

FORM APPROVED COUNTY COUNSEL
 BY: GREGORY P. PRIAMOS DATE: 2/2/15

Departmental Concurrence

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

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FROM: Don Kent, Treasurer/Tax Collector

SUBMITTAL DATE:
 January 29, 2015

SUBJECT: Resolution No. 2015-044 Val Verde Unified School District General Obligation Bonds 2012 Election, Series 2015B; 5th Dist.; [\$0] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution No. 2015-044 authorizing and approving the issuance and sale of Val Verde Unified School District General Obligation Bonds, 2012 Election, Series 2015B in a principal amount not to exceed \$45,000,000 some of which may provide for the compounding of interest and approving other related matters.

BACKGROUND:

Summary

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.)

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Don Kent
 Don Kent
 Treasurer/Tax Collector

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS:

Budget Adjustment: n/a
 For Fiscal Year: 2014-15

C.E.O. RECOMMENDATION:

APPROVE

BY: *Samuel Wong* 2/3/15
 Samuel Wong

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

- A-30
- 4/5 Vote
- Positions Added
- Change Order

Prev. Agn. Ref.:

District: 5

Agenda Number:

3-32

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

FORM 11: Resolution No. 2015-044 Val Verde Unified School District General Obligation Bonds 2012

Election, Series 2015B; 5th Dist.; [\$0] (Vote on Separately)

DATE: January 29, 2015

PAGE: Page 2 of 3

BACKGROUND:

Summary (continued).

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.

On February 5, 2013, the County previously issued and sold \$40,540,000 aggregate principal amount of the Val Verde Unified School District General Obligation Bonds, 2012 Election, 2013 Series A on behalf of the District.

In addition, in October 2013, the County, on behalf of the District, issued and sold \$28,770,000 Val Verde Unified School District 2013 General Obligation Bond Anticipation Notes (the "2013 Notes").

Resolution 2015-044 authorizes the issuance and sale of Val Verde Unified School District General Obligation Bonds 2012 Election, Series 2015B (the "Series 2015B Bonds") in a principal amount not to exceed \$45,000,000. The proceeds of the Series 2015B Bonds will be used to defease the 2013 Notes and finance the acquisition, construction and improvement of certain public school facilities within the District.

Due to constraints on the tax rate levy imposed on the issuance of the Series 2015B Bonds under the provisions of Proposition 39, the District has requested that some of the Series 2015B Bonds be issued as capital appreciation bonds which by their terms compound interest. The maximum permitted tax levy rate per \$100,000 of assessed valuation set forth in Proposition 39 is \$60.00 for the District. Without the use of capital appreciation bonds, the District has determined that it could not generate sufficient funds to complete pending projects for several years.

Assembly Bill 182 amended the California Education Code and the California Government Code to authorize the issuance of capital appreciation bonds when certain conditions are met. The District resolution reflects that the District has complied with all the requirements of AB 182. Specifically, AB 182 limits the amount of debt service that can be paid on bonds, including capital appreciation bonds, such that total debt service can be no more than 4 times greater than the principal amount of the bonds. The District estimates that total debt service on the Series 2015B Bonds will be no more than 2.5 times greater than the principal amount of the 2015B Bonds.

The Series 2015B Bonds represent a general obligation of the District and do not constitute a debt, liability, or obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Series 2015B Bonds.

County Counsel has reviewed Resolution No. 2015-044 and has approved it as to form.

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

FORM 11: Resolution No. 2015-044 Val Verde Unified School District General Obligation Bonds 2012

Election, Series 2015B; 5th Dist.; [\$0] (Vote on Separately)

DATE: January 29, 2015

PAGE: Page 3 of 3

Impact on Citizens and Businesses

The voters of the District approved the levy of ad valorem property taxes to pay for increased bonded indebtedness. In exchange for the increased taxes, the citizens in the District will receive new and improved District facilities.

ATTACHMENTS (if needed, in this order):

Resolution No. 2015-044

District Resolution

Bond Purchase Contract

Preliminary Official Statement

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**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF RIVERSIDE, CALIFORNIA, AUTHORIZING THE ISSUANCE AND
SALE OF VAL VERDE UNIFIED SCHOOL DISTRICT GENERAL
OBLIGATION BONDS, 2012 ELECTION, SERIES 2015B, IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000,
INCLUDING BONDS ALLOWING FOR THE COMPOUNDING OF
INTEREST, AND APPROVING CERTAIN OTHER MATTERS
RELATING TO THE BONDS**

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RESOLUTION NO. 2015-044

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, AUTHORIZING THE ISSUANCE AND SALE OF VAL VERDE UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2012 ELECTION, SERIES 2015B, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000, SOME OF WHICH MAY PROVIDE FOR THE COMPOUNDING OF INTEREST, AND APPROVING CERTAIN OTHER MATTERS RELATING TO THE BONDS

WHEREAS, a duly called election was conducted within Val Verde Unified School District, County of Riverside, California (the “**District**”), a unified school district duly organized and existing under the Constitution and laws of the State of California (the “**State**”) on June 5, 2012 (the “**Election**”), pursuant to which the qualified voters of the District approved, by a vote of more than fifty-five percent (55%), of the issuance of not to exceed \$178,000,000 aggregate principal amount of the District’s general obligation bonds (the “**Authorization**”), which was duly canvassed according to law; and

WHEREAS, Section 15140 of the Education Code of the State (the “**Education Code**”) requires that general obligation bonds of a district shall be offered for sale by the board of supervisors of the applicable county, as soon as possible following receipt of a resolution adopted by the governing board of such district; and

WHEREAS, the Riverside County Superintendent of Schools has jurisdiction over the District, which is located within the County of Riverside, California (the “**County**”); and

WHEREAS, the County has previously issued and sold, on behalf of the District, \$40,540,000 aggregate principal amount of its General Obligation Bonds, 2012 Election, 2013

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 2/2/15
DATE: _____
DALE A. GARDNER

1 Series A, pursuant to a resolution of the Board of Education of the District (the “**District Board**”)
2 adopted on February 5, 2013, under the Authorization; and

3 **WHEREAS**, the District has previously issued and sold \$28,770,000 aggregate principal
4 amount of its 2013 General Obligation Bond Anticipation Notes (the “**BANs**”), pursuant to a
5 resolution of the District Board adopted on October 1, 2013, under the Authorization; and

6 **WHEREAS**, the District has also determined the need to finance additional capital
7 projects authorized at the Election; and

8 **WHEREAS**, the Board of Supervisors of the County (the “**Board**”) has received a
9 certified resolution of the District Board, adopted on February 3, 2015 (the “**District**
10 **Resolution**”), an executed electronic copy of which has been received by the Board, requesting
11 the Board issue the second series of the District’s general obligation bonds under the
12 Authorization, in the maximum principal amount of not to exceed Forty-Five Million Dollars
13 (\$45,000,000) (the “**Bonds**”) in order to defease the BANs and to provide for the funding of
14 certain additional capital improvements for the District’s schools; and

15 **WHEREAS**, in the District Resolution, the District Board found and informed this Board
16 that all acts and conditions necessary to be performed by the District or to have been met
17 precedent to and in the issuance and sale of the Bonds in order to make them legal, valid and
18 binding general obligations of the District have been performed and have been met, or will, at the
19 time of delivery of the Bonds, have been performed and met, in regular and due form as required
20 by law; and

21 **WHEREAS**, the BANs are subject to prepayment on August 1, 2016, and circumstances
22 in the current financial market make it advisable for the District to effect the defeasance of the
23 BANs at this time in accordance with their terms; and

24 **WHEREAS**, due to tax levy rates constraints imposed on the issuance of the Bonds under
25 the provisions of Proposition 39, implemented by Section 15270 of the Education Code, the
26 District Board has requested the County to issue Bonds in the District’s name which, by their
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1 terms, are subject to the compounding of interest (as further defined below, the “**Capital**
2 **Appreciation Bonds**”); and

3 **WHEREAS**, pursuant to the provisions of Assembly Bill 182 (“**AB 182**”), implemented
4 by Section 15146(b) of the Education Code and Section 53508.6 of the Government Code,
5 Capital Appreciation Bonds may only be issued upon certain additional determinations and
6 considerations to be made by the District Board; and

7 **WHEREAS**, the District Board has advised the County that it has complied in all respects
8 with the provisions of AB 182 necessary in order to issue Capital Appreciation Bonds, and has
9 provided a summary of its determinations, as reflected in Exhibit D to this Resolution, which is
10 by this reference incorporated herein; and

11 **WHEREAS**, the District Board has determined that it is desirable to sell the Bonds
12 pursuant to a negotiated underwriting to Piper Jaffray & Co., as underwriter (the “**Underwriter**”)
13 pursuant to a Contract of Purchase (as defined herein), a form of which has been submitted to this
14 meeting of the Board and is appended hereto as Exhibit C, which is incorporated herein by this
15 reference (the “**Contract of Purchase**”); and

16 **WHEREAS**, a form of continuing disclosure undertaking (the “**Continuing Disclosure**
17 **Undertaking**”), attached as Appendix C to the Preliminary Official Statement, has been
18 submitted to this meeting of the Board and is on file with the Clerk; and

19 **WHEREAS**, the District Board has requested under the District Resolution that the
20 County should levy and collect an *ad valorem* property tax on all taxable property within the
21 District sufficient to provide for payment of the Bonds, so that the Auditor-Controller of the
22 County (the “**Auditor-Controller**”), the Treasurer and Tax Collector of the County (the
23 “**Treasurer**”) and other officials of the County should take such actions as shall be necessary to
24 provide for the levy and collection of such tax and payment of the Bonds; and

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

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

5 SECTION 1. Definitions. Capitalized terms used but not defined herein shall
6 have the meanings set forth in the Recitals hereto. Additionally, the following terms shall for all
7 purposes of this Resolution have the following meanings:

8 “Accreted Value” shall mean with respect to any Capital Appreciation Bond as of any
9 date of calculation, the sum of the Denominational Amount thereof and the interest accreted
10 thereon to such date of calculation, compounded from the Date of Delivery at the stated accretion
11 rate thereof on each February 1 and August 1, or as otherwise set forth in the Contract of
12 Purchase, assuming in any such semiannual period that such Accreted Value increases in equal
13 daily amounts on the basis of a 360-day year of twelve 30-day months.

14 “Authorized Denominations” shall mean, (a) as to Current Interest Bonds, \$5,000
15 Principal Amount or any integral multiple thereof, and (b) as to Capital Appreciation Bonds,
16 \$5,000 in Maturity Amount or any integral multiple thereof.

17 “Authorized Investments” shall mean the Riverside County Investment Pool (or other
18 investment pools of the County into which District funds may lawfully be invested), the Local
19 Agency Investment Fund of the State, any investment authorized pursuant to Section 16429.1 and
20 Section 53601 of the Government Code, or in shares in a California common law trust established
21 pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in
22 investments permitted by Section 53635 of the Government Code, or in guaranteed investment
23 contracts in general obligations of the United States of America (including State and Local
24 Government Securities of the Department of the Treasury) (provided that such investments
25 comply with the requirements of Section 148 of the Code and with the requirements of the Bond
26 Insurer, if any, as shall be applicable.

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1 “Authorized Officer of the County” shall mean the officers of the County, including the
2 Treasurer, the Deputy Treasurer and their authorized representatives, authorized to act with
3 regard to general obligation bond matters.

4 “Authorized Officer of the District” shall mean the officers of the District, including the
5 Superintendent, the Assistant Superintendent, Business Services and their authorized
6 representatives, and the President and Clerk of the District Board.

7 “Authorizing Law” shall mean, collectively, Article 4.5 of Chapter 3 of Part 1 of Division
8 2 of Title 5 of the California Government Code; and Article XIII A of the California Constitution.

9 “Bond Counsel” shall mean Nixon Peabody LLP or any other firm that is a nationally
10 recognized bond counsel firm.

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

12 “Building Fund” shall mean the Building Fund of the District, established at the direction
13 of the District.

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

17 “Capital Appreciation Bonds” shall mean the Bonds accreting interest on the
18 Denominational Amount thereof, designated as such in Section 10 of this Resolution.

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

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

22 “Costs of Issuance” shall mean all of the authorized costs of issuing the Bonds as
23 described in Section 15145(a) of the Education Code, including but not limited to, all printing and
24 document preparation expenses in connection with this Resolution, the Bonds and the Preliminary
25 Official Statement and the Official Statement pertaining to the Bonds and any and all other
26 agreements, instruments, certificates or other documents prepared in connection therewith; rating
27 agency fees; auditor’s fees; CUSIP service bureau charges; legal fees and expenses of counsel
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1 with respect to the financing, including the fees and expenses of Bond Counsel and Disclosure
2 Counsel; the fees and expenses of the Financial Advisor; the fees and expenses of the Paying
3 Agent, the Escrow Agent and Verification Agent; fees for credit enhancement (if any) relating to
4 the Bonds; the discount of the Underwriter; and other fees and expenses incurred in connection
5 with the issuance of the Bonds, to the extent such fees and expenses are approved by the District.

6 “Current Interest Bonds” shall mean the Bonds bearing interest payable semiannually,
7 designated as such in Section 9 of this Resolution.

8 “Date of Delivery” shall mean the date of issuance of the Bonds.

9 “Debt Service” shall have the meaning given to that term in Section 19 of this Resolution.

10 “Debt Service Fund” shall mean the Debt Service Fund established pursuant to Section 19
11 of this Resolution.

12 “Denominational Amount” shall mean, as to any Capital Appreciation Bond, the initial
13 issue amount thereof.

14 “Depository” shall mean DTC and its successors and assigns or if (a) the then-acting
15 Depository resigns from its functions as securities depository for the Bonds, or (b) the District
16 discontinues use of the Depository pursuant to this Resolution, any other securities depository
17 which agrees to follow procedures required to be followed by a securities depository in
18 connection with the Bonds.

19 “DTC” shall mean The Depository Trust Company, and its successors and assigns.

20 “Escrow Agent” shall mean U.S. Bank National Association, as escrow agent under the
21 Escrow Agreement.

22 “Escrow Agreement” shall mean that certain Escrow Agreement, by and between the
23 District and the Escrow Agent, providing for the defeasance of the BANs, approved as to form by
24 the District Resolution.

25 “Escrow Fund” shall mean the fund by that name established with the Escrow Agent
26 under the Escrow Agreement.

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1 “EMMA” shall mean the Electronic Municipal Market Access website of the MSRB,
2 currently located at <http://emma.msrb.org>.

3 “Excess Earnings Fund” shall mean the Excess Earnings Fund established pursuant to
4 Section 21 of this Resolution.

5 “Financial Advisor” shall mean Fieldman Rolapp & Associates, as Financial Advisor to
6 the District.

7 “Fiscal Year” shall mean the twelve-month period commencing on July 1 of each year and
8 ending on the following June 30 or any other fiscal year selected by the District.

9 “Government Code” shall mean the Government Code of the State.

10 “Information Services” shall mean EMMA and, in accordance with then-current
11 guidelines of the Securities and Exchange Commission, such other addresses and/or such other
12 services providing information with respect to called bonds as the District may designate in a
13 certificate of the District, delivered to the Paying Agent.

14 “Interest Payment Date” shall mean with respect to (i) any Current Interest Bond,
15 February 1 and August 1 in each year, commencing on August 1, 2015, or as otherwise specified
16 in the Contract of Purchase, and (ii) any Capital Appreciation Bond, the maturity or prior
17 redemption date thereof.

18 “Maturity Amount” shall mean the Accreted Value of any Capital Appreciation Bond on
19 its maturity date.

20 “Moody’s” shall mean Moody’s Investors Service, its successors and assigns, except that
21 if such corporation shall no longer perform the functions of a securities rating agency for any
22 reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities
23 rating agency selected by the District.

24 “MSRB” means the Municipal Securities Rulemaking Board or any other entity
25 designated or authorized by the Securities and Exchange Commission to receive the reports
26 described in the Continuing Disclosure Undertaking. Until otherwise designated by the MSRB or
27 the Securities and Exchange Commission, filings with the MSRB are to be made through EMMA.
28

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

3 “Official Statement” shall mean the final official statement of the District describing the
4 Bonds.

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

- 7 (i) Bonds canceled at or prior to such date;
- 8 (ii) Bonds in lieu of or in substitution for which other Bonds shall have
9 been delivered pursuant to Section 15 or Section 16 hereof;
- 10 (iii) Bonds for the payment or redemption of which funds or eligible
11 securities in the necessary amount shall have been set aside
12 (whether on or prior to the maturity or redemption date of such
13 Bonds), in accordance with Section 44 of this Resolution.

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

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

16 “Paying Agent” shall mean the paying agent designated pursuant to Section 33 hereof.

17 “Pledged Moneys” shall have the meaning given to that term in Section 20 of this
18 Resolution.

19 “Preliminary Official Statement” shall mean the Preliminary Official Statement of the
20 District, the form of which was submitted to and approved by the District Board pursuant to the
21 District Resolution.

22 “Principal” or “Principal Amount” shall mean, as of any date of calculation, with respect
23 to (i) any Current Interest Bond, the principal amount thereof, and (ii) any Capital Appreciation
24 Bond, the Denominational Amount thereof.

25 “Projects” shall include the capital improvements further described in Section 7 of this
26 Resolution and delineated in the ballot presented to and approved by the voters of the District at
27 the Election.

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1 “Project Costs” shall mean all of the expenses of and incidental to the construction,
2 acquisition, equipping or furnishing of the Projects to be funded with the proceeds of the Bonds.

3 “Record Date” shall mean the close of business on the fifteenth calendar day of the month
4 next preceding an Interest Payment Date.

5 “Regulations” shall mean the regulations of the United States Department of the Treasury
6 proposed or promulgated under Sections 103 and 141 through 150 of the Code which by their
7 terms are effective with respect to the Bonds and similar Treasury Regulations to the extent not
8 inconsistent with Sections 103 and 141 through 150 of the Code, including regulations
9 promulgated under Section 103 of the Code.

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

15 “Securities Depositories” shall mean The Depository Trust Company, 55 Water Street,
16 New York, New York 10041, Facsimile transmission: (212) 785-9681, (212) 855-3215, and, in
17 accordance with then-current guidelines of the Securities and Exchange Commission, such other
18 addresses and/or such other securities depositories as the District may designate in a certificate
19 delivered to the Paying Agent.

20 “State” shall mean the State of California.

21 “Supplemental Resolution” shall mean any resolution supplemental to or amendatory of
22 this Resolution, adopted by the District in accordance with Section 41 or Section 42 hereof.

23 “Tax Exemption Certificate” shall mean the Tax Exemption Certificate of the District
24 delivered in connection with the issuance of the Bonds.

25 “Transfer Amount” shall mean, with respect to (i) any Current Interest Bond, the
26 aggregate Principal amount thereof, and (ii) any Capital Appreciation Bond, the Accreted Value
27 thereof.

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1 “Treasurer” shall mean the Treasurer and Tax Collector of the County, or any designated
2 deputy thereof.

3 SECTION 2. Rules of Construction. Words of the masculine gender shall be
4 deemed and construed to include correlative words of the feminine and neuter genders, and vice
5 versa. Except where the context otherwise requires, words importing the singular shall include
6 the plural and vice versa, and words importing persons shall include firms, associations and
7 corporations, including public bodies, as well as natural persons.

8 SECTION 3. Authority for this Resolution. The Bonds are authorized to be
9 issued and sold by the County in the name and on behalf of the District pursuant to the California
10 Constitution, the Election, the Authorization, the District Resolution, this Resolution, the
11 provisions of Government Code sections 53506 *et seq.*, and to the extent applicable, Education
12 Code Sections 15100 *et seq.* and 15264 *et seq.*

13 SECTION 4. Resolution to Constitute Contract. In consideration of the
14 purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those
15 who shall own the same from time to time, this Resolution shall be deemed to be and shall
16 constitute a contract among the County, the District and the Owners from time to time of the
17 Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and
18 security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of
19 their issuance or maturity, shall be of equal rank without preference, priority or distinction of any
20 of the Bonds over any other thereof.

21 SECTION 5. Approval of Documents; Determination of Method of Sale and
22 Terms of Bonds.

23 (a) The Authorized Officers of the County, in consultation with Bond Counsel
24 and the Authorized Officers of the District are, and each of them acting alone is, hereby
25 authorized and directed to issue and deliver the Bonds and to establish the initial aggregate
26 principal amount thereof; provided, however, that such initial aggregate principal amount shall
27 not exceed \$45,000,000.
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1 (b) The form of the Contract of Purchase is hereby approved. The Treasurer is
2 authorized and directed to execute and deliver the Contract of Purchase to the Underwriter for and
3 in the name and on behalf of the District, with such additions, changes or corrections therein as
4 the Treasurer may approve in his or her discretion as being in the best interests of the District,
5 including, without limitation (i) such changes as are necessary to reflect the final terms of the
6 Bonds to the extent such terms differ from those set forth in this Resolution, such approval to be
7 conclusively evidenced by the Treasurer's execution thereof and (ii) any other documents
8 required to be executed thereunder. The Treasurer is hereby authorized to negotiate with the
9 Underwriter the terms, maturities, interest rates and series of the Bonds and the purchase price of
10 the Bonds to be paid by the Underwriter, which purchase price shall reflect an Underwriter's
11 discount of not more than 1.00% (not including original issue discount) of the Principal Amount
12 thereof, if the conditions set forth in this Resolution are met. The interest rate on the Bonds shall
13 not exceed the maximum allowed under law. All Principal of the Current Interest Bonds shall be
14 payable within 30 years of the date of issuance of the Bonds. All Principal of the Capital
15 Appreciation Bonds shall be payable within 25 years of the date of issuance of the Bonds.

16 (c) This Board also hereby authorizes the preparation of a paying agent
17 agreement in connection with the Bonds, in such form as shall be determined by an Authorized
18 Officer of the County, such determination to be conclusively evidenced by the execution and
19 delivery of the paying agent agreement by such Authorized Officer of the County.

20 SECTION 6. Authorization of Officers. The Authorized Officers of the
21 County are, and each of them acting alone is, hereby authorized to execute any and all documents
22 and do and perform any and all acts and things, from time to time, consistent with this Resolution
23 and necessary or appropriate to carry the same into effect and to carry out its purposes.

24 SECTION 7. Use of Bond Proceeds. The proceeds of the Bonds shall be used
25 for (a) the refunding and defeasance of the BANs, (b) the financing of the acquisition,
26 construction, furnishing and equipping of facilities for certain of the Projects authorized at the
27 Election, the bond proposition and Project List approved at the Election which shall be
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1 incorporated herein by this reference as though fully set forth in this Resolution; and (c) the
2 payment of the Costs of Issuance of the Bonds.

3 SECTION 8. Designation and Form; Payment.

4 (a) An issue of Bonds in one or more series entitled to the benefit, protection
5 and security of this Resolution is hereby authorized in an aggregate principal amount not to
6 exceed \$45,000,000. Such Bonds shall be general obligations of the District, payable as to
7 Principal, premium, if any, and interest from *ad valorem* taxes to be levied upon all of the taxable
8 property in the District. The Bonds shall be designated the "Val Verde Unified School District
9 General Obligation Bonds, 2012 Election, Series 2015B." The Bonds may be issued as Current
10 Interest Bonds or Capital Appreciation Bonds, or a combination of both, may be issued as serial
11 bonds or term bonds, and shall be subject to redemption as set forth in the Contract of Purchase,
12 subject to the provisions of this Resolution.

13 (b) The forms of the Bonds shall be substantially in conformity with the
14 standard form of registered bonds, copies of which are attached hereto as Exhibits A and B hereto
15 and incorporated herein by this reference, with such changes as are necessary to reflect the final
16 terms of the Bonds.

17 (c) Principal of and, premium, if any, and interest on any Bond shall be
18 payable in lawful money of the United States of America. Principal and premium, if any, shall be
19 payable upon surrender thereof at maturity or earlier redemption at the office designated by the
20 Paying Agent.

21 SECTION 9. Description of Current Interest Bonds.

22 (a) The Bonds issued as Current Interest Bonds shall be issued in fully
23 registered form, in Authorized Denominations of \$5,000 or any integral multiple thereof. The
24 Current Interest Bonds shall be dated and shall mature on the dates, in the years and in the
25 Principal Amounts, and interest shall be computed at the rates, as set forth in the Contract of
26 Purchase.

1 (b) Interest on each Current Interest Bond shall accrue from its dated date as
2 set forth in the Contract of Purchase. Interest on the Current Interest Bonds shall be computed
3 using a year of 360 days comprised of twelve 30-day months and shall be payable on each
4 Interest Payment Date to the Owner thereof as of the close of business on the Record Date.
5 Interest on each Current Interest Bond will be payable from the Interest Payment Date next
6 preceding the date of registration thereof, unless (i) it is registered after the close of business on
7 any Record Date and before the close of business on the immediately following Interest Payment
8 Date, in which event interest thereon shall be payable from such following Interest Payment Date;
9 or (ii) it is registered prior to the close of business on the first Record Date, in which event
10 interest shall be payable from its dated date; provided, however, that if at the time of registration
11 of any Current Interest Bond, interest with respect thereto is in default, interest thereon shall be
12 payable from the Interest Payment Date to which interest has previously been paid or made
13 available for payment. Payments of interest on the Current Interest Bonds will be made on each
14 Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage
15 prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of \$1,000,000
16 aggregate Principal Amount or more of such Current Interest Bonds, to the account specified by
17 such Owner in a written request delivered to the Paying Agent on or prior to the Record Date for
18 such Interest Payment Date; provided, however, that payments of defaulted interest shall be
19 payable to the person in whose name such Current Interest Bond is registered at the close of
20 business on a special record date fixed therefor by the Paying Agent which shall not be more than
21 fifteen days and not less than ten days prior to the date of the proposed payment of defaulted
22 interest.

23 SECTION 10. Description of the Capital Appreciation Bonds.

24 (a) The Bonds issued as Capital Appreciation Bonds shall be issued in fully
25 registered form in any Denominational Amount but shall reflect denominations of \$5,000
26 Maturity Amount or any integral multiple thereof, shall mature on the dates, in the years and in
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1 the Maturity Amounts and shall accrete interest at the accretion rates, all as set forth in the
2 Contract of Purchase.

3 (b) Interest on each Capital Appreciation Bond shall be compounded
4 semiannually on February 1 and August 1 of each year until maturity, or as otherwise set forth in
5 the Contract of Purchase, commencing on the date set forth therein, computed using a year of 360
6 days comprised of twelve 30-day months, and shall be payable only at maturity as part of the
7 Maturity Amount.

8 SECTION 11. Required Information Regarding Capital Appreciation Bonds
9 under AB 182. Pursuant to Government Code Section 53508.5 and Education Code Section
10 15146(b) and (c), the District Board was presented with information related to the Capital
11 Appreciation Bonds regarding: (i) their proposed financing term and time of maturity; (ii) their
12 repayment ratio; and (iii) the estimated change in assessed valuation of taxable property in the
13 District over the term of the Bonds. Items described in Exhibit D summarize the information
14 provided to the District Board prior to its adoption of the District Resolution. The District has
15 covenanted in the District Resolution that the issuance of the Bonds will not result in a ratio of
16 total Debt Service (as defined on pg. 6) on the Bonds to the Principal Amount of more than
17 4.0:1.0 as mandated by Section 15144.1 of the Education Code. The Underwriter's Rule G-17
18 submission was provided to the District Board.

19 SECTION 12. Tax Covenants. In order to maintain the exclusion from gross
20 income for federal income tax purposes of interest on the Bonds, the District has, pursuant to the
21 District Resolution, covenanted to comply with each applicable requirement of Section 103 and
22 Sections 141 through 150 of the Code. The District has agreed to deliver instructions to
23 the Paying Agent as may be necessary in order to comply with the Nonarbitrage Certificate.

24 SECTION 13. Book-Entry System.

25 (a) The Bonds shall be initially issued in the form of a separate single fully
26 registered Bond for each of the maturities of the Bonds. Separate Bonds may be issued to
27 represent Bonds maturing in the same years, if any.
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1 Upon initial issuance, the ownership of each such global Bond shall be registered in the
2 Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in
3 subsection (c) hereof, all of the Outstanding Bonds shall be registered in the Bond Register in the
4 name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the
5 Depository, to a successor Depository or to another nominee of the Depository or of a successor
6 Depository. Each Bond shall bear a legend describing restrictions on transfer, as may be
7 prescribed by the Depository.

8 With respect to Bonds registered in the Bond Register in the name of the Nominee, the
9 County shall have no responsibility or obligation to any Participant or to any person on behalf of
10 which such a Participant holds a beneficial interest in the Bonds. Without limiting the
11 immediately preceding sentence, the District shall have no responsibility or obligation with
12 respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with
13 respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Participant,
14 beneficial owner or any other person, other than the Depository, of any notice with respect to the
15 Bonds, including any Redemption Notice (as defined in Section 29 below), (iii) the selection by
16 the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part,
17 or (iv) the payment to any Participant, beneficial owner or any other person, other than the
18 Depository, of any amount with respect to Principal of, premium, if any, and interest on the
19 Bonds. The District and the Paying Agent may treat and consider the person in whose name each
20 Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the
21 purpose of payment of Principal of, premium, if any, and interest on such Bond, for the purpose
22 of giving Redemption Notices and other notices with respect to such Bond, and for all other
23 purposes whatsoever, including, without limitation, registering transfers with respect to the
24 Bonds.

25 The Paying Agent shall pay all Principal of, premium, if any, and interest on the Bonds
26 only to the respective Owners, as shown in the Bond Register, and all such payments shall be
27 valid hereunder with respect to payment of Principal of, premium, if any, and interest on the
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1 Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the
2 Bond Register, shall receive a Bond evidencing the obligation to make payments of Principal of,
3 premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the
4 Paying Agent and the County of written notice to the effect that the Depository has determined to
5 substitute a new nominee in place of the Nominee, and subject to the provisions hereof with
6 respect to Record Dates, the word "Nominee" in this Resolution shall refer to such new nominee
7 of the Depository.

8 (b) In order to qualify the Bonds for the Depository's book-entry system, the
9 District is hereby authorized to execute and deliver to such Depository a letter from the District
10 representing such matters as shall be necessary to so qualify the Bonds (the "**Representation**
11 **Letter**"). The execution and delivery of the Representation Letter shall not in any way limit the
12 provisions of subsection (a) hereof or in any other way impose upon the County any obligation
13 whatsoever with respect to persons having beneficial interests in the Bonds other than the
14 Owners, as shown in the Bond Register. In addition to the execution and delivery of the
15 Representation Letter, the District, the County and the Authorized Officers of each are hereby
16 authorized to take any other actions, not inconsistent with this Resolution, to qualify the Bonds
17 for the Depository's book-entry program.

18 (c) If at any time, the Depository notifies the County that it is unwilling or
19 unable to continue as Depository with respect to the Bonds or if at any time the Depository shall
20 no longer be registered or in good standing under the Securities Exchange Act or other applicable
21 statute or regulation and a successor Depository is not appointed by the District within 90 days
22 after the County receives notice or become aware of such condition, as the case may be,
23 subsection (a) hereof shall no longer be applicable and the County shall cause the issuance of
24 bonds representing the Bonds as provided below. In addition, the County may determine at any
25 time that the Bonds shall no longer be lodged with a Depository and that the provisions of
26 subsection (a) hereof shall no longer apply to the Bonds. In any such event, the County shall
27 cause the execution and delivery of certificated securities representing the Bonds as provided
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1 below. Bonds issued in exchange for global bonds pursuant to this Subsection (c) shall be
2 registered in such names and delivered in such denominations as the Depository shall instruct the
3 County. The County shall cause delivery of such certificated securities representing the Bonds to
4 the persons in whose names such Bonds are so registered.

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

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

15 (e) The initial Depository under this Resolution shall be DTC. The initial
16 Nominee shall be Cede & Co., as nominee of DTC.

17 (f) The County, the District and the Paying Agent shall have no responsibility
18 for transmitting payments to, communicating with, notifying, or otherwise dealing with any
19 beneficial owners of the Bonds, and neither the County, the District nor the Paying Agent shall
20 have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other
21 party, including the Depository or its Nominee, for any failure of the Depository or its Nominee
22 to provide notices, distribute payments on the Bonds nor take other actions concerning the
23 beneficial owners of the Bonds, which are the responsibility of the Depository and its Nominee.

24 SECTION 14. Execution of the Bonds.

25 (a) The Bonds shall be executed by the facsimile or manual signature of the
26 Chairperson of the Board, and countersigned by the facsimile or manual signature of the Clerk of
27 the Board. In case any one or more of the Authorized Officers of the County who shall have
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1 signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been
2 issued on behalf of the District, such Bonds may, nevertheless, be issued, as herein provided, as if
3 the Authorized Officers of the County who signed such Bonds had not ceased to hold such
4 offices. Any of the Bonds may be signed on behalf of the County by such persons as at the time
5 of the execution of such Bonds shall be duly authorized to hold or shall hold the proper offices in
6 the County, although at the date borne by the Bonds, such persons may not have been so
7 authorized or have held such offices.

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

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

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

3 Bonds may be exchanged at the office of the Paying Agent for Bonds of like tenor,
4 maturity and Principal Amount. All Bonds surrendered in any such exchange shall thereupon be
5 cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for
6 each new Bond executed and delivered upon any exchange (except in the case of the first
7 exchange of any Bond in the form in which it is originally delivered, for which no charge shall be
8 imposed) and the Paying Agent may require the payment by the Owner requesting such exchange
9 of any tax or other governmental charge required to be paid with respect to such exchange.

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

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

8 SECTION 17. Bond Register. The Paying Agent shall keep or cause to be kept
9 at its office sufficient books for the registration and registration of transfer of the Bonds. Upon
10 presentation for registration of transfer, the Paying Agent shall, as above provided and under such
11 reasonable regulations as it may prescribe subject to the provisions hereof, register or register the
12 transfer of the Bonds, or cause the same to be registered or cause the registration of the same to
13 be transferred, on such books. While the Bonds are held in the book-entry system, the Paying
14 Agent is not required to keep the Bond Register.

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

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SECTION 19. Application of Proceeds.

(a) A portion of the proceeds of sale of the Bonds as designated by the District shall be transferred to the Escrow Agent for deposit into an Escrow Fund established under the Escrow Agreement in an amount necessary to defease the BANS through the first prepayment date therefor.

(b) A portion of the proceeds of sale of the Bonds as designated by the District, exclusive of any original issue premium, shall be deposited into the Building Fund. The District shall, from time to time, disburse or cause to be disbursed amounts from the Building Fund to pay Project Costs. Amounts in the Building Fund shall be invested so as to be available for the aforementioned disbursements. The District shall keep a written record of disbursements from the Building Fund.

(c) Except as shall otherwise be directed by the County in accordance with applicable law, any original issue premium received by the District from the sale of the Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Val Verde Unified School District General Obligation Bonds, 2012 Election, Series 2015B Debt Service Fund" (the "**Debt Service Fund**") and used only for payment of Principal of and premium, if any, and interest on the Bonds. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of the Principal of and interest on the Bonds. The Treasurer is authorized to create any accounts and subaccounts in the Debt Service Fund as may be necessary or advisable and as provided in the Nonarbitrage Certificate.

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

(e) On the Business Day immediately preceding each Interest Payment Date if the Paying Agent is not the Treasurer, and on the Interest Payment Date if the Paying Agent is the Treasurer, the District shall transfer or cause to be transferred from the Debt Service Fund to the

1 Paying Agent, an amount, in immediately available funds, sufficient to pay all the Principal of,
2 premium, if any, and interest on the Bonds coming due (collectively, “**Debt Service**”) on such
3 payment date. Debt Service on the Bonds shall be paid by the Paying Agent in the manner
4 provided by law for the payment of Debt Service.

5 (f) The District shall cause moneys to be transferred to the Excess Earnings
6 Fund, to the extent needed to comply with the Nonarbitrage Certificate. Any amounts on deposit
7 in the Debt Service Fund when there are no longer any Bonds Outstanding shall be transferred to
8 the General Fund of the District subject to any conditions set forth in the Nonarbitrage Certificate.

9 (g) Certain proceeds of the Bonds may be applied to pay Costs of Issuance as
10 provided in Section 22 below.

11 (h) Except as required to satisfy the requirements of Section 148(f) of the Code
12 or to comply with the provisions of the Nonarbitrage Certificate, interest earned on the investment
13 of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to
14 pay Principal of and premium, if any, and interest on the Bonds when due.

15 SECTION 20. Payment of and Security for the Bonds. There shall be levied
16 on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad*
17 *valorem* tax annually during the period the Bonds are outstanding in an amount sufficient to pay
18 the Principal of and interest on the Bonds when due, which monies when collected will be placed
19 in the Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the
20 Principal of and interest on the Bonds when and as the same fall due (the “**Pledged Moneys**”).
21 The tax levy may include an allowance for a reasonably required reserve in accordance with the
22 Nonarbitrage Certificate, established for the purpose of ensuring that the tax or assessment
23 actually collected is sufficient to pay the annual debt service requirements on the Bonds due in
24 such fiscal year. The County shall take all actions necessary to levy such *ad valorem* tax in
25 accordance with this Section, Section 15140 of the Education Code and Section 53508.7 of the
26 Government Code.

1 Except as required below to satisfy the requirements of Section 148(f) of the Code,
2 interest earned on the investment of monies held in the Debt Service Fund shall be retained in the
3 Debt Service Fund and used to pay Principal of and premium, if any, and interest on the Bonds
4 when due.

5 SECTION 21. Establishment and Application of Excess Earnings Fund. There
6 is hereby established in trust a special fund designated “Val Verde Unified School District
7 General Obligation Bonds, 2012 Election, Series 2015B Excess Earnings Fund” (the “**Excess**
8 **Earnings Fund**”) which shall be held by the Treasurer for the account of the District and which
9 shall be kept separate and apart from all other funds and accounts held hereunder. The District
10 shall have the obligation to manage the Excess Earnings Fund in accordance with the provisions
11 of the Nonarbitrage Certificate.

12 SECTION 22. Payment of Costs of Issuance. Proceeds of the sale of the
13 Bonds necessary to pay certain costs of issuing the Bonds shall be deposited in the fund of the
14 District known as the “Val Verde Unified School District General Obligation Bonds, 2012
15 Election, Series 2015B Costs of Issuance Fund” (the “**Costs of Issuance Fund**”) and shall be
16 kept separate and distinct from all other District funds, and those proceeds shall be used solely for
17 the purpose of paying Costs of Issuance of the Bonds. The Cost of Issuance Fund may be held
18 and administered by the Paying Agent. Any amounts remaining in the Costs of Issuance Fund
19 following payment of all Costs of Issuance shall be returned to the District and shall be
20 transferred to the Building Fund.

21 SECTION 23. Negotiated Sale/Method of Sale. Pursuant to the District
22 Resolution, the District has requested that the Bonds shall be sold by negotiated sale to the
23 Underwriter inasmuch as: (i) such a sale will allow the District to integrate the sale of the Bonds
24 with other public financings undertaken, or to be undertaken, by the District in order to fund its
25 public education facilities; (ii) such a sale will allow the District to utilize the services of
26 consultants who are familiar with the financial needs, status and plans of the District; and (iii)
27 such a sale will allow the District to control the timing of the sale of the Bonds to the municipal
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1 bond market and, potentially, take advantage of interest rate opportunities for favorable sale of
2 the Bonds to such market and the generation of savings to the taxpayers of the District, and to
3 effect the defeasance of the BANs in an efficient matter.

4 SECTION 24. Engagement of Consultants; Parameters of Sale. Pursuant to
5 the District Resolution, Nixon Peabody LLP has been selected as the District's Bond Counsel,
6 Nossaman LLP, as Disclosure Counsel, Piper Jaffray & Co. as Underwriter, and Fieldman,
7 Rolapp & Associates as Financial Advisor with respect to the authorization, sale and issuance of
8 the Bonds. The estimated Costs of Issuance associated with the sale of the Bonds are
9 approximately 0.7% of the initial Principal amount of the Bonds, which include those fees and
10 expenses described in the definition thereof and provided for under the Authorizing Law. In
11 addition, the Underwriter's discount, which is not included in the percentage above, shall not be
12 greater than 1.00% of the par amount. An estimate of the itemized fees and expenses is on file
13 with the Superintendent.

14 SECTION 25. Establishment of Additional Funds and Accounts. If at any
15 time it is deemed necessary or desirable by the District, the Treasurer, the County Office of
16 Education, or the Paying Agent, the District may request the Treasurer to establish additional
17 funds under this Resolution and/or accounts within any of the funds or accounts established
18 hereunder.

19 SECTION 26. Request for Necessary County Actions. The Auditor-
20 Controller, the Treasurer, and other officials of the County, are hereby directed to take and
21 authorize such actions as may be necessary pursuant to law to provide for the levy and collection
22 of a property tax on all taxable property of the District sufficient to provide for payment of all
23 Principal of, premium, if any, and interest on the Bonds as the same shall become due and
24 payable as necessary for the payment of the Bonds, and the Clerk of the Board is hereby
25 authorized and directed to deliver certified copies of this Resolution to the Clerk of the District
26 Board. The District has, pursuant to the District Resolution, agreed to reimburse the County for
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1 any costs associated with the levy and collection of said tax, upon such documentation of said
2 costs as the County shall reasonably request.

3 SECTION 27. Redemption. The Bonds shall be subject to redemption as
4 provided in the Contract of Purchase. All Capital Appreciation Bonds shall, pursuant to the
5 requirements of AB 182, be subject to redemption no later than ten (10) years following the Date
6 of Delivery.

7 SECTION 28. Selection of Bonds for Redemption.

8 (a) Whenever provision is made in this Resolution or in the Contract of
9 Purchase for the redemption of the Bonds and less than all Outstanding Bonds are to be
10 redeemed, the Paying Agent, upon written instruction from the District given at least 60 days
11 prior to the payment date designated for such redemption, shall select maturities of Bonds for
12 redemption in the manner directed by the District.

13 (b) Within a maturity, the Paying Agent shall select such Bonds for
14 redemption as directed by the District, or, in the absence of such direction, by lot. Redemption by
15 lot shall be in such manner as the Paying Agent shall determine; provided, however, that the
16 portion of any Bond to be redeemed in part shall be in the Principal Amount or Maturity Amount
17 of \$5,000 or any integral multiple thereof.

18 SECTION 29. Notice of Redemption. When redemption is authorized or
19 required pursuant to this Resolution or the Contract of Purchase, the Paying Agent, upon written
20 instruction from the District given at least 60 days prior to the payment date designated for such
21 redemption, shall give notice (each, a **“Redemption Notice”**) of the redemption of the Bonds.
22 Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case
23 of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of
24 redemption, (c) the place or places where the redemption will be made, including the name and
25 address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to
26 the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part
27 and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to
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1 be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to
2 be redeemed in whole or in part. Such Redemption Notice shall further state (a) that on the
3 specified date there shall become due and payable upon each Bond or portion thereof being
4 redeemed the redemption price, together with the interest accrued to the redemption date, and (b)
5 that from and after such date interest with respect thereto shall cease to accrue and be payable.

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

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

12 (b) In the event that the Bonds shall be no longer be held in book-entry-only
13 form, at least 35 but not more than 45 days before the redemption date, such Redemption Notice
14 shall be given (x) by (i) first-class mail, postage prepaid, (ii) telephonically confirmed facsimile
15 transmission, or (iii) overnight delivery service, to each of the Securities Depositories, and (y)
16 (i) first-class mail, postage prepaid, or (ii) overnight delivery service, to the Information Services.

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

22 SECTION 30. Partial Redemption of Bonds. Upon the surrender of any Bond
23 redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new
24 Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer
25 Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be
26 valid upon payment of the amount required to be paid to such Owner, and the District shall be
27 released and discharged thereupon from all liability to the extent of such payment.

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1 SECTION 31. Conditional Notice of Redemption. Any Redemption Notice
2 given hereunder may be made conditional upon the satisfaction of certain conditions and may be
3 rescinded by the District at any time prior to the scheduled date of redemption by so notifying the
4 Owners of affected Bonds and the Information Services.

5 SECTION 32. Effect of Notice of Redemption. Notice having been given as
6 aforesaid, and the moneys for the redemption (including the interest to the applicable date of
7 redemption) having been set aside in the Debt Service Fund, or a suitable escrow fund established
8 pursuant to Section 19(a), the Bonds to be redeemed shall become due and payable on such date
9 of redemption.

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

18 All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this
19 Resolution and the Contract of Purchase shall be cancelled upon surrender thereof and delivered
20 to or upon the order of the District. All or any portion of a Bond purchased by the District shall
21 be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

22 SECTION 33. Paying Agent; Appointment and Acceptance of Duties.

23 (a) Zions First National Bank is hereby appointed as the initial authenticating
24 agent, bond registrar, transfer agent and paying agent (collectively, the “**Paying Agent**”) for the
25 Bonds. All fees and expenses incurred for services of the Paying Agent, including its third-party
26 agents, shall be the sole responsibility of the District. The Paying Agent shall keep accurate
27 records of all funds administered by it and all of the Bonds paid and discharged by it.

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

4 SECTION 34. Liability of Paying Agent. The Paying Agent makes no
5 representations as to the validity or sufficiency of this Resolution or of any Bonds issued
6 hereunder or as to the security afforded by this Resolution, and the Paying Agent shall incur no
7 liability in respect hereof or thereof.

8 SECTION 35. Evidence on Which Paying Agent May Act. The Paying Agent,
9 upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or
10 other paper or document furnished to it pursuant to any provision of this Resolution, shall
11 examine such instrument to determine whether it conforms to the requirements of this Resolution
12 and shall be protected in acting upon any such instrument believed by it to be genuine and to have
13 been signed or presented by the proper party or parties. The Paying Agent may consult with
14 counsel, who may or may not be counsel to the District, and the opinion of such counsel shall be
15 full and complete authorization and protection in respect of any action taken or suffered by it
16 under this Resolution in good faith and in accordance therewith.

17 SECTION 36. Compensation. The District shall pay to the Paying Agent from
18 time to time reasonable compensation for all services rendered under this Resolution, and also all
19 reasonable expenses, charges, counsel fees and other disbursements, including those of its
20 attorneys, agents, and employees, incurred in and about the performance of their powers and
21 duties under this Resolution, all of which may, pursuant to Education Code Section 15232, be
22 paid from the County's annual levy of *ad valorem* taxes.

23 SECTION 37. Ownership of Bonds Permitted. The Paying Agent or the
24 Underwriter may become the Owner of any Bonds.

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SECTION 38. Resignation or Removal of Paying Agent and Appointment of Successor.

(a) The initially appointed Paying Agent may resign from service as Paying Agent at any time. Prior to such resignation a new Paying Agent shall be appointed by the District in accordance with applicable law, which shall be the Treasurer or a bank or trust company doing business in and having a corporate trust office in Los Angeles or San Francisco, California, with at least \$50,000,000 in net assets. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District a written acceptance thereof. Resignation of the initial or a successor Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(b) Any Paying Agent appointed may resign from service as Paying Agent and may be removed at any time by the District as provided in the Paying Agent’s service agreement. If at any time the Paying Agent shall resign or be removed, a new Paying Agent shall be appointed in accordance with applicable law, which shall be either the Treasurer or a bank or trust company doing business in and having a corporate trust office in Los Angeles or San Francisco, California, with at least \$50,000,000 in net assets. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(c) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor. The District shall promptly provide notice of the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent to the Owners of the Bonds by first-class mail, postage prepaid, at their addresses appearing on the Bond Register.

SECTION 39. Investment of Certain Funds. Moneys held in all funds and accounts established hereunder shall be invested and reinvested in Authorized Investments to the fullest extent practicable as shall be necessary to provide moneys when needed for payments to be

1 made from such funds and accounts, subject to any conditions in the Nonarbitrage Certificate.
2 Nothing in this Resolution shall prevent any investment securities acquired as investments of
3 funds held hereunder from being issued or held in book entry form on the books of the
4 Department of Treasury of the United States. All investment earnings on amounts on deposit in
5 the Debt Service Fund shall remain on deposit in such fund.

6 SECTION 40. Valuation and Sale of Investments. Obligations purchased as an
7 investment of moneys in any fund or account shall be deemed at all times to be a part of such
8 fund or account. Profits or losses attributable to any fund or account shall be credited or charged
9 to such fund or account. In computing the amount in any fund or account created under the
10 provisions of this Resolution for any purpose provided in this Resolution, obligations purchased
11 as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued
12 interest.

13 SECTION 41. Supplemental Resolutions with Consent of Owners. This
14 Resolution, and the rights and obligations of the County, the District and of the Owners of the
15 Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution
16 adopted by the Board at the request of the District with the written consent of the Owners owning
17 at least 60% in aggregate Principal Amount of the Outstanding Bonds, exclusive of Bonds, if any,
18 owned by the District. Notwithstanding the foregoing, no such modification or amendment shall,
19 without the express consent of the Owner of each Bond affected, reduce the Principal Amount of
20 any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof,
21 extend its maturity or the times for paying interest thereon or change the monetary medium in
22 which Principal and interest is payable, nor shall any modification or amendment reduce the
23 percentage of consents required for amendment or modification. No such Supplemental
24 Resolution shall change or modify any of the rights or obligations of any Paying Agent without
25 its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall
26 be required if the Owners are not directly and adversely affected by such amendment or
27 modification.
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1 SECTION 42. Supplemental Resolutions Effective Without Consent of
2 Owners. For any one or more of the following purposes and at any time or from time to time, a
3 Supplemental Resolution of the County may be adopted, which, without the requirement of
4 consent of the Owners, shall be fully effective in accordance with its terms:

5 (a) To add to the covenants and agreements to be observed by the District
6 which are not contrary to or inconsistent with this Resolution as theretofore in effect;

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

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

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

15 (e) To amend or supplement this Resolution in any other respect, provided
16 such Supplemental Resolution does not, in the opinion of Bond Counsel, adversely affect the
17 interests of the Owners.

18 SECTION 43. Effect of Supplemental Resolution. Any act done pursuant to a
19 modification or amendment so consented to shall be binding upon the Owners of all the Bonds
20 and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the
21 character of such act may be, and may be done and performed as fully and freely as if expressly
22 permitted by the terms of this Resolution, and after consent relating to such specified matters has
23 been given, no Owner shall have any right or interest to object to such action or in any manner to
24 question the propriety thereof or to enjoin or restrain the District or any officer or agent thereof
25 from taking any action pursuant thereto.

26 SECTION 44. Discharge and Defeasance. If any or all Outstanding Bonds
27 shall be paid and discharged in any one or more of the following ways:

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1 (i) by paying or causing to be paid the Principal, premium, if any, and
2 interest on such Bonds, and when the same become due and payable;

3 (ii) by depositing with the Paying Agent, in trust, at or before maturity,
4 cash which together with the amounts then on deposit in the escrow fund, together with
5 the interest to accrue thereon without the need for further investment, is fully sufficient to
6 pay such Bonds at maturity or earlier redemption thereof, including any premium and all
7 interest thereon, notwithstanding that any Bonds shall not have been surrendered for
8 payment; or

9 (iii) by depositing with an institution that meets the requirements of
10 serving as successor Paying Agent pursuant to Section 38 selected by the District, in trust,
11 lawful money or noncallable direct obligations issued by the United States Treasury
12 (including State and Local Government Series) or obligations which are unconditionally
13 guaranteed by the United States of America and permitted under Section 149(b) of the
14 Code and Regulations which, in the opinion of Bond Counsel, will not impair the
15 exclusion from gross income for federal income tax purposes of interest on the Bonds, in
16 such amount as will, together with the interest to accrue thereon without the need for
17 further investment, be fully sufficient to pay and discharge such Bonds at maturity or
18 earlier redemption thereof, for which notice has been given or provided for, including any
19 premium and all interest thereon, notwithstanding that any Bonds shall not have been
20 surrendered for payment;

21 then all obligations of the County, the District and the Paying Agent under this Resolution with
22 respect to such Bonds shall cease and terminate, except only the obligation of the Paying Agent to
23 pay or cause to be paid to the Owners of such Bonds all sums due thereon, and the obligation of
24 the District to pay to the Paying Agent amounts owing to the Paying Agent under Section 36
25 hereof.

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SECTION 45. Approval of Actions; Miscellaneous.

(a) The Authorized Officers of the County 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 or otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The County, the Board, and their officers, agents, and employees shall not be responsible for any proceedings or the preparation or contents of any resolutions, certificates, statements, disclosures, notices, contracts, or other documents relating to the sale and issuance of the Bonds.

(c) The Principal Amount of and premium, if any, and interest on the Bonds shall not constitute debt or an obligation of the County, the Board or the officers, agents, or employees, and the County, the Board, and the officers, agents, and employees thereof shall not be liable thereon. In no event shall the Principal of or premium, if any, or interest on any Bond be payable out of any funds or property of the County.

SECTION 46. Conflicts. If there is any inconsistency or conflict between any provision of this Resolution and any provision of the Contract of Purchase, the Contract of Purchase prevails to the extent of the inconsistency or conflict. If there is any inconsistency or conflict between any provision of this Resolution and any provision of the Nonarbitrage Certificate, the Nonarbitrage Certificate prevails to the extent of the inconsistency or conflict.

SECTION 47. Effective Date. This Resolution shall take effect immediately upon its passage.

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SECTION 48. Clerk's Certificate. The Clerk of the Board is hereby directed to provide certified copies of this Resolution to the Treasurer, the County Auditor and Controller and to Bond Counsel immediately following its adoption at the following address:

Nixon Peabody LLP
555 West 5th Street
Los Angeles, CA 90013
Attn: Lisalee Anne Wells

[Reminder of this page is blank.]

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The foregoing Resolution was on the ____ day of _____, 2015, adopted by the Board of Supervisors of the County of Riverside.

COUNTY OF RIVERSIDE:

By _____
Chairman

ATTEST:

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

By: _____
Deputy