are sought, and by limitations on legal remedies imposed in actions against public entities in the State. We express no opinion as to the availability of equitable remedies in connection with enforcement of the County Resolution, the Purchase Contract or the Notes.

Very truly yours,

County Counsel