

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

525
A



FROM: Don Kent, Treasurer/Tax Collector

SUBMITTAL DATE:
February 13, 2013

SUBJECT: Resolution No. 2013-043 – Val Verde Unified School District 2012 Election General Obligation Bonds, 2013 Series A (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2013-043 providing for the issuance and sale of Val Verde Unified School District 2012 Election General Obligation Bonds, 2013 Series A in a principal amount not to exceed \$43,000,000.


BACKGROUND: Education Code Section 15140 requires that General Obligation Bonds of a school district be offered for sale by the Board of Supervisors of the County when the County's Superintendent of Schools has jurisdiction over the district and when the district wishes to offer its bonds via a negotiated sale. Although California law permits a board of supervisors to opt out of that requirement, this Board has not adopted the necessary enabling resolution. At the same time, the County Treasurer has taken the position that school districts should not be negotiating the sale of bonds without his participation.

(Continued on Page 2)


Don Kent, Treasurer-Tax Collector

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

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

C.E.O. RECOMMENDATION: APPROVE
BY: 
Karen L. Johnson
County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

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

ATTACHMENTS FILED WITH THE CLERK OF THE BOARD
 FORM APPROVED COUNTY COUNSEL BY: DALE A. GARDNER DATE: 2/17/13 Departmental Concurrence

Date: February 13, 2013
From: Treasurer-Tax Collector
Subject: Resolution No. 2013-043
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Val Verde Unified School District (the "District"), under the jurisdiction of the Riverside County Superintendent of Schools, wishes to offer bonds via a negotiated sale. Accordingly, the District Board of Education adopted a resolution requesting this Board to sell the District's general obligation bonds which have been duly authorized by the voters of the District.

An election was held on June 5, 2012 pursuant to Section 1 of Article XIII A of the California Constitution, Section 18 of Article XVI of the California Constitution, and Chapter 1 of Part 10 of Division 1 of Title 1 (Section 15266) of the Education Code, codifying, in part, Proposition 39. The measure, which was approved by more than fifty-five percent of the votes cast by eligible voters of the District, authorized the incurrence of general obligation bonded indebtedness in an aggregate principal amount not to exceed \$178,000,000.

This Resolution, 2013-043, authorizes and provides for the issuance of Val Verde Unified School District 2012 Election General Obligation Bonds, 2013 Series A (the "Series 2013 A Bonds") in an aggregate principal amount not to exceed \$43,000,000. The bond proceeds will be used to finance the acquisition, construction, furnishing and equipping of District facilities.

The Series 2013 A Bonds represent a general obligation of the District and do not constitute a debt, liability, or obligation of Riverside County. No part of any fund of the County is pledged or obligated to the payment of the Series 2013 A Bonds.

County Counsel has reviewed Resolution No. 2013-043 and has approved it as to form.

RESOLUTION NO. 2013-043

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF RIVERSIDE, CALIFORNIA, AUTHORIZING THE ISSUANCE AND
SALE OF CERTAIN GENERAL OBLIGATION BONDS OF THE VAL
VERDE UNIFIED SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL
AMOUNT NOT TO EXCEED
\$43,000,000

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RESOLUTION NO. 2013-043

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
RIVERSIDE, CALIFORNIA,
AUTHORIZING THE ISSUANCE AND SALE OF CERTAIN
GENERAL OBLIGATION BONDS OF THE VAL VERDE UNIFIED SCHOOL
DISTRICT IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED
\$43,000,000**

WHEREAS, a duly called election was held within the Val Verde Unified School District (the "District"), County of Riverside (the "County"), on June 5, 2012 (the "Election"), under the provisions of the Strict Accountability in Local School Construction Bonds Act, at Section 15264 *et seq.*, of the Education Code of the State of California (the "Education Code") and Article XIII A of the Constitution of the State of California (the "State") (collectively, "Proposition 39"), and thereafter canvassed pursuant to law; and

WHEREAS, at the Election, there was submitted to and approved by the requisite fifty-five percent (55%) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$178,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization"); and

WHEREAS, no general obligation bonds authorized under the Authorization have heretofore been issued and sold; and

WHEREAS, the County Registrar of Voters has certified the results of the Election to the District and the District has appointed a Citizens Oversight Committee as required under the Authorizing Law; and

WHEREAS, the Board of Education (the "District Board") has determined that the District has a requirement for the construction, improvement, furnishing and equipping of certain of its public school facilities, as provided for in the Authorization (collectively, the "Projects"); and

FORM APPROVED COUNTY COUNSEL
BY: DALE A. GARDNER DATE: 2/7/13

1 **WHEREAS**, the District Board has requested that the County Board of
2 Supervisors (the “County Board”) of the County issue not to exceed \$43,000,000 of general
3 obligation bonds in the name and on behalf of the District, pursuant to the Election;

4 **NOW THEREFORE, IT IS ORDERED** by the Board of Supervisors of the
5 County of Riverside as follows:

6 SECTION 1. Definitions. The following terms shall for all purposes of this
7 Resolution have the following meanings:

8 “Authorized Investments” shall mean legal investments authorized by
9 Section 53601 of the Government Code of the State of California.

10 “Authorized Officers” shall mean the Treasurer or any Deputy Treasurer of the
11 County, or their duly appointed deputies.

12 “Authorizing Law” shall mean, collectively, (i) Article 4.5 of Chapter 3 of Part 1
13 of Division 2 of Title 5 of the Government Code of the State, as amended, and (ii) Article XIII A
14 of the California Constitution.

15 “Bond Obligation” shall mean from time to time as of the date of calculation, with
16 respect to any Bond, the Principal Amount thereof.

17 “Bond Register” shall mean the books referred to in Section 16 of this Resolution.

18 “Bonds” shall mean, the District’s 2012 Election General Obligation Bonds, 2013
19 Series A, issued and delivered pursuant to this Resolution.

20 “Bond Year” shall mean the twelve-month period commencing August 1 in any
21 year and ending on the last day of July in the next succeeding year, both dates inclusive, or as
22 otherwise set forth in the Purchase Contract; provided, however, that the first Bond Year shall
23 commence on the day the Bonds are issued and shall end on July 31, 2013, both dates inclusive,
24 or as otherwise set forth in the Purchase Contract.

25 “Building Fund” shall mean the 2013 General Obligation Building Fund of the
26 District, established by the Superintendent of Schools at the direction of the District and
27 administered by the Treasurer-Tax Collector.

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1 “Business Day” shall mean a day which is not a Saturday, Sunday or a day on
2 which banking institutions in the State or the State of New York and the New York Stock
3 Exchange are authorized or required to be closed.

4 “Code” shall mean the Internal Revenue Code of 1986, as amended.

5 “Continuing Disclosure Agreement” shall mean the Continuing Disclosure
6 Agreement of the District for the benefit of the Owners of the Bonds.

7 “Costs of Issuance” shall mean all of the costs of issuing the Bonds, including but
8 not limited to, all printing and document preparation expenses in connection with this Resolution,
9 the Bonds and the Official Statement (as defined herein) pertaining to the Bonds and any and all
10 other agreements, instruments, certificates or other documents prepared in connection therewith;
11 financial advisory fees; underwriter’s fees; rating agency fees and related travel expenses;
12 auditor’s fees; CUSIP Service Bureau charges; legal fees and expenses of counsel with respect to
13 the financing; the initial fees and expenses of the Paying Agent; fees for credit enhancement
14 relating to the Bonds; and other fees and expenses incurred in connection with the issuance of the
15 Bonds, to the extent such fees and expenses are approved by the District.

16 “County” shall mean the County of Riverside, California.

17 “County Office of Education” shall mean the Office of Education of the County
18 and such other persons as may be designated by the County Office of Education to perform the
19 operational and disbursement functions hereunder.

20 “Debt Service” shall have the meaning given to that term in Section 19(c) of this
21 Resolution.

22 “Debt Service Fund” shall mean the Debt Service Fund established pursuant to
23 Section 19(a) of this Resolution.

24 “Depository” shall mean DTC and its successors and assigns or if (a) the then
25 Depository resigns from its functions as securities depository of the Bonds, or (b) the County
26 discontinues use of the Depository pursuant to this Resolution, any other securities depository
27 which agrees to follow procedures required to be followed by a securities depository in
28 connection with the Bonds and which is selected by the Treasurer.

1 “DTC” shall mean The Depository Trust Company, New York, New York, and its
2 successors and assigns.

3 “Excess Earnings Fund” shall mean the Excess Earnings Fund established
4 pursuant to Section 22 of this Resolution.

5 “Fiscal Year” shall mean the twelve-month period commencing on July 1 of each
6 year and ending on the following June 30, or any other fiscal year in effect for the District.

7 “Information Services” shall mean the Electronic Municipal Market Access
8 System (“EMMA”), a facility of the Municipal Securities Rulemaking Board, at
9 <http://emma.msrb.org>; and, in accordance with then current guidelines of the Securities and
10 Exchange Commission, such other addresses and/or such other services providing information
11 with respect to called bonds as the District may designate in a certificate of the District delivered
12 to the Paying Agent.

13 “Interest Payment Date” shall mean February 1 and August 1 in each year, or as
14 otherwise specified in the Purchase Contract, commencing on the date specified in the Purchase
15 Contract.

16 “Moody’s” shall mean Moody’s Investors Service, a corporation organized and
17 existing under the laws of the State of Delaware, its successors and assigns.

18 “Nominee” shall mean the nominee of the Depository which may be the
19 Depository, as determined from time to time by the Depository.

20 “Official Statement” shall mean the final Official Statement prepared in
21 connection with the sale of the Bonds.

22 “Outstanding” when used with reference to the Bonds, shall mean, as of any date,
23 Bonds theretofore issued or thereupon being issued under this Resolution except:

- 24 (i) Bonds canceled at or prior to such date;
- 25 (ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered
26 pursuant to Section 14 hereof, or
- 27 (iii) Bonds for the payment or redemption of which funds or eligible securities in the
28 necessary amount shall have been set aside (whether on or prior to the maturity or redemption

1 date of such Bonds), in accordance with Section 41 of this Resolution.

2 “Owner” shall mean the registered owner, as indicated in the Bond Register, of
3 any Bond.

4 “Participant” shall mean a member of or participant in the Depository.

5 “Paying Agent” shall mean U.S. Bank National Association, its successors and
6 assigns.

7 “Pledged Moneys” shall have the meaning given to that term in Section 18 of this
8 Resolution.

9 “Preliminary Official Statement” shall mean the Preliminary Official Statement
10 with respect to the Bonds, submitted to and considered at this meeting of the County Board.

11 “Principal” or “Principal Amount” shall mean, as of any date of calculation, with
12 respect to any Bond, the principal amount thereof.

13 “Principal Payment Date” shall mean August 1 in the years specified in the
14 Purchase Contract, commencing on the date or dates designated therein.

15 “Projects” shall include the capital improvements further described in Section 8 of
16 this Resolution.

17 “Project Costs” shall mean all of the expenses of and incidental to the construction
18 and/or acquisition of the Projects, including Costs of Issuance.

19 “Purchase Contract” shall mean the Purchase Contract by and among the County,
20 the District and the Underwriter relating to the Bonds.

21 “Record Date” shall mean the close of business on the fifteenth calendar day of the
22 month next preceding an Interest Payment Date, whether or not such day is a Business Day.

23 “Regulations” shall mean the regulations of the United States Department of the
24 Treasury proposed or promulgated under Sections 103 and 141 through 150 of the Code which by
25 their terms are effective with respect to the Bonds and similar Treasury Regulations to the extent
26 not inconsistent with Sections 103 and 141 through 150 of the Code, including regulations
27 promulgated under Section 103 of the Internal Revenue Code of 1954, as amended.

28

1 “Resolution” shall mean this Resolution.

2 “S&P” shall mean Standard & Poor’s Ratings Group, a Standard & Poor’s
3 Financial Services LLC business, its successors and assigns, except that if such corporation shall
4 no longer perform the functions of a securities rating agency for any reason, the term “S&P” shall
5 be deemed to refer to any other nationally recognized securities rating agency selected by the
6 District.

7 “Securities Depositories” shall mean The Depository Trust Company, 55 Water
8 Street, New York, New York 10041, Fax (212) 855-1000 or 7320; and, in accordance with then
9 current guidelines of the Securities and Exchange Commission, such other addresses and/or such
10 other securities depositories as the County may designate in a Certificate of the County delivered
11 to the Paying Agent.

12 “State” shall mean the State of California.

13 “Superintendent of Schools” shall mean the Superintendent of Schools of the
14 County of Riverside.

15 “Supplemental Resolution” shall mean any resolution supplemental to or
16 amendatory of this Resolution, adopted by the County in accordance with Section 38 or
17 Section 39 hereof.

18 “Tax Certificate” shall mean the Tax Certificate of the District delivered in
19 connection with the issuance of the Bonds.

20 “Transfer Amount” shall mean the aggregate Principal Amount of any Outstanding
21 Bond.

22 “Treasurer” shall mean the Treasurer–Tax Collector of the County or any
23 authorized deputy thereof.

24 “Underwriter” shall mean Piper Jaffray & Company.

25 SECTION 2. Rules of Construction. Words of the masculine gender shall be
26 deemed and construed to include correlative words of the feminine and neuter genders, and vice
27 versa. Except where the context otherwise requires, words importing the singular shall include
28

1 the plural and vice versa, and words importing persons shall include firms, associations and
2 corporations, including public bodies, as well as natural persons.

3 SECTION 3. Authority for this Resolution. This Resolution is adopted pursuant
4 to the provisions of the Authorizing Law.

5 SECTION 4. Resolution to Constitute Contract. In consideration of the purchase
6 and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall
7 own the same from time to time, this Resolution shall be deemed to be and shall constitute a
8 contract among the County, the District and the Owners from time to time of the Bonds; and the
9 pledge made in this Resolution shall be for the equal benefit, protection and security of the
10 Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance
11 or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds
12 over any other thereof.

13 SECTION 5. Approval of Sale. The Authorized Officers, in consultation with
14 Bond Counsel, are each, acting alone, hereby authorized and directed to issue and deliver the
15 Bonds and to establish the final Principal Amount thereof, provided, however, that such
16 combined Principal Amount (in one or more series) shall not exceed \$43,000,000. The form of
17 the Purchase Contract, substantially in the form presented to this meeting and on file with the
18 Clerk of the County Board, is hereby approved. The Treasurer, or his deputy, and such other
19 officers of the County as may be authorized by the County Board are, and each of them acting
20 alone is, authorized and directed to execute and deliver the Purchase Contract for and in the name
21 and on behalf of the County, with such additions, changes or corrections therein as the Authorized
22 Officer executing the same may approve, in his discretion, as being in the best interests of the
23 County, such approval to be conclusively evidenced by such officer's execution thereof, and any
24 other documents required to be executed thereunder, and to deliver the same to the Underwriter.
25 The Authorized Officers are, and each of them acting alone hereby is, in consultation with such
26 authorized officers of the District, authorized and directed to negotiate with the Underwriter the
27 interest rates on the Bonds and the purchase price of the Bonds to be paid by the Underwriter,
28 which purchase price shall reflect an Underwriter's discount of not to exceed 0.85% (not

1 including original issue discount) of the Principal Amount thereof. Final terms of the Bonds shall
2 be as set forth in the Purchase Contract.

3 Pursuant to Section 53508.9 of the Government Code, the County Board hereby
4 approves of the sale of the Bonds on a negotiated basis to the Underwriter. The District has
5 determined that conditions in the municipal marketplace are sufficiently complex, given the
6 District's need to market and sell the Bonds on an accelerated schedule, so that the increased
7 flexibility the Underwriter can provide in structuring and planning the sale of the Bonds dictates
8 sale on a negotiated rather than a competitive basis. The Costs of Issuance of the Bonds, which
9 include an Underwriter's discount and bond counsel fees, printing and rating charges and related
10 fees, are estimated at no more than 2.25% of the Principal Amount of the Bonds. If Bond
11 Insurance is purchased to secure all or a portion of the Bonds, the estimated premium therefor is
12 1.5% of the Principal Amount of the Bonds.

13 SECTION 6. Authorization of Officers. The Authorized Officers and their
14 authorized representatives are, and each of them acting alone is, hereby authorized to execute any
15 and all documents and do and perform any and all acts and things, from time to time, consistent
16 with this Resolution and necessary or appropriate to carry the same into effect and to carry out its
17 purposes.

18 SECTION 7. Use of Bond Proceeds. Bonds of the District shall be issued in the
19 name and on behalf of the District in an aggregate Principal Amount not to exceed \$43,000,000,
20 for the financing of the acquisition, construction, furnishing and equipping of District facilities for
21 some or all of the Projects authorized at the Election, the bond proposition and project list
22 approved at which shall be incorporated herein by this reference as though fully set forth in this
23 Resolution.

24 SECTION 8. Designation and Form; Payment.

25 (a) An issue of Bonds of up to three or more series entitled to the benefit,
26 protection and security of this Resolution is hereby authorized in an aggregate Principal Amount
27 not to exceed \$43,000,000. Such Bonds shall be general obligations of the District, payable as to
28 Principal, premium, if any, and interest from *ad valorem* taxes to be levied upon all of the taxable

1 property in the District. The Bonds shall be designated “Val Verde Unified School District 2012
2 Election General Obligation Bonds, 2013 Series A” or as otherwise set forth in the Purchase
3 Contract. The Bonds shall be subject to redemption as further set forth in the Purchase Contract,
4 pursuant to this Resolution.

5 (b) The forms of the Bonds shall be substantially in conformity with the
6 standard forms of registered school district bonds, copies of which are attached hereto as
7 Exhibit A and incorporated herein by this reference.

8 (c) Principal, premium, if any, and interest with respect to any Bond are
9 payable in lawful money of the United States of America. Principal and premium, if any, is
10 payable upon surrender thereof at maturity or earlier redemption at the principal office of the
11 Paying Agent in Los Angeles, California.

12 SECTION 9. Description of the Bonds.

13 (a) The Bonds shall be issued in fully registered form, without coupons, in
14 denominations of \$5,000 or any integral multiple thereof, provided that one such Bond may be in
15 an irregular denomination. The Bonds shall be dated and shall mature on the dates, in the years
16 and in the Principal Amounts, and interest shall be computed at the rates, set forth in the Purchase
17 Contract.

18 (b) Interest on each Bond shall accrue from its dated date as set forth in the
19 Purchase Contract. Interest on Bonds shall be computed using a year of 360 days comprised of
20 twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof
21 as of the close of business on the Record Date. Interest on each Bond will be payable from the
22 Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered
23 after the close of business on any Record Date and before the close of business on the
24 immediately following Interest Payment Date, in which event interest with respect thereto shall
25 be payable from such following Interest Payment Date; or (ii) it is registered prior to the close of
26 business on the first Record Date, in which event, interest shall be payable from its dated date;
27 provided, however, that if at the time of registration of any Bond, interest thereon is in default,
28 interest with respect thereto shall be payable from the Interest Payment Date to which interest has

1 previously been paid or made available for payment. Payments of interest on the Bonds will be
2 made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class
3 mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner
4 of \$1,000,000 or more of such Bonds, to the account specified by such Owner in a written request
5 delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date;
6 provided, however, that payments of defaulted interest shall be payable to the person in whose
7 name such Bond is registered at the close of business on a special record date fixed therefor by
8 the Paying Agent which shall not be more than 15 days and not less than ten days prior to the date
9 of the proposed payment of defaulted interest.

10 SECTION 10. Reserved.

11 SECTION 11. Book-Entry System.

12 (a) The Bonds shall be initially issued in the form of a separate single fully
13 registered Bond (which may be typewritten) for each of the maturities of the Bonds within each
14 series, except that one or more maturities with different tranches and interest rates may be
15 represented by separate Bonds, and that separate Bonds may be issued to represent Bonds
16 maturing in the same years, if any. Upon initial issuance, the ownership of each such Bond
17 certificate shall be registered in the Bond Register in the name of the Nominee as nominee of the
18 Depository. Except as provided in subsection (c) hereof, all of the Outstanding Bonds shall be
19 registered in the Bond Register in the name of the Nominee and the Bonds may be transferred, in
20 whole but not in part, only to the Depository, to a successor Depository or to another nominee of
21 the Depository or of a successor Depository.

22 With respect to Bonds registered in the Bond Register in the name of the Nominee,
23 neither the County nor the District shall have any responsibility or obligation to any Participant or
24 to any person on behalf of which such a Participant holds a beneficial interest in the Bonds.
25 Without limiting the immediately preceding sentence, the County and the District shall have no
26 responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the
27 Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (ii) the
28 delivery to any Participant, beneficial owner or any other person, other than the Depository, of

1 any notice with respect to the Bonds, including any redemption notice, (iii) the selection by the
2 Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or
3 (iv) the payment to any Participant, beneficial owner or any other person, other than the
4 Depository, of any amount with respect to Principal of, premium, if any, and interest on the
5 Bonds. The District may treat and consider the person in whose name each Bond is registered in
6 the Bond Register as the absolute Owner of such Bond for the purpose of payment of Principal of,
7 premium, if any, and interest on such Bond, for the purpose of giving Redemption Notices and
8 other notices with respect to such Bond, and for all other purposes whatsoever, including, without
9 limitation, registering transfers with respect to the Bonds.

10 The Paying Agent shall pay all Principal of, premium, if any, and interest on the
11 Bonds only to the respective Owners, as shown in the Bond Register, and all such payments shall
12 be valid hereunder with respect to payment of Principal of, premium, if any, and interest on the
13 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the
14 Bond Register, shall receive a Bond evidencing the obligation to make payments of Principal of,
15 premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the
16 Paying Agent and the County of written notice to the effect that the Depository has determined to
17 substitute a new nominee in place of the Nominee, and subject to the provisions hereof with
18 respect to Record Dates, the word Nominee in this Resolution shall refer to such new nominee of
19 the Depository.

20 (b) If at any time the Depository notifies the County that it is unwilling or
21 unable to continue as Depository with respect to the Bonds or if at any time the Depository shall
22 no longer be registered or in good standing under the Securities Exchange Act or other applicable
23 statute or regulation and a successor Depository is not appointed by the County within 90 days
24 after the County and the District receive notice or becomes aware of such condition, as the case
25 may be, subsection (a) hereof shall no longer be applicable and the Paying Agent shall issue new
26 bonds representing the Bonds as provided below. In addition, the County and the District may
27 determine at any time that the Bonds shall no longer be represented by book-entry securities and
28 that the provisions of subsection (a) hereof shall no longer apply to the Bonds. In any such event

1 the Paying Agent shall execute and deliver certificates representing the Bonds as provided below.
2 Certificates issued in exchange for book-entry securities pursuant to this subsection (b) shall be
3 registered in such names and delivered in such denominations as the Depository shall instruct the
4 County. The Paying Agent shall then deliver certificates representing the new Bonds to the
5 persons in whose names such Bonds are so registered.

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

12 (c) Notwithstanding any other provision of this Resolution to the contrary, so
13 long as any Bond is registered in the name of the Nominee, all payments with respect to Principal
14 of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be
15 made and given, respectively, as provided in the Representation Letter or as otherwise instructed
16 by the Depository.

17 (d) The initial Depository under this Resolution shall be DTC. The initial
18 Nominee shall be Cede & Co., as nominee of DTC.

19 SECTION 12. Execution of the Bonds.

20 (a) The Bonds shall be executed by the manual or facsimile signature of the
21 Chair of the County Board and the manual or facsimile signature of the Clerk of the County
22 Board or by a deputy of either of such officers. In case any one or more of the officers who shall
23 have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed
24 and sealed shall have been issued by the County on behalf of the District, such Bonds may,
25 nevertheless, be issued, as herein provided, as if the persons who signed or sealed such Bonds had
26 not ceased to hold such offices. Any of the Bonds may be signed and sealed by the County on
27 behalf of the District by such persons as at the time of the execution of such Bonds shall be duly
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1 authorized to hold or shall hold the proper offices in the County, although at the date borne by the
2 Bonds such persons may not have been so authorized or have held such offices.

3 (b) The Bonds shall bear thereon a certificate of authentication executed
4 manually by the Paying Agent. Only such Bonds as shall bear thereon such certificate of
5 authentication duly executed by the Paying Agent shall be entitled to any right or benefit under
6 this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of
7 authentication shall have been duly executed by the Paying Agent. Such certificate of the Paying
8 Agent upon any Bond shall be conclusive evidence that the Bond so authorized has been duly
9 authenticated and delivered under this Resolution and that the Owner thereof is entitled to the
10 benefits of this Resolution.

11 SECTION 13. Transfer and Exchange. The registration of any Bond may be
12 transferred upon the Bond Register upon surrender of such Bond to the Paying Agent. Such Bond
13 shall be endorsed or accompanied by delivery of the written instrument of transfer shown in one
14 of the Exhibits hereto, duly executed by the Owner or his duly authorized attorney, and payment
15 of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of
16 transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in
17 authorized denominations, will be executed and delivered to the transferee in exchange therefor.

18 The Paying Agent shall deem and treat the person in whose name any Outstanding
19 Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether the
20 Principal, premium, if any, or interest with respect to such Bond shall be overdue or not, for the
21 purpose of receiving payment of Principal, premium, if any, and interest with respect to such
22 Bond and for all other purposes, and any such payments so made to any such Owner or upon his
23 order shall be valid and effective to satisfy and discharge the liability upon such Bond to the
24 extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by
25 any notice to the contrary.

26 Bonds may be exchanged at the office of the Paying Agent for Bonds of like tenor,
27 maturity and Transfer Amount of other authorized denominations. All Bonds surrendered in any
28 such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge

1 the Owner a reasonable sum for each new Bond executed and delivered upon any exchange
2 (except in the case of the first exchange of any Bond in the form in which it is originally
3 delivered, for which no charge shall be imposed) and the Paying Agent may require the payment
4 by the Owner requesting such exchange of any tax or other governmental charge required to be
5 paid with respect to such exchange.

6 The Paying Agent shall not be required to register the transfer or exchange of any
7 Bond (i) during the period beginning at the close of business on any Record Date through the
8 close of business on the immediately following Interest Payment Date, or (ii) that has been called
9 or is subject to being called for redemption, during a period beginning at the opening of business
10 15 days before any selection of Bonds to be redeemed through the close of business on the
11 applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only
12 in part.

13 SECTION 14. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond
14 shall become mutilated, the Paying Agent, at the expense of the Owner, shall deliver a new Bond
15 of like date, interest rate, maturity, Transfer Amount, series and tenor as the Bond so mutilated in
16 exchange and substitution for such mutilated Bond, upon surrender and cancellation thereof. All
17 Bonds so surrendered shall be cancelled. If any Bond shall be destroyed, stolen or lost, evidence
18 of such destruction, theft or loss may be submitted to the Paying Agent and if such evidence is
19 satisfactory to the Paying Agent that such Bond has been destroyed, stolen or lost, and upon
20 furnishing the Paying Agent with indemnity satisfactory to the Paying Agent and complying with
21 such other reasonable regulations as the Paying Agent may prescribe and paying such expenses as
22 the Paying Agent may incur the Paying Agent shall, at the expense of the Owner, execute and
23 deliver a new Bond of like date, interest rate, maturity, Transfer Amount and tenor in lieu of and
24 in substitution for the Bond so destroyed, stolen or lost. Any new Bonds issued pursuant to this
25 Section 14 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original
26 additional contractual obligations on the part of the District, whether or not the Bonds so alleged
27 to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured
28 by and entitled to equal and proportionate benefits with all other Bonds issued under this

1 Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of
2 the Bonds.

3 SECTION 15. Bond Register. The Paying Agent shall keep or cause to be kept at
4 its office sufficient books for the registration and registration of transfer of the Bonds. Upon
5 presentation for registration of transfer, the Paying Agent shall, as above provided and under such
6 reasonable regulations as it may prescribe subject to the provisions hereof, register or register the
7 transfer of the Bonds, or cause the same to be registered or cause the registration of the same to
8 be transferred, on such books.

9 SECTION 16. Unclaimed Money. All money which the Paying Agent shall have
10 received from any source and set aside for the purpose of paying or redeeming any of the Bonds
11 shall be held in trust for the respective Owners of such Bonds, but any money which shall be so
12 set aside or deposited by the Paying Agent and which shall remain unclaimed by the Owners of
13 such Bonds for a period of one year after the date on which any payment or redemption with
14 respect to such Bonds shall have become due and payable shall be transferred to the General Fund
15 of the District; provided, however, that the Paying Agent, before making such payment, shall
16 cause notice to be mailed to the Owners of such Bonds, by first class mail, postage prepaid, not
17 less than 90 days prior to the date of such payment to the effect that said money has not been
18 claimed and that after a date named therein any unclaimed balance of said money then remaining
19 will be transferred to the General Fund of the District. Thereafter, the Owners of such Bonds
20 shall look only to the General Fund of the District for payment of such Bonds.

21 SECTION 17. Application of Proceeds. Upon the sale of the Bonds, the
22 Treasurer is hereby directed to deposit or cause to be deposited the proceeds thereof, exclusive of
23 accrued interest and any original issue premium, into the Building Fund established for the
24 account of the District which shall be administered by the County Office of Education and which
25 shall be kept separate and apart from all other accounts held hereunder. The District shall, from
26 time to time, disburse or cause to be disbursed amounts from the Building Fund to pay Project
27 Costs. Amounts in the Building Fund shall be invested so as to be available for the
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1 aforementioned disbursements. The District shall keep a written record of disbursements from
2 the Building Fund. The County makes no assurance regarding the use of proceeds of the Bonds.

3 Any amounts that remain in the Building Fund upon the completion of the Projects
4 shall be transferred to the Debt Service Fund to be used to pay the Principal of, premium, if any,
5 and interest on the Bonds, subject to any conditions set forth in the Tax Certificate.

6 SECTION 18. Payment and Security for the Bonds. The County shall annually at
7 the time of making the levy of taxes for County purposes levy a continuing direct *ad valorem* tax
8 for the upcoming Fiscal Year upon the taxable property in the District in an amount at least
9 sufficient, together with moneys on deposit in the Debt Service Fund and available for such
10 purpose, to pay the Principal of, premium, if any, and interest on each Bond as each becomes due
11 and payable in the next succeeding Fiscal Year. The tax levy may include an allowance for an
12 annual reserve, established for the purpose of avoiding fluctuating tax levies. The County on
13 behalf of the District has pledged as security for the Bonds and the interest thereon, and the
14 Treasurer has been directed to deposit or cause to be deposited in the District's Debt Service
15 Fund, the proceeds from the levy of the aforementioned tax which the County receives (the
16 "Pledged Moneys"). The Pledged Moneys shall be used to pay the Principal of, premium, if any,
17 and interest on the Bonds when and as the same shall become due and payable. The Bonds are
18 the general obligations of the District and do not constitute an obligation of the County. No part
19 of any fund or account of the County is pledged or obligated to the payment of the Bonds or the
20 interest thereon.

21 SECTION 19. Debt Service Fund.

22 (a) The County shall deposit or cause to be deposited any accrued interest and
23 any original issue premium received from the sale of the Bonds in the fund established for the
24 account of the District and designated as the "Val Verde Unified School District 2013 General
25 Obligation Bonds Debt Service Fund" (the "Debt Service Fund") to be administered by the
26 Treasurer and used only for the payment of the Principal of, premium, if any, and interest on the
27 Bonds.

1 (b) All Pledged Moneys shall be deposited upon collection by the County into
2 the Debt Service Fund and used for the payment of the Principal of, premium, if any, and interest
3 on the Bonds.

4 (c) On the Business Day immediately preceding each Interest Payment Date,
5 the District shall cause the County to transfer from the Debt Service Fund to the Paying Agent, an
6 amount, in immediately available funds, sufficient to pay all the Principal of, premium, if any,
7 and interest on the Bonds (collectively, the "Debt Service") on such Interest Payment Date. Debt
8 Service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the
9 payment of Debt Service.

10 (d) The District shall cause additional moneys to be transferred by the County
11 to the extent needed to comply with the Tax Certificate. Any amounts on deposit in the Debt
12 Service Fund when there are no longer any Bonds Outstanding shall be transferred to the General
13 Fund of the District subject to any conditions set forth in the Tax Certificate.

14 SECTION 20. Costs of Issuance Account. The County, shall, upon the instruction
15 of the District, establish an account to be designated as the "Val Verde Unified School District
16 2013 General Obligation Bonds Costs of Issuance Account" (the "Costs of Issuance Account"), to
17 be administered by the Treasurer and debited to pay qualified Costs of Issuance of the Bonds, as
18 directed by the District.

19 SECTION 21. Continuing Disclosure. The form of Continuing Disclosure
20 Agreement attached to the form of Preliminary Official Statement and to be dated the date the
21 Bonds are issued and delivered, for the benefit of the Owners from time to time of the Bonds is
22 hereby approved and the County Board hereby authorizes any Authorized Officer to execute such
23 Continuing Disclosure Agreement with such changes therein as may be approved by any
24 Authorized Officer executing the same. The District hereby covenants and agrees that it will
25 comply with and carry out all of the provisions of such Continuing Disclosure Agreement in order
26 to assist the Underwriter to comply with the requirements of the Rule. Any Owner of Bonds may
27 take such actions as may be necessary and appropriate, including seeking mandamus or specific
28 performance by court order, to cause the District to comply with its obligations under this

1 Section; however, noncompliance with this Section shall not constitute a default under or cause
2 the acceleration of the Bonds.

3 SECTION 22. Establishment and Application of Excess Earnings Fund. There is
4 hereby established a special fund designated “Val Verde Unified School District 2013 General
5 Obligation Bonds Excess Earnings Fund” (the “Excess Earnings Fund”) which shall be
6 administered by the County Office of Education for the account of the District and which shall be
7 kept separate and apart from all other funds and accounts held hereunder. The District shall
8 transfer, or cause to be transferred, moneys from the Building Fund to the Excess Earnings Fund
9 in accordance with the provisions of the Tax Certificate. Amounts on deposit in the Excess
10 Earnings Fund shall only be applied to payments made to the United States or otherwise
11 transferred to other accounts or funds established hereunder in accordance with the Tax
12 Certificate.

13 SECTION 23. Payments of Costs of Issuance. The District shall pay, or cause to
14 be paid, Costs of Issuance not directly paid by the Underwriter or through a designated fiscal
15 agent using moneys disbursed from time to time, as appropriate, from the Building Fund.

16 SECTION 24. Establishment of Additional Funds and Accounts. If at any time it
17 is deemed necessary or desirable by the District, the County Office of Education may establish
18 additional funds under this Resolution or accounts within any of the funds or accounts established
19 hereunder.

20 SECTION 25. Redemption. The Bonds shall be subject to redemption as
21 provided in the Purchase Contract.

22 SECTION 26. Selection of Bonds for Redemption. Whenever provision is made
23 in this Resolution or in the Purchase Contract for the redemption of the Bonds and less than all
24 Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the
25 District given at least 30 days prior to the date designated for such redemption, shall select Bonds
26 for redemption in such order as the District may direct, or, in the absence of such direction, in
27 inverse order of maturity within a series. Within a maturity, the Paying Agent shall select Bonds
28 for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall

1 determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the
2 Principal Amount of \$5,000 or any integral multiple thereof.

3 SECTION 27. Notice of Redemption. When redemption is authorized or required
4 pursuant to this Resolution or the Purchase Contract, the Paying Agent, upon written instruction
5 from the District given at least 30 days prior to the date designated for such redemption, shall
6 give notice (a "Redemption Notice") of the redemption of the Bonds. Such Redemption Notice
7 shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the
8 Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the
9 place or places where the redemption will be made, including the name and address of the Paying
10 Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be
11 redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case
12 of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and
13 (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in
14 whole or in part. Such Redemption Notice shall further state that on the specified date there shall
15 become due and payable upon each Bond or portion thereof being redeemed the redemption price,
16 together with the interest accrued to the redemption date, and that from and after such date
17 interest with respect thereto shall cease to accrue or accrete and be payable.

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

20 (a) At least 20 but not more than 45 days prior to the redemption date, such
21 Redemption Notice shall be given to the respective Owners of Bonds designated for redemption
22 by first class mail, postage prepaid, at their addresses appearing on the Bond Register.

23 (b) In the event that the Bonds shall no longer be held in book-entry only form,
24 at least two days before the date of the notice required by clause (a) of this Section, such
25 Redemption Notice shall be given by (i) first class mail, postage prepaid, (ii) telephonically
26 confirmed facsimile transmission, or (iii) overnight delivery service, to each of the Securities
27 Depositories.

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1 (c) In the event that the Bonds shall no longer be held in book-entry only form,
2 at least two days before the date of the notice required by clause (a) of this Section, such
3 Redemption Notice shall be given by (i) first class mail, postage prepaid, or (ii) overnight
4 delivery service, to one of the Information Services.

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

10 SECTION 28. Partial Redemption of Bonds. Upon the surrender of any Bond
11 redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new
12 Bond or Bonds of like tenor and maturity and of Authorized Denominations equal in Transfer
13 Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be
14 valid upon payment of the amount required to be paid to such Owner, and the District shall be
15 released and discharged thereupon from all liability to the extent of such payment.

16 SECTION 29. Effect of Notice of Redemption. Notice having been given as
17 aforesaid, and the moneys for the redemption (including the interest to the applicable date of
18 redemption) having been set aside for the payment of their redemption price, the Bonds to be
19 redeemed shall become due and payable on such date of redemption.

20 If on such redemption date, money for the redemption of all the Bonds to be
21 redeemed as provided in Section 26 hereof, together with interest to such redemption date, shall
22 be held by the Paying Agent so as to be available therefor on such redemption date, and if notice
23 of redemption thereof shall have been given as aforesaid, then from and after such redemption
24 date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable.
25 All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in
26 trust for the account of the Owners of the Bonds so to be redeemed.

27 All Bonds paid at maturity or redeemed prior to maturity pursuant to the
28 provisions of Sections 26, 27 and 28 shall be cancelled upon surrender thereof and delivered to or

1 upon the order of the District. All or any portion of a Bond purchased by the District shall be
2 cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

3 SECTION 30. Paying Agent, Appointment and Acceptance of Duties.

4 (a) The County Board and the Treasurer hereby consent to and confirm the
5 appointment of U.S. Bank National Association to act as Paying Agent for the Bonds under this
6 Resolution. All fees and expenses incurred for services of the Paying Agent shall be the sole
7 responsibility of the District. The Paying Agent shall have a corporate trust office in Los
8 Angeles, California.

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

12 SECTION 31. Liability of Paying Agent. The Paying Agent makes no
13 representations as to the validity or sufficiency of this Resolution or of any Bonds issued
14 hereunder or as to the security afforded by this Resolution, and the Paying Agent shall incur no
15 liability in respect hereof or thereof.

16 SECTION 32. Evidence on Which Paying Agent May Act. The Paying Agent,
17 upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or
18 other paper or document furnished to it pursuant to any provision of this Resolution, shall
19 examine such instrument to determine whether it conforms to the requirements of this Resolution
20 and shall be protected in acting upon any such instrument believed by it to be genuine and to have
21 been signed or presented by the proper party or parties. The Paying Agent may consult with
22 counsel, who may or may not be counsel to the District, and the opinion of such counsel shall be
23 full and complete authorization and protection in respect of any action taken or suffered by it
24 under this Resolution in good faith and in accordance therewith.

25 SECTION 33. Compensation. The District shall pay to the Paying Agent from
26 time to time reasonable compensation for all services rendered under this Resolution, and also all
27 reasonable expenses, charges, counsel fees and other disbursements, including those of its
28 attorneys, agents, and employees, incurred in and about the performance of their powers and

1 duties under this Resolution. In no event shall the County be required to expend its own funds
2 hereunder.

3 SECTION 34. Ownership of Bonds Permitted. The Paying Agent or the
4 Underwriter may become the Owner of any Bonds.

5 SECTION 35. Resignation or Removal of Paying Agent and Appointment of
6 Successor.

7 (a) The Paying Agent initially appointed hereunder may resign from service as
8 Paying Agent and the County on behalf of the District may remove such Paying Agent or any
9 subsequent Paying Agent as provided in the respective Paying Agent's service agreement.
10 Without further action by the District, if at any time the Paying Agent shall resign or be removed,
11 the Treasurer shall appoint a successor Paying Agent, which shall be a bank or trust company
12 doing business in and having a corporate trust office in Los Angeles, California, with at least
13 \$50,000,000 in net assets. The Paying Agent shall keep accurate records of all funds
14 administered by it and of all Bonds paid and discharged by it. Such records shall be provided,
15 upon reasonable request, to the County in a format mutually agreeable to the Paying Agent and
16 the County. Such successor Paying Agent shall signify the acceptance of its duties and
17 obligations hereunder by executing and delivering to the District, a written acceptance thereof.
18 Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance
19 of a successor Paying Agent.

20 (b) In the event of the resignation or removal of the Paying Agent, such Paying
21 Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor,
22 or, if there is no successor, the Treasurer shall be the Paying Agent.

23 SECTION 36. Investment of Certain Funds. Moneys held in all funds and
24 accounts established hereunder shall be invested and reinvested by the Treasurer in Authorized
25 Investments to the fullest extent practicable as shall be necessary to provide moneys when needed
26 for payments to be made from such funds or accounts, subject to any conditions set forth in the
27 Tax Certificate. Nothing in this Resolution shall prevent any investment securities acquired as
28 investments of funds held hereunder from being issued or held in book-entry form on the books

1 of the Department of the Treasury of the United States. All investment earnings on amounts on
2 deposit in the Debt Service Fund shall remain on deposit in such fund.

3 SECTION 37. Valuation and Sale of Investments. Obligations purchased as an
4 investment of moneys in any fund or account shall be deemed at all times to be a part of such
5 fund or account. Profits or losses attributable to any fund or account shall be credited or charged
6 to such fund or account. In computing the amount in any fund or account created under the
7 provisions of this Resolution for any purpose provided in this Resolution, obligations purchased
8 as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued
9 interest.

10 SECTION 38. Supplemental Resolutions With Consent of Owners. This
11 Resolution, and the rights and obligations of the County, the District and of the Owners of the
12 Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution
13 adopted by the County with the written consent of Owners owning at least 60% in aggregate
14 Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or
15 the District. Notwithstanding the foregoing, no such modification or amendment shall, without
16 the express consent of the Owner of each Bond affected, reduce the Principal Amount of any
17 Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof,
18 extend its maturity or the times for paying interest thereon or change the monetary medium in
19 which Principal and interest is payable, nor shall any modification or amendment reduce the
20 percentage of consents required for amendment or modification thereof or hereof. No such
21 Supplemental Resolution shall change or modify any of the rights or obligations of any Paying
22 Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no
23 such consent shall be required if the Owners are not directly and adversely affected by such
24 amendment or modification.

25 SECTION 39. Supplemental Resolutions Effective Without Consent of Owners.
26 For any one or more of the following purposes and at any time or from time to time, a
27 Supplemental Resolution of the County may be adopted, which, without the requirement of
28 consent of the Owners, shall be fully effective in accordance with its terms:

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

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

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

10 (d) To cure any ambiguity, supply any omission, or cure to correct any defect
11 or inconsistent provision in this Resolution; or

12 (e) To amend or supplement this Resolution in any other respect, provided
13 such Supplemental Resolution does not, in the opinion of nationally recognized bond counsel,
14 adversely affect the interests of the Owners.

15 SECTION 40. Effect of Supplemental Resolution. Any act done pursuant to a
16 modification or amendment so consented to shall be binding upon the Owners of all the Bonds
17 and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the
18 character of such act may be, and may be done and performed as fully and freely as if expressly
19 permitted by the terms of this Resolution, and after consent relating to such specified matters has
20 been given, no Owner shall have any right or interest to object to such action or in any manner to
21 question the propriety thereof or to enjoin or restrain the County or the District or any officer or
22 agent of either from taking any action pursuant thereto.

23 SECTION 41. Defeasance. If all Outstanding Bonds shall be paid and discharged
24 in any one or more of the following ways:

25 (1) by well and truly paying or causing to be paid the Principal of and interest
26 on all Bonds Outstanding, as and when the same become due and payable;

27 (2) by depositing with the Paying Agent, in trust, at or before maturity, cash
28 which, together with the amounts then on deposit in the Debt Service Fund, is fully

1 sufficient to pay all Bonds Outstanding on the redemption date or at maturity thereof,
2 including any premium and all interest thereon, notwithstanding that any Bonds shall not
3 have been surrendered for payment; or

4 (3) by depositing with an institution to act as escrow agent selected by the
5 District and which meets the requirements of serving as Paying Agent pursuant to
6 Section 35, in trust, lawful money or noncallable direct obligations issued by the United
7 States Treasury (including State and Local Government Series Obligations) or obligations
8 which are unconditionally guaranteed by the United States of America and permitted
9 under Section 149(b) of the Code and Regulations which, in the opinion of nationally
10 recognized bond counsel, will not impair the exclusion from gross income for federal
11 income tax purposes of interest on the Bonds, in such amount as will, together with the
12 interest to accrue thereon without the need for further investment, be fully sufficient, in
13 the opinion of a verification agent satisfactory to the District, to pay and discharge all
14 Bonds Outstanding at maturity thereof, including any premium and all interest thereon,
15 notwithstanding that any Bonds shall not have been surrendered for payment;

16 then all obligations of the County, the District and the Paying Agent under this Resolution with
17 respect to all Outstanding Bonds shall cease and terminate, except only the obligation of the
18 Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the
19 obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under
20 Section 33 hereof.

21 SECTION 42. Reserved.

22 SECTION 43. Limited Liability and Indemnification of County. Notwithstanding
23 anything to the contrary contained herein, in the Bonds or in any other document mentioned
24 herein or used in connection herewith, the County, the County Board, officers, employees and
25 agents shall have no liability hereunder or by reason hereof or in connection with the transactions
26 contemplated hereby. The Bonds shall be payable solely from the levy of the *ad valorem* tax
27 within the District as set forth in Section 18 hereof.

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SECTION 44. Distribution of Certified Copies Hereof. The Clerk of the County

Board shall furnish one (1) copy of this Resolution to each of the following:

Treasurer-Tax Collector
County of Riverside
4080 Lemon Street, 4th Floor
Riverside, CA 92502
Attn: Don Kent

Board of Education
Val Verde Unified School District
975 West Morgan Street
Perris, CA 92570
Attn: Michelle Richardson

Fulbright & Jaworski, L.L.P.
555 South Flower Street, 41st Floor
Los Angeles, CA 90071
Attn: Ann La Morena Rohlin

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SECTION 45. Effective Date. This Resolution shall take effect immediately upon its adoption.

The foregoing resolution was, on the ___ day of February, 2013, adopted by the Board of Supervisors of the County of Riverside and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said County Board so acts.

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

By: _____
Deputy

EXHIBIT A-1

FORM OF BOND

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

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

VAL VERDE UNIFIED SCHOOL DISTRICT
(COUNTY OF RIVERSIDE, CALIFORNIA)
2012 ELECTION GENERAL OBLIGATION BONDS
2013 SERIES A

\$ _____

No. _____

Interest Rate
____%

Maturity Date
August 1, 20__

Dated Date
Date of Delivery

CUSIP

REGISTERED OWNER: CEDE & CO.
PRINCIPAL AMOUNT:

The Val Verde Unified School District (the "District") of the County of Riverside, State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the dated date set forth above until the Principal Amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is payable on August 1, 2013, and semiannually thereafter on the first day of February and August (each, an "Interest Payment Date") in each year to the registered owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth calendar day of the month preceding any Interest Payment Date (a "Record Date") and before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on July 15, 2013, which event it shall bear interest from its date; *provided, however*, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the

Interest Payment Date to which interest has previously been paid or made available for payment). The Principal Amount hereof is payable at the office of U.S. Bank National Association, as initial paying agent (the "Paying Agent"), in Los Angeles, California. The interest hereon is payable by check or draft mailed by first class mail to each registered owner, at his address as it appears on the registration books kept by the Paying Agent as of the Record Date.

The Bonds were issued in the aggregate Principal Amount of \$_____. This Bond is issued by the District under and in accordance with the provisions of (i) Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act") and (ii) Article XIII A of the California Constitution, and pursuant to a resolution of the Board of Supervisors of the County adopted on _____, 2013 (the "Resolution"). Reference is hereby made to the Resolution, a copy of which is on file at the office of the Treasurer of the County, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent, the County and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of more than 55% of the qualified electors of the District voting on the proposition at a general election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to both Principal and interest from *ad valorem* taxes which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Principal of this Bond, or any part thereof, nor any interest or premium hereon constitute a debt, liability or obligation of the County.

This Bond is issued in fully registered form. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20__ shall not be subject to redemption prior to their maturity dates. The Bonds maturing on or before August 1, 20__ may be redeemed before maturity at the option of the District, from any source of funds, on August 1, 20__ or on any date thereafter as a whole, or in part, in inverse order of maturity and by lot within a maturity. For the purposes of such selection, the Bonds will be deemed to consist of \$5,000 portions by Principal Amount, and any such portion may be separately redeemed.

The Bonds maturing on August 1, 20__, are subject to mandatory sinking fund redemption on August 1 of each year, commencing August 1, 20__, in the following principal amounts, at a redemption price of par, plus accrued interest to the redemption date:

Mandatory Sinking Fund
Payment Date

Mandatory Sinking
Fund Payment

August 1, 20__
August 1, 20__
August 1, 20__
August 1, 20__

\$

Whenever provision is made for the redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 60 days prior to the date designated for such redemption, shall select Bonds for redemption in such order as the District may direct, or, in the absence of such direction, in inverse order of maturity within a series. Within a maturity, the Paying Agent shall select Bonds for redemption by lot; provided, however, that the Paying Agent shall select Bonds to be redeemed on the basis of a *pro rata* pass-through distribution of principal in accordance with DTC procedures and provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect and, if the DTC operational arrangements do not allow for redemption on the basis of a *pro rata* pass-through distribution of principal, the Bonds will be selected for redemption in accordance with DTC procedures, by lot. The portion of any Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof.

The rights and obligations of the County and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District; provided, however, that no such modification or amendment shall, without the express consent of the registered owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, extend its maturity or the times for paying interest thereon, or change the monetary medium in which the Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification hereof.

A supplemental resolution of the County may be adopted, which, without the requirement of consent of the registered owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the County in the Resolution, other covenants and agreements to be observed by the County which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the County which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, adversely affect the interests of the owners.

The Paying Agent shall not be required to register the transfer or exchange of any Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

If this Bond is called for redemption and the Principal Amount of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED, that an election was duly and legally called, held and conducted, and the notices thereof duly given, and the results thereof canvassed and declared in accordance with the provisions of the Act and that all of the proceedings of the Board of Education of the District and of the Board of Supervisors of the County in the matter of the issuance of this Bond were regular and in strict accordance with the provisions of the Act and of the Constitution of the State of California, that the total bonded indebtedness of the District, including the issue of which this Bond is a part, does not exceed any limit prescribed by said Act, and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

IN WITNESS WHEREOF, the County of Riverside has caused this Bond to be executed in their official capacities by the manual or facsimile signature of the Chairman of the Board of Supervisors of the County and countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors of the County as of the date stated above.

COUNTY OF RIVERSIDE

By: _____ [Form Document] _____
Chairman, Board of Supervisors

Countersigned:

By: _____ [Form Document] _____
Clerk, Board of Supervisors

The following Certificate of Authentication shall be printed on each Bond:

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Supervisors of the County of Riverside.

DATED: _____, 2013

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent

By: _____ [Form Document] _____
Authorized Designee

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

the within-mentioned Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated:

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature _____

guaranteed

[Bank, Trust Company or Firm]

By _____

Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

EXHIBIT B
FORM OF CONTRACT OF PURCHASE

§ _____
VAL VERDE UNIFIED SCHOOL DISTRICT
COUNTY OF RIVERSIDE, CALIFORNIA
GENERAL OBLIGATION BONDS
2012 ELECTION, 2013 SERIES A

CONTRACT OF PURCHASE

_____, 2013

Board of Education
Val Verde Unified School District
975 West Morgan Street
Perris, California 92571

County of Riverside
Board of Supervisors
4080 Lemon Street
Riverside, CA 92501

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this Contract of Purchase (the "Purchase Contract") with the County of Riverside, California (the "County"), and the Val Verde Unified School District, (the "District"), which, upon your acceptance hereof, will be binding upon the District, the County and the Underwriter. 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 Bonds.** 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 of the District's General Obligation Bonds, 2012 Election, 2013 Series A (the "Bonds"). The Bonds shall bear interest at the rates, and shall mature in the years shown on Exhibit A hereto, which is incorporated herein by this reference.

2. **Closing.** At 8:00 a.m., California Time, on _____, 2013, or at such other time or on such other date as shall have been mutually agreed upon by the Underwriter, the County and the District (the "Closing"), the County and the District shall cause to be delivered to the Underwriter, through the facilities of The Depository Trust Company ("DTC"), New York, New York, or at such other place as the parties hereto may mutually agree upon, the Bonds in

fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Fulbright & Jaworski L.L.P., in Los Angeles, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price. The purchase price shall be paid by wire transfer to the County in immediately available funds, of \$_____ (being equal to the aggregate initial amount of the Bonds, [less net original issue discount] [plus net original issue premium] of \$_____, and less an Underwriter's discount of \$_____. [At the request of the District, on the Closing Date (as defined herein) the Underwriter will wire the bond insurance premium of \$_____ to Assured Guaranty Municipal Corp. (the "Insurer"), and will wire to the District's paying agent the amount of \$_____ for payment of costs of issuance. As a result, the net amount to be wired to the District as the purchase price for the Bonds will be \$_____.]

3. The Bonds. The Bonds shall be dated their date of delivery and are subject to redemption as set forth in Appendix A hereto. In all other respects the Bonds shall 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") and the Resolution of the Board of Supervisors of the County adopted _____, 2013 (the "County Resolution" and collectively with the District Resolution, the "Resolutions") and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act"). All capitalized terms used herein without definition shall have the meanings given to them in the County Resolution.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Resolutions. The Bonds 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; the Bonds shall initially be in authorized denominations of \$5,000 principal amount, or any integral multiple thereof.

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

5. Public Offering of the Bonds. The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering price or yield to be set forth on the inside cover page of the Official Statement. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering price or yield as it deems necessary in connection with the marketing of the Bonds.

The District and the County acknowledge and agree that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the District, the County and the Underwriter and that the Underwriter has

financial and other interests that differ from those of the District and the County, (ii) the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the District or the County or any other person or entity and has not assumed any advisory or fiduciary responsibility to the District or the County with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District or the County on other matters), (iii) the only obligations the Underwriter has to the District and the County with respect to the transaction contemplated hereby expressly are set forth in this Contract of Purchase, except as otherwise provided by applicable rules and regulations of the SEC or the rules of the Municipal Securities Rulemaking Board (the "MSRB"), and (iv) the District and the County have consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate in connection with the transaction contemplated herein. The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under rule G-17 of the MSRB.

6. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated _____, 2013 (the "Preliminary Official Statement"). The District represents that it deems the Preliminary Official Statement to be final, except for either revisions or additions to 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 Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"). The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

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

(a) Due Organization. The District is a unified school district duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (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 Bonds; (ii) the District has full 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

Bonds, the District 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; (iv) this Purchase Contract constitutes a valid and legally binding obligation of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request.

(d) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Contract, the District Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California 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.

(e) Litigation. Except as described in the Preliminary Official Statement, 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 District or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the Resolutions or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract or the Resolutions or contesting the powers of the District or the Resolutions or this Purchase Contract; 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 Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(f) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District directly, nor the County on behalf of the District at the District's request, 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.

(g) Continuing Disclosure. The District will undertake, pursuant to the District Resolution and a Continuing Disclosure Agreement, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. Based on a review of its prior undertakings under the rule, and except as otherwise disclosed in the Official Statement, the District has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events with respect to the last five years.

(h) Certificates. 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) Internal Revenue Code. The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds.

(j) Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the Closing Date, the final Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Final Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

(k) Financial Information. The financial statements of, and other financial information regarding the District contained in the Official Statement fairly present the financial position of the District as of the dates and for the periods therein set forth, (i) the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, (ii) the unaudited financial statements (if any) have been prepared on a basis substantially consistent with the audited financial statements included in the Official Statement and reflect all adjustments necessary to that affect, and (iii) the other financial information has been determined on a basis substantially consistent with that of the District's audited financial statements included in the Official Statement.

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

(a) Due Organization. The County is a political subdivision duly organized and validly existing under the laws of the State of California, with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (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 Bonds 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 the obligations contained in the Bonds, 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; (iv) this Purchase Contract constitutes a valid and legally binding obligation of the County; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

(c) Consents. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, or which have not been taken or obtained; except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, provided, however, that the County 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) No Conflicts. To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Purchase Contract, the County Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the County a violation of or default under, the Constitution of the State of California 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 County is a party or by which it is bound or to which it is subject.

(e) Litigation. Except as described in the Preliminary Official Statement, as of the time of acceptance hereof, based on the advice of County Counsel, no action, suit, proceeding, hearing or investigation is pending or in which service of process has been completed against the County to the best knowledge of the County, threatened against the

County: (i) in any way affecting the existing 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 Bonds, the application of the proceeds of the sale of the Bonds, or the pledge thereof, or the levy of any taxes contemplated by the County Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract or the County Resolution or contesting the powers of the County or their authority with respect to the Bonds, the County Resolution or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County or 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.

(f) No Other Debt. 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 borrowing as may be described in or contemplated by the Official Statement.

(g) Certificates. Any certificates signed by any 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.

9. **Covenants of the County and the District.** The County and the District respectively covenant and agree with the Underwriter and in the case of Section 9(e) below with the owners of the Bonds that:

(a) Securities Laws. The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with, and at the expense of, the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the County and the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

(b) Application of Proceeds. The District will apply the proceeds from the sale of the Bonds for the purposes specified in the District Resolution;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Contract is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being called the "Official Statement") in such reasonable quantities as

may be requested by the Underwriter not later than five (5) business days following the date this Purchase Contract is signed, in order to permit the Underwriter to comply with paragraph (b) (4) of the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing; and

(e) Amendments to Official Statement. For a period of twenty-five (25) days after the Closing or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale, the District will not adopt any amendment of or supplement to the Official Statement to which, promptly after having been furnished with a copy, the Underwriter shall reasonably object in writing or which shall be disapproved by the Underwriter; and if any event relating to or affecting the District shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, forthwith prepare and furnish (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading.

10. **Conditions to Closing.** The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the County and the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Purchase Contract are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the County and the District 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 County and the District shall be in compliance with each of the agreements made by it in this Purchase Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Contract, the District Resolution and the County Resolution 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 us; (ii) all actions under the Act which, in the opinion of Fulbright & Jaworski L.L.P., bond counsel ("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 County and the District shall perform or have performed all of their obligations required under or specified in the District Resolution, the County Resolution, this Purchase Agreement or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. 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 County or the District, be threatened which has any of the effects described in Section 8(e) or 9(e) hereof or contesting in any way the completeness or accuracy of the Official Statement;

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

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds, or an order, ruling, 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, with the purpose or effect, directly or indirectly, of causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; 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 Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) the declaration of war, engagement in or escalation of major military hostilities by the United States or the occurrence of any other national emergency or calamity 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 California authorities, or the general suspension of trading on any national securities exchange;

(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 Bonds, or obligations of the general character of the Bonds, 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, the Underwriter;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, 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) the withdrawal or downgrading of any rating of the District's outstanding indebtedness by a national rating agency;

[(7) the withdrawal or downgrading of any rating or credit outlook of the Insurer by a national rating agency; or]

(8) 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 contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(e) Delivery of Documents. At or prior to the date of the Closing, the Underwriter shall receive three copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the County and the District substantially in the form attached as APPENDIX A to the Preliminary Official Statement;

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

(3) Supplemental Opinion. A supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Bond Counsel to the effect that (i) this Purchase Contract and the Continuing Disclosure Agreement have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other respective parties thereto, constitute the legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights, by equitable principles, by the exercise of judicial discretion in appropriate cases and by the limitations on remedies against school districts in the State of California; provided, however, that no opinion as to the enforceability of any indemnification, contribution, choice of law, penalty or waiver provisions therein; (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification under the Trust Indenture Act of 1939, as amended; and (iii) the statements contained in the Official Statement on the cover and under the captions "THE BONDS" (other than under the captions "—Book-Entry Only System," "SECURITY FOR THE BONDS" and "TAX MATTERS" and APPENDIX A to the Official Statement), insofar as such statements purport to summarize certain provisions of the Bonds, the Resolutions and the final approving opinion of Bond Counsel, are fair and accurate;

(4) Disclosure Counsel Opinion. An opinion, dated the Closing Date and addressed to the Underwriter, of Fulbright & Jaworski, L.L.P., to the effect that (i) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and the County Resolution is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (ii) without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the District, the County, the Underwriter and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Official Statement as of its date and as of the Closing Date contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial or statistical data contained in the Official Statement);

(5) [Reserved];

(6) Certificate of the County. 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 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, and (iv) the Bonds 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;

(7) Certificate of the District. 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 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 District official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the District Resolution, and (vi) no further consent is required to be obtained for the inclusion of the District's audited financial statements, including the accompanying accountant's letter, for Fiscal Year 2011-12 in the Official Statement;

(8) Tax Exemption. A Tax Exemption certificate of the District in form satisfactory to Bond Counsel;

(9) District Resolution. A certificate, together with fully executed copies of the District Resolution, of the Clerk of the District Board of Trustees to the effect that:

(i) such copies are true and correct copies of the District Resolution; and

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

(10) County Resolution. An originally executed copy of the adopted County Resolution, together with a Board letter;

(11) County Counsel Opinion. An opinion of Counsel to the County in the form attached hereto as Appendix B;

(12) Official Statement. Certificates of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule;

[(13) Ratings. Evidence as of the Closing Date satisfactory to the Underwriter that the Bonds have received, at a minimum, a rating of “_____” from Standard & Poor’s Ratings Services (“S&P”), assuming delivery of the Insurance Policy, and underlying rating of “_____” from S&P without regard to the Insurance Policy, and that such ratings have not been revoked or downgraded];

[(14) Bond Insurance. An executed municipal bond insurance policy (the “Policy”) of Assured Guaranty Municipal Corp. (the “Insurer”), insuring the scheduled payment of principal of and interest on the Bonds, substantially in the form attached as APPENDIX E of the Official Statement;]

[(15) Opinion of Counsel to Insurer. An opinion of counsel to the Insurer, dated as of the date of Closing, addressed to the Underwriter, the District and the County in form and substance acceptable to counsel to the Underwriter, substantially to the effect that: (i) the Insurer has been duly incorporated and is validly existing and in good standing under the laws of the State of its incorporation; (ii) the Policy constitutes the legal, valid and binding obligation of the Insurer enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, rehabilitation and other similar laws of general applicability relating to or affecting creditors’ and/or claimants’ rights against insurance companies and to general equity principles; and (iii) the information contained in the Official Statement under the caption “BOND INSURANCE” does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;]

(16) Continuing Disclosure Agreement. An executed copy of the Continuing Disclosure Agreement, substantially in the form presented in the Official Statement as APPENDIX C thereto;

(17) Form 8038-G. Evidence that the federal tax information Form 8038-G has been prepared for filing;

(18) Notice of Final Sale. A copy of the Notice of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855 of the California Government Code; and

(19) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the County and the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, (iii) the truth and accuracy, as of the time of Closing, of the Official Statement and (iv) the due performance or satisfaction by the County and 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.

(f) **Termination.** Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter prior to the close of business on _____, 2013, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 12 hereof.

If the County and/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 canceled 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 telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and 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 County and the District.** The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the County of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District.

12. **Expenses.** To the extent the transactions contemplated by this Purchase Contract are consummated, the Underwriter shall cause to be paid by U.S. Bank National Association, as costs of issuance custodian (the "Custodian"), the following costs of issuance of the Bonds up to the amount of \$_____: (i) the cost of the preparation and reproduction of the Resolutions; (ii) the fees and disbursements of Bond Counsel, disclosure counsel and Underwriter Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for Bond ratings, including all necessary travel expenses (including those of the Underwriter); (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the initial fees, if any, of the Paying Agent; (vii) the bond insurance premium, if any; and (viii) all other fees and expenses incident to the issuance and sale of the Bonds. In the event that following payment of the expenses set forth above, there is any portion of such amount remaining with the Custodian, the Underwriter shall cause such remaining amount to be remitted to the County for deposit in the District's Debt Service Fund. At the time that all costs of issuance are paid, the Underwriter shall provide the District with a complete accounting of such payments and any amounts remaining after all payments have been made. To the extent the transactions contemplated by this Contract of Purchase are not consummated, the District shall pay any costs associated with the Bonds.

The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, travel and other expenses (except those expressly provided above) without limitation.

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 District or County, to the address first written above, or if to the Underwriter, to Piper Jaffray & Co., 2321 Rosecrans Ave., Suite 3200, El Segundo, CA 90245.

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 and the District in this Purchase Contract shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

16. **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,

PIPER JAFFRAY & CO.

By: _____
Authorized Representative

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

VAL VERDE UNIFIED SCHOOL DISTRICT

By: _____
Title: _____
Time of Execution: _____

COUNTY OF RIVERSIDE

By: _____
Title: _____
Time of Execution: _____

APPENDIX A

Maturity Schedule

Maturity Date <u>(August 1)</u>	Original <u>Par Amount</u>	Interest <u>Rate</u>	Price or <u>Yield</u>
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Redemption Provisions

Optional Redemption of Bonds

The Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Bonds maturing on or after August 1, 20__, may be redeemed before maturity, at the option of the District, from any source of available funds, in whole or in part on any date on or after August 1, 20__, at par, together with interest accrued thereon to the date of redemption, without premium.

Mandatory Redemption of Term Bonds

The Bonds maturing on August 1, 20__, are subject to mandatory sinking fund redemption prior to their stated maturity in part from mandatory sinking fund payments on any August 1 of each of the years shown below, at a redemption price equal to 100% of their principal amount, together with accrued interest thereon to the date fixed for redemption, without premium, on the dates and in the aggregate principal amounts listed below:

Redemption Date
(August 1)

Mandatory Sinking
Fund Payment

(†) _____
Maturity.

APPENDIX B

OPINION OF COUNTY COUNSEL

Board of Education
Val Verde Unified School District
975 West Morgan Street
Perris, California 92571

Piper Jaffray & Co.
2321 Rosecrans Ave., Suite 3200
El Segundo, CA 90245

§ _____
VAL VERDE UNIFIED SCHOOL DISTRICT
COUNTY OF RIVERSIDE, CALIFORNIA
GENERAL OBLIGATION BONDS
2012 ELECTION, 2013 SERIES A

Ladies and Gentlemen:

The 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 Val Verde Unified School District (the "District") of \$ _____ aggregate principal amount of bonds designated "Val Verde Unified School District General Obligation Bonds, 2012 Election, 2013 Series A" (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County of Riverside adopted _____, 2013 (the "County Resolution"), at the request of the District made pursuant to a resolution adopted _____, 2013, by the Board of Trustees of the District (the "District Resolution").

In rendering this opinion, we have examined the County Resolution, the Contract of Purchase dated _____, 2013 (the "Purchase Contract"), among the District, the County and Piper Jaffray & Co., 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 under the Constitution and the laws of the State of California.
2. The County Resolution approving and authorizing the execution and delivery of the Purchase Contract and the issuance of the Bonds 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 board or body, pending 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 Bonds to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution of the Purchase Contract or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, 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 Bonds.

4. The Purchase Contract has been duly authorized, executed and delivered by the County and the Bonds 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 constitutes 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 Bonds 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 Bonds.

Very truly yours,

**VAL VERDE UNIFIED SCHOOL DISTRICT
Riverside County, California**

RESOLUTION NO. 12-13-17

**RESOLUTION AUTHORIZING ISSUANCE OF NOT TO EXCEED
\$43,000,000 OF VAL VERDE UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, 2012 ELECTION, 2013 SERIES A
AND ORDERING CERTAIN ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the issuance of not to exceed \$178,000,000 aggregate principal amount of general obligation bonds (the "Authorization") of the Val Verde Unified School District (the "District"), County of Riverside (the "County"), State of California, was authorized at an election (the "Election") held in said District on June 5, 2012, the proceeds of which are to be used for the financing and refinancing of the furnishing, equipping, acquisition, construction and improvement of certain capital facilities of the District; and

WHEREAS, the Registrar-Recorder of the County has certified to the effect that the official canvass of returns for the Election reflected that more than 55% of the votes cast on the District's bond measure submitted to the voters at the Election (the "Measure") were cast in favor of the Measure, and such results have previously been entered in the minutes of this Board of Education (the "District Board"); and

WHEREAS, none of the bonds authorized at the Election have heretofore been issued; and

WHEREAS, Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, as amended, authorizes the Board of Supervisors of the County (the "County Board") to borrow funds through the issuance of bonds under the Authorization in the name and on behalf of the District, pursuant to a resolution adopted by the District; and

WHEREAS, it now appears to this District Board that financial market conditions are favorable for the issuance and sale of not to exceed \$43,000,000 in one or more series of bonds of the Authorization to be used for the various purposes outlined in the Measure; and

WHEREAS, this District Board hereby determines that such bonds should be offered at this time in one or more series, and requests the County Board to offer such bonds for sale;

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Val Verde Unified School District as follows:

Section 1. This District Board hereby determines that general obligation bonds of the District in the aggregate principal or issue amount of not to exceed \$43,000,000 (the "Bonds") be offered for sale, in one or more series, the proceeds of which are to be used for the financing or refinancing of the furnishing, equipping, acquisition, construction and improvement

of certain capital facilities of the District as set forth in the Measure approved at the Election and in the official Project List included therewith (the "Projects").

Section 2. For the above purposes, this District Board hereby requests the County Board to issue the Bonds and to order such Bonds to be sold to Piper Jaffray & Company, as underwriter (the "Underwriter") at a negotiated sale in accordance with the form of Contract of Purchase, by and among the District, the County and the Underwriter in connection with the sale of the Bonds, substantially in the form submitted to and considered by this Board (the "Contract of Purchase"). The Bonds shall bear or accrete interest at rates not to exceed 12% per annum and shall not exceed 31 years in maturity from their date of issuance. The form of Contract of Purchase on file with the District Board is hereby approved and the Superintendent or the Assistant Superintendent, Business Services of the District or any designee thereof (each, an "Authorized Officer"), and each of them, is hereby authorized to execute the Contract of Purchase, with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The District has instructed the Underwriter to establish the terms, series, interest structure and redemption provisions for the Bonds in order to take advantage of financial market conditions prevailing at the date of sale of the Bonds under the Contract of Purchase. Depending upon market conditions, the District may elect to purchase bond insurance to secure the payment of principal of and interest on or accreted value of the Bonds, or any portion thereof.

Section 3. The District Board hereby approves the use by the Underwriter of a Preliminary Official Statement relating to the Bonds, substantially in the form submitted to and considered by this District Board (the "Preliminary Official Statement") and following pricing, an Official Statement in connection with the sale of the Bonds (the "Official Statement"), in each case with such changes as may be approved by the Authorized Officer and such other officers of the District as may be authorized by the District Board are, and each of them acting alone hereby is, authorized to deliver copies of the Preliminary Official Statement and the Official Statement with such changes therein as such Authorized Officer shall approve, in his or her discretion, as being in the best interests of the District. Upon the approval of such changes by such Authorized Officer, the Preliminary Official Statement shall be "deemed final" as of its date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule"). The Authorized Officer is hereby authorized and directed to execute such Official Statement with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. The Bonds shall be issued in book-entry only form, to be lodged with The Depository Trust Company ("DTC") in New York, New York, which shall be the registered owner of the Bonds issued at the closing in the form of a single certificated Bond for each maturity within a series of the Bonds described in the Contract of Purchase. The Underwriter is directed to assist the District and the County in qualifying the Bonds for deposit with DTC.

Section 5. U.S. Bank National Association shall serve as Paying Agent for the Bonds, the first annual fees for which shall be paid from proceeds of the Bonds; subsequent

annual fees shall be paid by the District. The District Board hereby authorizes the Authorized Officer to execute a paying agent agreement, if required, for and on behalf of the District.

Section 6. The District Board hereby confirms the designation of Fieldman Rolapp & Associates, as Financial Advisor to the District, Fulbright & Jaworski L.L.P., as Bond Counsel and Disclosure Counsel to the District, and Piper Jaffray & Company, as Underwriter in connection with the authorization and issuance of the Bonds.

Section 7. The District hereby covenants that it shall not, directly or indirectly, use or permit the use of any proceeds of any of the Bonds, or of any of the property financed or refinanced with the proceeds of the Bonds, or other funds of the District, or take or omit to take any action that would cause the Bonds to be deemed "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or otherwise adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Code. To that end, the District shall comply with all requirements of Sections 103 and 141 through 150 of the Code and all regulations of the United States Department of the Treasury promulgated thereunder to the extent that such requirements are in effect and applicable to the Bonds.

Section 8. Pursuant to Section 15146(b) of the Education Code, the District Board hereby approves of the sale of the Bonds on a negotiated basis to the Underwriter. The District has determined that conditions in the municipal marketplace are sufficiently complex that the increased flexibility the Underwriter can provide in structuring and planning the sale of the Bonds dictates sale on a negotiated rather than a competitive basis. The costs of sale of the Bonds, which include an Underwriter's discount, bond insurance premium, bond counsel fees, printing and rating charges and related fees, are estimated at 2.25% of the principal or issue amount of the Bonds.

Section 9. The District Board determines that all acts and conditions necessary to be performed by the District Board or to have been met precedent to and in the issuing and sale of the Bonds in order to make them the legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and met, in regular and due form as required by law; and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 10. The form of Continuing Disclosure Agreement attached to and comprising a part of the Preliminary Official Statement considered by the District Board, to be dated the date of sale of the Bonds, for the benefit of the registered owners from time to time of the Bonds (the "Owners") is hereby approved and the District Board hereby authorizes any Authorized Officer to execute such Continuing Disclosure Agreement with such changes therein as may be approved by the Authorized Officer. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Agreement in order to assist the Underwriter in complying with the requirements of the Rule. Any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this

Section; however, noncompliance with this Section shall not constitute a default under or cause the acceleration of the Bonds.

Section 11. Should an Authorized Officer, upon consultation and advice of the Financial Advisor, determine it is in the best interests of the District to obtain credit enhancement for the Bonds, including municipal bond insurance, to improve their marketability, the Authorized Officer is hereby authorized and directed to sign documents to secure such credit enhancement on such terms and subject to such conditions as may be established by the Authorized Officer, in agreements relating to such credit enhancement.

Section 12. The County Board is hereby requested to assist the District in the issuance and sale of the Bonds; in order to meet the requirements of law and the procedures of the County with respect to such a request, the Clerk of the District Board is hereby directed to lodge a certified copy of this Resolution with the Clerk of the County Board promptly following adoption hereof, and the District represents and warrants to the County that annual administrative expenses associated with the Bonds at the time outstanding shall be the sole responsibility of the District and the District shall reimburse the County's costs and expenses incurred in connection with the issuance and sale of the Bonds. The Bonds are the general obligations of the District secured by tax levies against taxable property within the District and shall not constitute an obligation of the County except as set forth in the resolution to be adopted by the County Board authorizing the issuance of the Bonds. The County will bear no responsibility for the acquisition, construction or installation of the Projects, or any part thereof.

Section 13. Members of the District Board and District officials and staff, their authorized deputies and designees, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions as may have heretofore been taken by such officers, officials and staff are hereby ratified, confirmed and approved.

Section 14. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 5th day of February, 2013, by the Board of Education of the Val Verde Unified School District of the County of Riverside, State of California, by the following vote:

Val Verde Unified School District
Board of Education

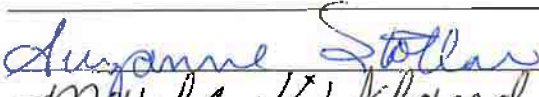
Ayes: 5

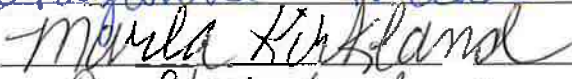
Noes: 0

Absent: _____

Abstention: _____









Attest:



Juan M. López
Superintendent and Secretary to the Board of Education