

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



FROM: Treasurer-Tax Collector

SUBMITTAL DATE:
May 5, 2010

SUBJECT: Resolution No. 2010-152 - Palm Springs Unified School District, 2008 Election, General Obligation Bonds, Series A (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2010-152, supplementing Board Resolution No. 2009-316, authorizing the issuance and sale of Palm Springs Unified School District, 2008 Election, General Obligation Bonds, Series A in a maximum aggregate principal amount not to exceed \$25,000,000, prescribing additional terms and a form of purchase agreement, and approving related actions

BACKGROUND: Education Code Section 15140 requires that general obligation bonds of a school district be offered for sale by the Riverside County Board of Supervisors, when the Riverside County Superintendent of Schools has jurisdiction over that 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.

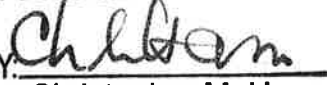
(Continued on page 2)


Don Kent, Treasurer - Tax Collector

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	0
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	0
	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

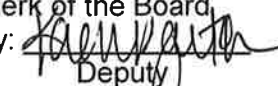
BY: 
Christopher M. Hans

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Buster, seconded by Supervisor Ashley and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Benoit and Ashley
Nays: Stone
Absent: None
Date: May 18, 2010
xc: Treasurer, Applicant

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

Prev. Agn. Ref.:

District: 4

Agenda Number:

3.77

The Riverside County Superintendent of Schools has jurisdiction over the Palm Springs Unified School District (the "District") which is planning to issue and sell bonds via a negotiated sale. Therefore the Education Code provides that the Riverside County Board of Supervisors is responsible for issuing and selling these District bonds, via a negotiated sale, on behalf of the District. To that end, the District's Board of Education is requesting this Board to sell the District's general obligation bonds Series A in an aggregate principal amount not to exceed \$25,000,000.

An election was held on February 5, 2008, pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution and Sections 15266, 15100 *et seq.* and 15140 *et seq.* of the Education Code which codify, in part, Proposition 39. During that election, a measure authorizing the District to incur general obligation bonded indebtedness in an aggregate principal amount not to exceed \$516,000,000 was approved by more than 55% of the qualified voters voting on the measure.

On November 3, 2009 this Board adopted Resolution No. 2009-316 which authorized the issuance and sale of Palm Springs Unified School District, 2008 Election, General Obligation Bonds Series A in an aggregate principal amount not to exceed \$25,000,000; authorized the Series A Bonds to be issued in one or more subseries; authorized the County Treasurer/Tax Collector to negotiate the sale of the bonds; and authorized all or a portion of the Series A Bonds to be sold to the California Qualified School Construction Bond Joint Powers Authority or any other Joint Powers Authority, all as requested by the District Board of Education. In addition, Resolution No. 2009-316 prescribed the terms of the bonds and conditions of their sale; approved the form of a Bond Purchase Agreement and authorized its execution and the execution of other necessary documents related to the transaction.

Subsequent to the adoption of Resolution No. 2009-316, the District explored alternative opportunities for the negotiated sale of the Series A Bonds. On April 27, 2010, the District Board of Education adopted a supplemental resolution requesting this Board to supplement Resolution 2009-316 in order to authorize the negotiated sale of the Series A Bonds by the County Treasurer-Tax Collector under certain additional terms and conditions and under a revised bond purchase agreement. Resolution No. 2010-152 supplements Resolution 2009-316, authorizes the negotiated sale of the Series A Bonds under the additional terms and conditions requested by the District and approves the form of the revised bond purchase agreement as requested by the District.

The proceeds of the Series A Bonds are to be expended for identified school facilities and improvements or to provide financing for the construction, reconstruction or repair of public school facilities, or the acquisition of land on which such facilities are to be constructed. Expenditures are subject to the review of a citizens' oversight committee appointed by the District's Board of Education.

These bonds represent general obligations of the District; these bonds do not constitute a debt or obligation of the County. No part of any fund of the County is pledged or obligated to the payment of these bonds.

The Office of County Counsel has reviewed Resolution No. 2010-152 and has approved it as to form.

RESOLUTION NO. 2010-152

**RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE
COUNTY SUPPLEMENTING COUNTY RESOLUTION NO. 2009-316
WITH RESPECT TO THE SALE OF PALM SPRINGS UNIFIED
SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008
ELECTION, SERIES A, PRESCRIBING ADDITIONAL TERMS OF THE
BONDS AND THEIR SALE; APPROVING FORM AND AUTHORIZING
EXECUTION AND DELIVERY OF A REVISED BOND PURCHASE
AGREEMENT; AND TAKING RELATED ACTIONS**

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RESOLUTION NO. 2010-152

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY SUPPLEMENTING COUNTY RESOLUTION NO. 2009-316 WITH RESPECT TO THE SALE OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A, PRESCRIBING ADDITIONAL TERMS OF THE BONDS AND THEIR SALE; APPROVING FORM AND AUTHORIZING EXECUTION AND DELIVERY OF A REVISED BOND PURCHASE AGREEMENT; AND TAKING RELATED ACTIONS

WHEREAS, the Palm Springs Unified School District ("District") is a public unified school district duly organized and operating pursuant to the Constitution and the laws of the State of California; and

WHEREAS, an election was duly called and regularly held in the District, County of Riverside ("County"), State of California ("State"), on February 5, 2008 ("Election"), and thereafter canvassed pursuant to law; and

WHEREAS, at such Election there was submitted to, and approved by the requisite fifty-five percent (55%) favorable vote of the qualified electors of the District, as certified by the Riverside County Register of Voters in the official canvassing of the voters, a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot measure submitted to the voters, in the maximum principal amount of \$516,000,000, payable from the levy of an ad valorem tax against the taxable property in the District ("Authorization"); and

WHEREAS, pursuant to the California Constitution, the Authorization, and the

UNAPPROVED COUNTY COUNSEL
BY Dale A. Gardner 5/14/10
DATE

1 Education Code, the Board of Education of the District ("District Board") previously adopted its
2 Resolution No. 2009/2010-16 on September 22, 2009, and Resolution No. 2009/2010-22 on
3 October 13, 2009 (collectively the "District Resolution"), certified copies of which were filed
4 with this County Board of Supervisors ("County Board") requesting the County Board to issue,
5 in the name of and on behalf of the District, a series of such authorized bonds to be designated
6 "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A" in an
7 aggregate principal amount not to exceed \$25,000,000 ("Bonds" or "Series A Bonds"); and
8

9 **WHEREAS**, in the District Resolution, the District found and informed this Board of
10 Supervisors that all acts and conditions necessary to be performed by the District or to have been
11 met precedent to and in the issuing and sale of the Series A Bonds in order to make them legal,
12 valid and binding general obligations of the District have been performed and have been met, or
13 will at the time of delivery of the Series A Bonds have been performed and met, in regular and
14 due form as required by law; and
15

16 **WHEREAS**, following receipt of the District Resolution, this County Board adopted
17 Resolution No. 2009-316 ("County Resolution No. 2009-316") on November 3, 2009
18 authorizing the issuance of the Series A Bonds, approving various documents, taking various
19 actions and directing certain actions with respect to the issuance and sale of the Series A Bonds;
20 and
21

22 **WHEREAS**, the Series A Bonds were and are authorized to be issued by the County, on
23 behalf of the School District, pursuant to the California Constitution, the Authorization and
24 Sections 15100 et seq. and 15140 et seq. of the Education Code of the State of California and
25 other applicable law; and
26

27 **WHEREAS**, subsequent to the adoption of County Resolution No. 2009-316, the District
28 undertook various actions to explore additional opportunities for an alternative form of

1 negotiated sale for the sale of the Series A Bonds; and
2

3 **WHEREAS**, the District Board has adopted its Resolution No. 2009/2010-70 on April
4 27, 2010, supplementing the District Resolution (hereinafter the "District Supplemental
5 Resolution "), a certified copy of which has been filed with this County Board, requesting the
6 County Board to supplement County Resolution No. 2009-316 in respect to the sale of the Series
7 A Bonds; and
8

9 **WHEREAS**, this County Board desires to make certain determinations and to take
10 certain actions with respect to the sale of the Series A Bonds.
11

12 NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF
13 THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS FOLLOWS:
14

15 **SECTION 1. Recitals; Incorporation of District Supplemental Resolution.** The
16 foregoing recitals are true and correct and are incorporated herein by this reference. The District
17 Supplemental Resolution, together with the exhibits thereto, and findings and determinations
18 contained therein, is incorporated herein by reference and all of the provisions thereof are made a
19 part hereof and shall be applicable to the Series A Bonds, except as otherwise specified herein.
20

21 **SECTION 2. Supplemental Resolution ; Incorporation of Prior Resolutions.**

22 (a) This Resolution shall act to supplement County Resolution No. 2009-316 which
23 provides for the issuance and sale of the Series A Bonds. Except to the extent provided for
24 herein, County Resolution No. 2009-316 is not otherwise amended or revised.
25

26 (b) Defined terms as set forth in the District Resolution, the District Supplemental
27 Resolution and County Resolution No. 2009-316 are incorporated herein except to the extent
28 otherwise stated herein.

1
2 **SECTION 3. Approval of Alternate Purchase Agreement.**

3 The Series A Bonds will be sold at a negotiated sale, pursuant to the terms and provisions
4 of the District Resolution, the District Supplemental Resolution, and County Resolution No.
5 2009-316 as supplemented hereby. The terms and conditions for the negotiated sale of the Series
6 A Bonds shall be set forth in a Bond Purchase Agreement(s) under those terms and directives set
7 forth in County Resolution No. 2009-316. Within the District Supplemental Resolution, the
8 District has proposed a Revised/Alternative Form of Bond Purchase Agreement for the sale of
9 the Series A Bonds. The alternative form of the Bond Purchase Agreement (“Alternate Purchase
10 Agreement”) is attached hereto as Exhibit “A” and incorporated herein by this reference. The
11 Treasurer is hereby authorized to approve and execute such Alternate Purchase Agreement as
12 part of the sale of the Series A Bonds. The form of the Alternate Purchase Agreement is hereby
13 approved and the Treasurer, or any designated deputy thereof, is hereby authorized to execute
14 and deliver the Alternate Purchase Agreement(s) and the Designated Officer (as defined herein)
15 of the District, is hereby requested to execute the Alternate Purchase Agreement, with such
16 changes therein, deletions therefrom and modifications thereto as the Treasurer, or designated
17 deputy thereof, and the Designated Officer may approve, such approval to be conclusively
18 evidenced by the execution and delivery thereof.

19
20 **SECTION 4. Additional Terms for Bonds.** In addition to the terms of the Bonds
21 set forth in Section 7 and elsewhere within County Resolution No. 2009-316, the Series A Bonds
22 may include provisions and terms for a change in interest rate paid on the Series A Bonds upon
23 the occurrence of a Determination of Disqualification (as set forth in the Alternate Purchase
24 Agreement) as executed and delivered. The Alternative Purchase Agreement, as signed and
25 delivered, may authorize such change in interest rates or other matters in order to effectuate the
26 sale of the Series A Bonds upon the terms and conditions contemplated. In such event, the form
27 of the Series A Bonds shall be amended to reflect such provisions, terms and conditions. In the
28 event of such an interest rate change, the taxes levied and collected by the County pursuant to

1 California Education Code Section 15250 *et seq.*, or any successor law thereto, as provided in
2 County Resolution No. 2009-316 shall be adjusted to meet the revised requirements for
3 payments of principal and interest on the Series A Bonds.
4

5 **SECTION 5. No Liability of County.** To the extent that the District agrees in the
6 Purchase Agreement to any form of liquidated damages, or other stated liabilities or obligations
7 to the JPA as a result of actions, or inactions, of the District with respect to the tax status, or tax
8 credit status, of the Series A Bonds or JPA Bonds, such responsibility and liability therefor,
9 notwithstanding the County's execution of such Purchase Agreement, shall lie solely with the
10 District. No funds, revenues, or assets of the County are, or shall be, availability to satisfy an
11 obligation or liability of the District for such contractual obligations and/or liabilities.
12

13 **SECTION 6. Effective Date.** This Resolution shall take effect immediately upon its
14 passage.
15

16 **SECTION 7. Furnishing of Clerk Certifications.** The Clerk of the Board is hereby
17 authorized to furnish up to four (4) certified copies of this Resolution to Bowie, Arneson, Wiles
18 & Giannone, District Bond Counsel, at or prior to closing.
19

20 [Remainder of this page is blank]
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1 The foregoing Resolution was on the 18th day of May, 2010, adopted by the Board
2 of Supervisors of the County of Riverside.
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5 ROLL CALL:
6

7 Ayes: Buster, Tavaglione, Benoit and Ashley
8 Nays: Stone
9 Absent: None

10 The foregoing is certified to be a true copy of a resolution duly
11 adopted by said Board of Supervisors on the date therein set forth.

12 KECIA HARPER-IHEM, Clerk of said Board

13 By: _____
14 Deputy
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EXHIBIT "A"

FORM OF ALTERNATE PURCHASE AGREEMENT

DISTRICT BOND PURCHASE AGREEMENT

This DISTRICT BOND PURCHASE AGREEMENT (this "Purchase Agreement"), dated _____, 2010, is among the PALM SPRINGS UNIFIED SCHOOL DISTRICT, a unified school district organized and existing under the Constitution and laws of the State of California (the "District"), the COUNTY OF RIVERSIDE, a county organized and existing under the Constitution and laws of the State of California (the "County") and the CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority");

BACKGROUND:

1. The Authority is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, and is authorized under Article 4 thereof (the "Bond Law") to borrow money for the purpose of providing funds to purchase local obligations issued by local agencies in the State of California and for the purpose of financing the acquisition and construction of public capital improvements.

2. The District is authorized to issue Qualified School Construction Bonds in the aggregate amount of not to exceed \$25,000,000 for the purpose of financing the construction, rehabilitation, or repair of public school facilities and/or for the acquisition of land on which such facilities are to be constructed (the "QSCB Projects").

3. In order to provide financing for the QSCB Projects on terms which are the most favorable to the District, the District has requested the Authority to issue its bonds under the Bond Law on behalf of the District, which bonds are designated as the Qualified School Construction Bonds for which the District has received an allocation.

4. To that end, the Board of Education of the District has adopted its Resolution No. 2009/2010-16 on September 22, 2009, Resolution No. 2009/2010-23 on October 13, 2009 and Resolution No. 2009/2010-__ on April 27, 2010 (collectively, the "District Resolution"), requesting the Board of Supervisors of the County to authorize the issuance and sale of Palm Springs Unified School District (Riverside County, California) General Obligation Bonds Election 2008, Series A (the "District Bonds") for the purpose of providing funds to finance the QSCB Projects.

5. Issuance and sale of the District Bonds has been authorized by Resolution No. 2009-195 adopted by the Board of Supervisors of the County on November 3, 2009, as supplemented by Resolution No. 2010-__ adopted by the Board of Supervisors of the County on May __, 2010 (collectively, the "County Resolution").

6. The Board of Directors of the Authority has authorized the issuance of its California Qualified School Bond Joint Powers Authority 2010 General Obligation Revenue Bonds (Palm Springs Unified School District Qualified School Construction Bonds) in the aggregate principal amount of \$_____ (the "Authority Bonds") under the Bond Law and the provisions of an Indenture of Trust dated as of June 1, 2010 (the

"Authority Bond Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Authority Bond Trustee"), for the purpose of purchasing the District Bonds as provided herein.

7. The District Bonds are payable from ad valorem property taxes levied on taxable properties in the District, and the revenues derived from the payment of principal of and interest on the District Bonds will be sufficient in time and amount to pay debt service on the Authority Bonds as it comes due.

A G R E E M E N T :

For and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Transfer of QSCB Allocation.* The District hereby transfers to the Authority its allocation to issue Qualified School Construction Bonds in the aggregate amount of \$_____ for the purpose of financing the QSCB Projects. In consideration of such transfer, the Authority hereby agrees to issue the Authority Bonds in the full amount of such allocation and to apply the proceeds of the Authority Bonds as follows:

- (a) the amount of \$_____ shall be applied by the Authority to purchase the District Bonds as provided herein,
- (b) the amount of \$_____ shall be applied by the Authority to pay the costs of issuance of the Authority Bonds and the District Bonds, and
- (c) the amount of \$_____, constituting the remainder of the proceeds of the Authority Bonds, shall be transferred into the Building Fund (as that term is hereinafter defined), as an additional contribution to finance the QSCB Projects as hereinafter set forth.

SECTION 2. *Terms of District Bonds.*

(a) Delivery Date; form of Bonds; Principal and Interest. The District hereby agrees to issue and deliver the District Bonds, through the Board of Supervisors of the County, on June __, 2010 (the "Closing Date"). The District Bonds shall be issued as Current Interest Bonds maturing on _____ 15, 202__, and shall bear interest at the rate of _____% per annum, subject to adjustment as set forth in subsection (b) of this Section. The District Bonds shall be subject to mandatory sinking fund redemption in the amounts and on the dates as set forth in the following schedule:

Sinking Fund
Redemption Date

Principal Amount
to be Redeemed

(b) Adjustment of Interest Rate Due to Determination of Disqualification.

Notwithstanding the foregoing provisions of this Section, if a Determination of Disqualification occurs as a result of a reason other than an Accountable QSCB Loss Event, the interest rate on the District Bonds shall be increased to 12% per annum (or such higher rate as may then be permitted by law), effective upon the Date of Loss of QSCB Status. In the event of any such Determination of Disqualification is rescinded or resolved such that the Authority Bonds are restored to their status as Qualified School Construction Bonds, and provided that all amounts due and owing to the owner of the Authority Bonds as a result of such Determination of Disqualification have been paid in full as provided in the Authority Bond Indenture (including but not limited to those amounts due under Section 2.02(e) of the Authority Bond Indenture), the interest rate on the District Bonds shall be reduced to ____% per annum.

For purposes of this subsection (b), the following defined terms have the following meanings:

"Accountable QSCB Loss Event" means (a) any act or any failure to act on the part of the District which causes a Determination of Disqualification, or (b) the making by the District of any representation contained in the District Resolution which was untrue when made and the untruth of which representation at such time causes a Determination of Disqualification.

"Date of Loss of QSCB Status" means the date specified in a Determination of Disqualification as the date from and after which the Authority Bonds lost their status, or failed to qualify, as Qualified School Construction Bonds, which date could be as early as the Closing Date.

"Determination of Disqualification" means (a) legislation enacted by the Congress of the United States of America, (b) a ruling, notice or determination by the Internal Revenue Service or (c) a non-appealable ruling or holding by a court of competent jurisdiction, the effect of which

causes the Authority Bonds to lose their status as, or fail to qualify as, "Qualified School Construction Bonds" under Section 54F of the Internal Revenue Code of 1986, as amended (the "Tax Code") or reduces the tax credits available to the registered holder of the Authority Bonds and specifying the Date of Loss of QSCB Status.

(c) Payment. Notwithstanding anything herein or in the District Resolution or the County Resolution to the contrary, so long as the District Bonds are owned by the Authority Bond Trustee, (i) payments of the principal thereof and interest and redemption premium (if any) thereon shall be paid by wire transfer to the Authority Bond Trustee, (ii) payments of principal on the District Bonds shall be made without the requirement for presentation and surrender of the District Bonds by the Authority Bond Trustee, and (iii) no notice is required to be given to the Authority Bond Trustee of the mandatory sinking fund redemption of the District Bonds.

SECTION 3. *Sale of District Bonds to Agency*. The District hereby agrees to sell the District Bonds to the Authority for delivery on the Closing Date. The Authority hereby agrees to purchase the District Bonds from the District on the Closing Date for a purchase price equal to \$_____, being the par amount of the District Bonds. As provided in the District Resolution and the County Resolution, the full amount of the purchase price of the Bonds shall be paid to the Riverside County Treasurer-Tax Collector (the "County Treasurer"), for deposit in the "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A, Building Fund," which is established under Section 8 of the District Resolution and Section 19 of the County Resolution, to be maintained by the County Treasurer (the "Building Fund"). Amounts on deposit in the Building Fund shall be applied for the sole purpose of financing the QSCB Projects.

SECTION 4. *Registered Ownership of District Bonds*. Under the Authority Bond Indenture, the Authority has transferred and assigned all of its right, title and interest in the District Bonds to the Authority Bond Trustee for the security of the Authority Bonds. The District and the Authority agree that upon the acquisition of the District Bonds on the Closing Date, the ownership of the District Bonds will be transferred to and vested in the Authority Bond Trustee.

SECTION 5. *Closing*. At 9:00 A.M., California time, on June __, 2010, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Authority (the "Closing Date"), the District or the County, as appropriate, will deliver the District Bonds to the Authority Bond Trustee, duly executed and registered in the name of the Authority Bond Trustee; and the Authority Bond Trustee will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to the account of the County Treasurer.

SECTION 6. *Conditions to Closing*. The Authority has entered into this Purchase Agreement in reliance upon the representations and warranties of the District and the County contained herein and the performance by the District and the County of their respective obligations hereunder, both as of the date hereof and as of the date of Closing. The Authority's obligations under this Purchase Agreement are and shall be subject to the following further conditions at the Closing Date:

- (a) Representations True. The representations and warranties of the District and the County contained herein shall be true, complete and

correct in all material respects at the date hereof and at and as of the Closing Date as if made on and as of the Closing Date, and the statements made in all certificates and other documents delivered to the Authority on the Closing Date pursuant hereto shall be true, complete and correct in all material respects on the Closing Date; and each of the District and the County shall be in compliance with each of the agreements made by it in this Purchase Agreement;

- (b) Obligations Performed. On the Closing Date, (i) this Purchase Agreement, the District Resolution and the County Resolution shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Authority; and (ii) all actions under applicable California law which, in the opinion of Bowie, Arneson, Wiles & Giannone, Newport Beach, California ("District 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.
- (c) Delivery of Documents. On or before the Closing Date, the District shall deliver (or cause to be delivered) sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Authority:
 - (1) Bond Counsel Opinion. An approving opinion of District Bond Counsel, as to the validity of the District Bonds, addressed to the District, the Authority, the Authority Bond Trustee and JPMorgan Chase Bank, N.A., as purchaser of the Authority Bonds.
 - (2) County Counsel Opinion. An approving opinion of County Counsel, in substantially the form attached hereto as Appendix A, addressed to the District, the Authority, the Authority Bond Trustee and JPMorgan Chase Bank, N.A., as purchaser of the Authority Bonds.
 - (3) Certificate of the District. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Agreement; (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing; and (iii) the District has complied with all the terms of the District Resolution, the County Resolution and this Purchase Agreement which are necessary to be complied with prior to or before the Closing Date and such documents are in full force and effect.
 - (4) Certificate of the County. A certificate signed by the County Treasurer or any other appropriate official of the County to the effect that (i) such official is authorized to execute this Purchase Agreement; (ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing; and (iii) the County

has complied with all the terms of the County Resolution and this Purchase Agreement which are necessary to be complied with prior to or before the Closing Date and such documents are in full force and effect.

- (5) Receipt of Bond Proceeds. A certificate signed by the County Treasurer showing that the purchase price of the District Bonds has been received by the County Treasurer and deposited into the Building Fund as required by the District Resolution and the County Resolution.
- (6) Tax Certifications. A certificate or certificates signed by an appropriate official of the District, in form and substance acceptable to Jones Hall, A Professional Law Corporation, as bond counsel and special tax counsel to the Authority in connection with the issuance of the Authority Bonds ("Authority Bond Counsel"), evidencing compliance by the District with the applicable requirements of federal tax law relating to the Authority Bonds.
- (7) Resolutions. Certified copies of the adopted District Resolution and County Resolution.
- (8) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority, District Bond Counsel or Authority Bond Counsel in connection with the issuance of the Authority Bonds, may reasonably request to evidence (i) compliance by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

If the District is unable to satisfy the conditions to the Authority's obligations contained in this Purchase Agreement or if the Authority's obligations are terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Authority at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the District in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Authority may be waived by the Authority in writing at its sole discretion.

SECTION 7. *Remedies Upon Failure to Expend Available Proceeds.*

(a) Event of Default; Payments. In the event the District fails to expend all of the Available Project Proceeds for Qualified Purposes within the Expenditure Period, such failure shall constitute a breach of the District's covenant set forth in Section 16(c) of the District Resolution and an event of default thereunder. Upon the occurrence of such event of default, the District agrees to pay from any source of legally available funds, as liquidated damages, an amount equal to the difference between (i) the

redemption price of the Authority Bonds under Section 2.04(b) of the Authority Bond Indenture, and (ii) the amount transferred to the Authority Bond Trustee by the County Treasurer from the Building Fund which is applied to pay the redemption price of the Authority Bonds under Section 2.04(b) of the Authority Bond Indenture.

(b) Findings. The District hereby finds and determines that the amount of damages specified in this Section are reasonable and necessary for the District in order to know, with reasonable certainty, the extent of its liability for a breach of the covenant of the District set forth in Section 16(c) the District Resolution. The District further finds and determines that the actual amount of damages which might accrue to individual owners of Authority Bonds would be impracticable to determine with certainty, and that the amount of damages specified in this Section represents a reasonable effort to estimate a fair compensation for any loss that may be sustained by the Owners of the Authority Bonds as a result of a breach by the District of its covenants set forth in Section 16(c) of the District Resolution. The District acknowledges and agrees that its obligations under this Section constitute a general obligation of the District which is payable from any source of legally available funds, including but not limited to amounts levied as ad valorem property taxes for the payment of principal of and interest on the District Bonds.

(c) Limitation on Further Liability. Except as expressly set forth in this Section, the District shall have no liability and incur no damages to the Authority, the Authority Bond Trustee or the Owners of the Bonds and related interests therein, arising from a breach of the covenant of the District set forth in Section 16(c) of the District Resolution.

SECTION 8. Remedies Upon Loss of Qualified School Construction Bond Status Due to Accountable QSCB Loss Event.

(a) Event of Default; Payments. The District hereby acknowledges and agrees that the occurrence of a Determination of Disqualification due to an Accountable QSCB Loss Event constitutes a breach of one or more of the covenants of the District set forth in Sections 15 or 16 of the District Resolution (other than the covenant set forth in Section 16(c) of the District Resolution, which is provided for in Section 7 of this Agreement), or otherwise contained in the District Resolution or the County Resolution, and constitutes an event of default thereunder. Upon the occurrence of a Determination of Disqualification due to an Accountable QSCB Loss Event, the District agrees to pay, from any source of legally available funds, as liquidated damages, the following amounts:

- (i) if any Tax Credits recognized prior to the Determination of Disqualification are determined to be ineligible as Tax Credits as a result of such Determination of Disqualification, an amount equal to the Prior Tax Credit Loss Amount; and
- (ii) an amount equal to the Future Tax Credit Loss Amount.

(b) Defined Terms. For purposes of this Section the following terms have the following respective meanings:

"Accountable QSCB Loss Event" has the meaning given that term in Section 2(b).

"Calculation Agent" means the Chase Bank, N.A, its successors and assigns, as original purchaser of the Authority Bonds, so long as it is the registered owner of the Bonds, and otherwise the District or its designee.

"Determination of Disqualification" has the meaning given that term in Section 2(b).

"Discount Rate" means the Treasury Rate determined as of the date which is five business days prior to the applicable repayment or redemption date.

"Future Tax Credit Loss Amount" means an amount equal to the present values of the remaining scheduled Tax Credits related to the Authority Bonds discounted to the date of repayment on a semiannual basis (assuming a 360-day year, consisting of 12 months of 30 days each) at a rate per annum equal to the Discount Rate.

"Prior Tax Credit Loss Amount" means an amount equal to the amount of Tax Credits lost as a result of the Determination of Disqualification, plus interest thereon from the applicable Tax Credit Allowance Date to date of repayment, compounded quarterly at a rate equal to the large corporate underpayment rate determined from time to time by the Internal Revenue Service.

"Tax Credit" means the entitlement, under the program for allocating tax credits and authorizing the issuance of the Authority Bonds promulgated under Sections 54A and 54F of the Tax Code, of a taxpayer to recognize a credit against the tax imposed by Chapter 1 of the Tax Code.

"Tax Credit Allowance Date" means each March 15, June 15, September 15 and December 15 during the term of the Authority Bonds, and the last date on which any Authority Bond is outstanding.

"Treasury Rate" means the yield on the United States Treasury bill, note or bond, selected by the Calculation Agent in a commercially reasonable manner, having a maturity closest in length to the period from the date such yield is determined to the maturity date of the Authority Bonds.

(c) Findings. The District hereby finds and determines that the amount of damages specified in this Section are reasonable and necessary for the District in order to know, with reasonable certainty, the extent of its liability for a breach of the covenants of the District set forth in Sections 15 and 16 of the District Resolution. The District further finds and determines that the actual amount of damages which might accrue to individual owners of Authority Bonds would be impracticable to determine with certainty, and that the amount of damages specified in this Section represents a reasonable effort to estimate a fair compensation for any loss that may be sustained by the Owners of the Authority Bonds as a result of a breach by the District of its covenants set forth in Sections 15 and 16 of the District (other than the covenant set forth in Section 16(c) of the District Resolution, which is provided for in Section 7). The District acknowledges

and agrees that its obligations under this Section constitute a general obligation of the District which is payable from any source of legally available funds, including but not limited to amounts levied as ad valorem property taxes for the payment of principal of and interest on the District Bonds.

(d) Limitation on Further Liability. Except expressly as set forth in this Section, the District shall have no liability and incur no damages to the Authority, the Authority Bond Trustee or the Owners of the District Bonds and related interests therein, arising from a breach of the covenants of the District set forth in Sections 15 and 16 of the District Resolution.

SECTION 9. *Waiver of Jury Trial.* To the fullest extent permitted by law, the District hereby waives its right to trial by jury in any action, proceeding and/or hearing on any matter whatsoever arising out of, or in any way connected with, the District Bonds, the District Resolution, the County Resolution, this Agreement or any other documents relating to the District Bonds, or the enforcement of any remedy under any law, statute, or regulation.

SECTION 10. *Execution in Counterparts.* This Purchase Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

SECTION 11. *Governing Law.* This Purchase Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties to this Purchase Agreement have caused this Purchase Agreement to be signed by their respective officers, all as of the day and year first above written.

**PALM SPRINGS UNIFIED SCHOOL
DISTRICT**

By _____
Superintendent

COUNTY OF RIVERSIDE

By _____
[title]

**CALIFORNIA QUALIFIED SCHOOL BOND
JOINT POWERS AUTHORITY**

By _____
President

APPENDIX A

FORM OF OPINION OF COUNTY COUNSEL

[Closing Date]

\$ _____
PALM SPRINGS UNIFIED SCHOOL DISTRICT
(RIVERSIDE COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS ELECTION 2008, SERIES A

Ladies and Gentlemen:

As counsel to the Board of Supervisors (the "Board") of the County of Riverside, California (the "County"), I have reviewed Resolution No. 2009-195 adopted by the Board of Supervisors of the County on November 3, 2009, as supplemented by Resolution No. 2010-____ adopted by the Board of Supervisors of the County on May __, 2010 (collectively, the "County Resolution"), authorizing the issuance of the Palm Springs Unified School District (Riverside County, California) General Obligation Bonds Election 2008, Series A in the aggregate principal amount of \$_____ (the "District Bonds"). The District Bonds have been issued by the Board in the name and on behalf of the Palm Springs Unified School District (the "District"), and have been sold to the California Qualified School Bond Joint Powers Authority (the "Authority") and will be held by U.S. Bank National Association, as trustee for the California Qualified School Bond Joint Powers Authority 2010 General Obligation Revenue Bonds (Palm Springs Unified School District Qualified School Construction Bonds) in the aggregate principal amount of \$_____. The District Bonds have been sold to the Authority under a District Bond Purchase Agreement (the "Purchase Agreement"), dated _____, 2010, among the District, the County and the Authority.

Having reviewed the County Resolution and the Purchase Agreement, it is my opinion as follows:

1. The County is a political subdivision duly organized and existing under the Constitution and laws of the State of California.
2. The County Resolution was duly adopted at a meeting of the Board 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 throughout.
3. To my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the County which would restrain or enjoin the levy or collection of tax revenues pledged for the payment of the principal of and interest on the District Bonds or in any way contesting or affecting the validity of the County Resolution, the Purchase Agreement or the District Bonds, of in which a final adverse decision could materially adversely affect the operations of the County.

4. To my knowledge, the issuance of the District Bonds and the execution and performance of the provisions of the Purchase Agreement, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other instrument to which the County is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the County is subject.

5. No authorization, approval, consent or other order of the State of California, or other governmental authority or agency within the State of California, is required for the valid authorization, issuance and sale of the District Bonds or the execution of the Purchase Agreement by the County.

Very truly yours,

RESOLUTION NO. 2009/2010-70

RESOLUTION OF THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT SUPPLEMENTING RESOLUTION NOS. 2009/2010-16 AND 2009/2010-22, PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A IN FULL OR IN PART AS QUALIFIED SCHOOL CONSTRUCTION BONDS, PRESCRIBING ADDITIONAL TERMS OF SALE OF SUCH BONDS, AUTHORIZING EXECUTION AND DELIVERY OF AN ALTERNATE BOND PURCHASE AGREEMENT IN CONNECTION WITH SUCH BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS AND APPROVING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Palm Springs Unified School District ("District" or "School District") is a public school district organized and operating within the County of Riverside ("County") pursuant to the laws of the State of California ("State"), including, but not limited to, the California Constitution and the California Education Code ("Education Code"); and

WHEREAS, on September 22, 2009, the District's Board of Education "District Board") adopted Resolution No. 2009/2010-16 entitled "RESOLUTION OF THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT DIRECTING ACTIONS FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$25,000,000 PRINCIPAL AMOUNT OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A, AS QUALIFIED SCHOOL CONSTRUCTION BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, AND TAKING AND DIRECTING CERTAIN RELATED ACTIONS" ("Resolution No. 2009/2010-16"); and

WHEREAS, on October 13, 2009, the District Board adopted Resolution No. 2009/2010-22 entitled "RESOLUTION OF THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT SUPPLEMENTING RESOLUTION NO. 2009/2010-16, PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A IN FULL OR IN PART AS QUALIFIED SCHOOL CONSTRUCTION BONDS, PRESCRIBING THE TERMS OF SALE OF SUCH BONDS, AUTHORIZING EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT IN CONNECTION WITH SUCH BONDS, AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH SUCH BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, PROVIDING CERTAIN COVENANTS ON BEHALF OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT AND APPROVING CERTAIN OTHER DOCUMENTS, AGREEMENTS AND ACTIONS IN CONNECTION THEREWITH" ("Resolution No. 2009/2010-22" and, collectively with Resolution No. 2009/2010-16, the "Prior Resolutions"); and

RESOLUTION NO. 2009/2010-70

RESOLUTION OF THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT SUPPLEMENTING RESOLUTION NOS. 2009/2010-16 AND 2009/2010-22, PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A IN FULL OR IN PART AS QUALIFIED SCHOOL CONSTRUCTION BONDS, PRESCRIBING ADDITIONAL TERMS OF SALE OF SUCH BONDS, AUTHORIZING EXECUTION AND DELIVERY OF AN ALTERNATE BOND PURCHASE AGREEMENT IN CONNECTION WITH SUCH BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS AND APPROVING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Palm Springs Unified School District ("District" or "School District") is a public school district organized and operating within the County of Riverside ("County") pursuant to the laws of the State of California ("State"), including, but not limited to, the California Constitution and the California Education Code ("Education Code"); and

WHEREAS, on September 22, 2009, the District's Board of Education "District Board") adopted Resolution No. 2009/2010-16 entitled "RESOLUTION OF THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT DIRECTING ACTIONS FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$25,000,000 PRINCIPAL AMOUNT OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A, AS QUALIFIED SCHOOL CONSTRUCTION BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, AND TAKING AND DIRECTING CERTAIN RELATED ACTIONS" ("Resolution No. 2009/2010-16"); and

WHEREAS, on October 13, 2009, the District Board adopted Resolution No. 2009/2010-22 entitled "RESOLUTION OF THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT SUPPLEMENTING RESOLUTION NO. 2009/2010-16, PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A IN FULL OR IN PART AS QUALIFIED SCHOOL CONSTRUCTION BONDS, PRESCRIBING THE TERMS OF SALE OF SUCH BONDS, AUTHORIZING EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT IN CONNECTION WITH SUCH BONDS, AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH SUCH BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, PROVIDING CERTAIN COVENANTS ON BEHALF OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT AND APPROVING CERTAIN OTHER DOCUMENTS, AGREEMENTS AND ACTIONS IN CONNECTION THEREWITH" ("Resolution No. 2009/2010-22" and, collectively with Resolution No. 2009/2010-16, the "Prior Resolutions"); and

WHEREAS, the Prior Resolutions are incorporated herein by this reference and defined terms set forth in the Prior Resolutions shall have the same meaning(s) set forth herein unless otherwise defined herein; and

WHEREAS, following the adoption of the Prior Resolutions, the County Board of Supervisors adopted County Resolution No. 2009-316 ("County Resolution No. 2009-316"), providing for the issuance of the Series A Bonds; and

WHEREAS, pursuant to the terms of the Prior Resolutions and County Resolution No. 2009-316, (and as reflected in and by such prior actions) the issuance of the the Series A Bonds have been authorized pursuant to the applicable provisions of State law and the Bond Election; and

WHEREAS, based upon information and documentation received by the District Board, the District Board desires to take certain actions to supplement the Prior Resolutions; and

WHEREAS, California statutory provisions require that the District comply with certain accountability measures; and

WHEREAS, the District Board has received additional information concerning the proposed sale method of the Series A Bonds, including, but not limited to, information concerning anticipated costs of issuance of the Series A Bonds; and

WHEREAS, the District Board has been presented with a revised/alternate form of a Bond Purchase Agreement ("Revised Purchase Agreement") relating to the Series A Bonds, which document is on file with the Clerk of the District Board; and

WHEREAS, based upon documentation presented to the District Board, the District Board is prepared to make certain findings and determinations, and direct certain actions, to supplement the Prior Resolutions with respect to the Series A Bonds; and

WHEREAS, the District Board desires to request the County Board to supplement County Resolution No. 2009-316 with respect to the issuance of the Series A Bonds and offering the Series A Bonds for sale upon the terms and conditions set forth in the Prior Resolutions, as supplemented by the terms hereof; and

WHEREAS, based on the foregoing, the District Board has determined that it is appropriate to adopt this Resolution to supplement the Prior Resolutions as set forth herein.

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Prior Authorization for Issuance of the Series A Bonds; Supplemental Resolution.

(a) Pursuant to the prior actions of the District Board, including the adoption of the Prior Resolutions, the District has authorized the issuance of the Series A Bonds.

(b) This Resolution is supplemental to the Prior Resolutions and it is the intention and directive of the District Board that such Prior Resolutions and this Resolution shall be read together. This Resolution constitutes a Supplemental Resolution as described in Resolution No. 2009/2010-16. In the event of a conflict between this Resolution and the Prior Resolutions, the terms and provisions of this Resolution shall control. Subject to the foregoing sentence, terms and phrases defined in Prior Resolutions shall have the same meaning(s) when used herein.

Section 3. Sale of Bonds; Additional Conditions.

The provisions of Sections 8, 9 and 10 of Resolution No. 2009/2010-22 are hereby supplemented as follows:

(a) Pursuant to the prior actions of the District Board, including the adoption of the Prior Resolutions, the District has authorized the issuance of the Series A Bonds.

(b) The County Board is hereby requested to sell the Series A Bonds at a negotiated sale in accordance with the terms and conditions, including, but not limited to, provisions for the special mandatory redemption of the Series A Bonds, provisions for adjustment of interest rates due to a Determination of Disqualification (as defined in the Revised Purchase Agreement) as set forth in the Prior Resolutions, as supplemented by this Resolution, County Resolution No. 2009-316, as supplemented and in the Revised Purchase Agreement by and among the County, the District and the purchaser of the Series A Bonds, the form of which Revised Purchase Agreement is attached hereto as Exhibit "A" and incorporated herein by this reference.

(b) The form of the Revised Purchase Agreement as an alternative method for the sale of the Series A Bonds to the purchaser thereof is hereby approved by the District Board.

(c) The Superintendent and the Designated Officer(s) are, and each of them acting alone hereby is, authorized to execute and deliver, with the Riverside County Treasurer ("Treasurer"), to the Purchaser the Revised Purchase Agreement(s) on behalf of the District, with such changes therein as the Designated Officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District and subject to the terms and conditions set forth in the Prior Resolutions, as supplemented hereby, herein and in the County Resolution. Such approval shall be conclusively evidenced by such Designated Officer's execution and delivery thereof. In the event of a conflict between the terms of the Prior Resolutions, as supplemented hereby, and the final terms of the Revised Purchase Agreement, the terms of the Revised Purchase Agreement, as executed and delivered, shall govern.

(d) The District Board has reviewed the terms and conditions set forth in the Revised Purchase Agreement, attached hereto as Exhibit "A." The District Board hereby approves of the

findings and determinations made therein on behalf of the School District and authorizes the Designated Officer to modify, update, revise or reasonably expand upon such findings and determinations as shall be necessary in order to accomplish the purposes for the Series A Bonds as set forth in the Prior Resolutions and supplemented hereby.

(e) The findings and directives set forth in Section 10 of Resolution No. 2009/2010-22, Section 10(c) are hereby ratified and confirmed by this District Board.

Section 4. Sale of Bonds; Disclosure Documentation. To the extent not required by federal laws and regulations, the District Board authorizes the Series A Bonds to be sold the JPA without use of an offering documents, such as a Preliminary Official Statement or Final Official Statement.

Section 5. Additional Findings and Directives. Pursuant to Education Code Section 15146(b) and (c), the District Board hereby finds, determines and directs as follows:

(a) The Series A Bonds shall be sold by negotiated sale as set forth in the Prior Resolutions and this Resolution.

(b) The Series A Bonds shall be sold by negotiated sale inasmuch as: (i) the sale of Series A Bonds to the JPA is expected to result in additional proceeds to the District to construct and acquire school facilities projects for which the Series A Bond funds may be expended, (ii) such a sale will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; (iii) such a sale will allow the District to utilize the services of consultants at a lower cost than selecting, retaining and utilizing the services of consultants who are not familiar with the District, its financing needs and related matters; and (iv) such sale is expected to allow the School District and the JPA to utilize a direct sale method for utilization of the School District's QSCB authorization (through a "pass-through" arrangement), allowing for a lower overall cost of financing over a tax-exempt bond issuance.

(c) The District is represented by Dale Scott & Co., as its Financial Advisor, Bowie, Arneson, Wiles & Giannone as Bond Counsel to the District and Jones Hall as Bond Counsel to the JPA.

(d) The District Board estimates that the costs associated with the issuance and sale of the Series A Bonds, including compensation to the underwriter(s)/purchaser(s) and any such costs which the underwriter(s)/purchaser(s) or School District agrees to pay pursuant to the sale documents for the Series A Bonds, are set forth in Exhibit "B", attached hereto and incorporated herein by this reference. Such estimated costs of issuance and sale of the Series A Bonds include, but are not limited to, costs of Bond Counsel and JPA fees and expenses, Financial Advisor fees and costs, Purchaser expenses, County costs, printing costs and related costs and expenses. All such figures are estimates and shall not constrain or limit the District as to the issuance and sale of the Series A Bonds pursuant to the directives and conditions set forth herein.

(e) The District Board hereby directs that following the sale of the Series A Bonds, the District Board shall be presented with the actual costs of sale, issuance and delivery costs of

the Series A Bonds at the next occurring meeting of the District Board for which such information can be determined and presented in accordance with State law.

(f) The District Board hereby directs that following the sale and delivery of the Series A Bonds that an itemized summary of the costs of the sale, issuance and delivery costs of the Series A Bonds/JPA Bonds shall be provided to the California Debt and Investment Advisory Commission (CDIAC). The District Board hereby determines that submission of such information as part of the filing of the Report of Final Sale for the Series A Bonds and/or the JPA Bonds made to CDIAC pursuant to State law, including Government Code Section 8855, shall constitute compliance with the requirements of Education Code Section 15146(c)(2).

(g) The District Board hereby directs that as part of the authorization for issuance, sale, issuance and delivery of the Series A Bonds/JPA Bonds that all necessary filings with CDIAC shall be completed by the District or JPA staff and/or consultants or counsel on behalf of the District. The District Board directs that confirmation of such filings shall be included in the transcript of agreements, resolutions, proceedings and documents prepared and delivered in connection with the authorization for issuance, sale, issuance and delivery of the Series A Bonds and the JPA Bonds.

Section 6. Other Actions. The President, Clerk and Secretary of the District Board, and the Designated Officers of the District, are authorized and directed to execute all documents and to take all actions necessary to cause or facilitate the sale of the Series A Bonds pursuant to the terms hereof.

Section 7. Partial Invalidity; Severability. If any one of the findings, determinations, directions or portions thereof, provided in this Resolution on the part of the District to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreement or portions thereof and shall in no way affect the validity of this Resolution or of the Series A Bonds; but the Bond owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The District hereby declares that it would have entered into this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the sale of the Series A Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

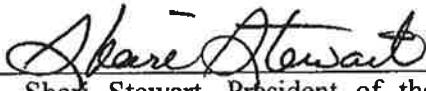
Section 8. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.

Section 9. County Filing. The Clerk of the District Board is hereby directed to file, or cause to be filed, certified copies of this Resolution with the Clerk of the County Board and the Superintendent of Schools of the County.


Section 10. **Effective Date.** This Resolution shall take effect immediately upon adoption.

ADOPTED, SIGNED AND APPROVED this 27th day of April, 2010.

BOARD OF EDUCATION OF THE PALM
SPRINGS UNIFIED SCHOOL DISTRICT

By: 
Shari Stewart, President of the Board of
Education

ATTEST:

By: 
Richard Clapp, Clerk of the Board of
Education

STATE OF CALIFORNIA

)

) ss.

COUNTY OF RIVERSIDE

)

I, Richard Clapp, Clerk of the Board of Education of the Palm Springs Unified School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2009/2010-70 of such Board and that the same has not been amended or repealed.

Dated: April 27, 2010

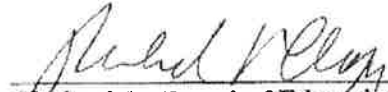

Clerk of the Board of Education

EXHIBIT "A"

FORM OF REVISED/ALTERNATE BOND PURCHASE AGREEMENT

DISTRICT BOND PURCHASE AGREEMENT

This DISTRICT BOND PURCHASE AGREEMENT (this "Purchase Agreement"), dated _____, 2010, is among the PALM SPRINGS UNIFIED SCHOOL DISTRICT, a unified school district organized and existing under the Constitution and laws of the State of California (the "District"), the COUNTY OF RIVERSIDE, a county organized and existing under the Constitution and laws of the State of California (the "County") and the CALIFORNIA QUALIFIED SCHOOL BOND JOINT POWERS AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority");

BACKGROUND:

1. The Authority is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, and is authorized under Article 4 thereof (the "Bond Law") to borrow money for the purpose of providing funds to purchase local obligations issued by local agencies in the State of California and for the purpose of financing the acquisition and construction of public capital improvements.

2. The District is authorized to issue Qualified School Construction Bonds in the aggregate amount of not to exceed \$25,000,000 for the purpose of financing the construction, rehabilitation, or repair of public school facilities and/or for the acquisition of land on which such facilities are to be constructed (the "QSCB Projects").

3. In order to provide financing for the QSCB Projects on terms which are the most favorable to the District, the District has requested the Authority to issue its bonds under the Bond Law on behalf of the District, which bonds are designated as the Qualified School Construction Bonds for which the District has received an allocation.

4. To that end, the Board of Education of the District has adopted its Resolution No. 2009/2010-16 on September 22, 2009, Resolution No. 2009/2010-23 on October 13, 2009 and Resolution No. 2009/2010-__ on April 27, 2010 (collectively, the "District Resolution"), requesting the Board of Supervisors of the County to authorize the issuance and sale of Palm Springs Unified School District (Riverside County, California) General Obligation Bonds Election 2008, Series A (the "District Bonds") for the purpose of providing funds to finance the QSCB Projects.

5. Issuance and sale of the District Bonds has been authorized by Resolution No. 2009-195 adopted by the Board of Supervisors of the County on November 3, 2009, as supplemented by Resolution No. 2010-__ adopted by the Board of Supervisors of the County on May __, 2010 (collectively, the "County Resolution").

6. The Board of Directors of the Authority has authorized the issuance of its California Qualified School Bond Joint Powers Authority 2010 General Obligation Revenue Bonds (Palm Springs Unified School District Qualified School Construction Bonds) in the aggregate principal amount of \$_____ (the "Authority Bonds") under the Bond Law and the provisions of an Indenture of Trust dated as of June 1, 2010 (the

"Authority Bond Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Authority Bond Trustee"), for the purpose of purchasing the District Bonds as provided herein.

7. The District Bonds are payable from ad valorem property taxes levied on taxable properties in the District, and the revenues derived from the payment of principal of and interest on the District Bonds will be sufficient in time and amount to pay debt service on the Authority Bonds as it comes due.

A G R E E M E N T :

For and in consideration of the premises and the material covenants hereinafter contained, the parties hereto hereby formally covenant, agree and bind themselves as follows:

SECTION 1. *Transfer of QSCB Allocation.* The District hereby transfers to the Authority its allocation to issue Qualified School Construction Bonds in the aggregate amount of \$_____ for the purpose of financing the QSCB Projects. In consideration of such transfer, the Authority hereby agrees to issue the Authority Bonds in the full amount of such allocation and to apply the proceeds of the Authority Bonds as follows:

- (a) the amount of \$_____ shall be applied by the Authority to purchase the District Bonds as provided herein,
- (b) the amount of \$_____ shall be applied by the Authority to pay the costs of issuance of the Authority Bonds and the District Bonds, and
- (c) the amount of \$_____, constituting the remainder of the proceeds of the Authority Bonds, shall be transferred into the Building Fund (as that term is hereinafter defined), as an additional contribution to finance the QSCB Projects as hereinafter set forth.

SECTION 2. *Terms of District Bonds.*

(a) Delivery Date; form of Bonds; Principal and Interest. The District hereby agrees to issue and deliver the District Bonds, through the Board of Supervisors of the County, on June __, 2010 (the "Closing Date"). The District Bonds shall be issued as Current Interest Bonds maturing on _____ 15, 202__, and shall bear interest at the rate of _____% per annum, subject to adjustment as set forth in subsection (b) of this Section. The District Bonds shall be subject to mandatory sinking fund redemption in the amounts and on the dates as set forth in the following schedule:

Sinking Fund
Redemption Date

Principal Amount
to be Redeemed

(b) Adjustment of Interest Rate Due to Determination of Disqualification.

Notwithstanding the foregoing provisions of this Section, if a Determination of Disqualification occurs as a result of a reason other than an Accountable QSCB Loss Event, the interest rate on the District Bonds shall be increased to 12% per annum (or such higher rate as may then be permitted by law), effective upon the Date of Loss of QSCB Status. In the event of any such Determination of Disqualification is rescinded or resolved such that the Authority Bonds are restored to their status as Qualified School Construction Bonds, and provided that all amounts due and owing to the owner of the Authority Bonds as a result of such Determination of Disqualification have been paid in full as provided in the Authority Bond Indenture (including but not limited to those amounts due under Section 2.02(e) of the Authority Bond Indenture), the interest rate on the District Bonds shall be reduced to ____% per annum.

For purposes of this subsection (b), the following defined terms have the following meanings:

"Accountable QSCB Loss Event" means (a) any act or any failure to act on the part of the District which causes a Determination of Disqualification, or (b) the making by the District of any representation contained in the District Resolution which was untrue when made and the untruth of which representation at such time causes a Determination of Disqualification.

"Date of Loss of QSCB Status" means the date specified in a Determination of Disqualification as the date from and after which the Authority Bonds lost their status, or failed to qualify, as Qualified School Construction Bonds, which date could be as early as the Closing Date.

"Determination of Disqualification" means (a) legislation enacted by the Congress of the United States of America, (b) a ruling, notice or determination by the Internal Revenue Service or (c) a non-appealable ruling or holding by a court of competent jurisdiction, the effect of which

causes the Authority Bonds to lose their status as, or fail to qualify as, "Qualified School Construction Bonds" under Section 54F of the Internal Revenue Code of 1986, as amended (the "Tax Code") or reduces the tax credits available to the registered holder of the Authority Bonds and specifying the Date of Loss of QSCB Status.

(c) Payment. Notwithstanding anything herein or in the District Resolution or the County Resolution to the contrary, so long as the District Bonds are owned by the Authority Bond Trustee, (i) payments of the principal thereof and interest and redemption premium (if any) thereon shall be paid by wire transfer to the Authority Bond Trustee, (ii) payments of principal on the District Bonds shall be made without the requirement for presentation and surrender of the District Bonds by the Authority Bond Trustee, and (iii) no notice is required to be given to the Authority Bond Trustee of the mandatory sinking fund redemption of the District Bonds.

SECTION 3. *Sale of District Bonds to Agency.* The District hereby agrees to sell the District Bonds to the Authority for delivery on the Closing Date. The Authority hereby agrees to purchase the District Bonds from the District on the Closing Date for a purchase price equal to \$_____, being the par amount of the District Bonds. As provided in the District Resolution and the County Resolution, the full amount of the purchase price of the Bonds shall be paid to the Riverside County Treasurer-Tax Collector (the "County Treasurer"), for deposit in the "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A, Building Fund," which is established under Section 8 of the District Resolution and Section 19 of the County Resolution, to be maintained by the County Treasurer (the "Building Fund"). Amounts on deposit in the Building Fund shall be applied for the sole purpose of financing the QSCB Projects.

SECTION 4. *Registered Ownership of District Bonds.* Under the Authority Bond Indenture, the Authority has transferred and assigned all of its right, title and interest in the District Bonds to the Authority Bond Trustee for the security of the Authority Bonds. The District and the Authority agree that upon the acquisition of the District Bonds on the Closing Date, the ownership of the District Bonds will be transferred to and vested in the Authority Bond Trustee.

SECTION 5. *Closing.* At 9:00 A.M., California time, on June __, 2010, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Authority (the "Closing Date"), the District or the County, as appropriate, will deliver the District Bonds to the Authority Bond Trustee, duly executed and registered in the name of the Authority Bond Trustee; and the Authority Bond Trustee will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to the account of the County Treasurer.

SECTION 6. *Conditions to Closing.* The Authority has entered into this Purchase Agreement in reliance upon the representations and warranties of the District and the County contained herein and the performance by the District and the County of their respective obligations hereunder, both as of the date hereof and as of the date of Closing. The Authority's obligations under this Purchase Agreement are and shall be subject to the following further conditions at the Closing Date:

(a) Representations True. The representations and warranties of the District and the County contained herein shall be true, complete and

correct in all material respects at the date hereof and at and as of the Closing Date as if made on and as of the Closing Date, and the statements made in all certificates and other documents delivered to the Authority on the Closing Date pursuant hereto shall be true, complete and correct in all material respects on the Closing Date; and each of the District and the County shall be in compliance with each of the agreements made by it in this Purchase Agreement;

- (b) Obligations Performed. On the Closing Date, (i) this Purchase Agreement, the District Resolution and the County Resolution shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Authority; and (ii) all actions under applicable California law which, in the opinion of Bowie, Arneson, Wiles & Giannone, Newport Beach, California ("District 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.
- (c) Delivery of Documents. On or before the Closing Date, the District shall deliver (or cause to be delivered) sufficient copies of the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Authority:
 - (1) Bond Counsel Opinion. An approving opinion of District Bond Counsel, as to the validity of the District Bonds, addressed to the District, the Authority, the Authority Bond Trustee and JPMorgan Chase Bank, N.A., as purchaser of the Authority Bonds.
 - (2) County Counsel Opinion. An approving opinion of County Counsel, in substantially the form attached hereto as Appendix A, addressed to the District, the Authority, the Authority Bond Trustee and JPMorgan Chase Bank, N.A., as purchaser of the Authority Bonds.
 - (3) Certificate of the District. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Agreement; (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing; and (iii) the District has complied with all the terms of the District Resolution, the County Resolution and this Purchase Agreement which are necessary to be complied with prior to or before the Closing Date and such documents are in full force and effect.
 - (4) Certificate of the County. A certificate signed by the County Treasurer or any other appropriate official of the County to the effect that (i) such official is authorized to execute this Purchase Agreement; (ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing; and (iii) the County

has complied with all the terms of the County Resolution and this Purchase Agreement which are necessary to be complied with prior to or before the Closing Date and such documents are in full force and effect.

- (5) Receipt of Bond Proceeds. A certificate signed by the County Treasurer showing that the purchase price of the District Bonds has been received by the County Treasurer and deposited into the Building Fund as required by the District Resolution and the County Resolution.
- (6) Tax Certifications. A certificate or certificates signed by an appropriate official of the District, in form and substance acceptable to Jones Hall, A Professional Law Corporation, as bond counsel and special tax counsel to the Authority in connection with the issuance of the Authority Bonds ("Authority Bond Counsel"), evidencing compliance by the District with the applicable requirements of federal tax law relating to the Authority Bonds.
- (7) Resolutions. Certified copies of the adopted District Resolution and County Resolution.
- (8) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Authority, District Bond Counsel or Authority Bond Counsel in connection with the issuance of the Authority Bonds, may reasonably request to evidence (i) compliance by the District with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

If the District is unable to satisfy the conditions to the Authority's obligations contained in this Purchase Agreement or if the Authority's obligations are terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Authority at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the District in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Authority may be waived by the Authority in writing at its sole discretion.

SECTION 7. *Remedies Upon Failure to Expend Available Proceeds.*

- (a) Event of Default; Payments. In the event the District fails to expend all of the Available Project Proceeds for Qualified Purposes within the Expenditure Period, such failure shall constitute a breach of the District's covenant set forth in Section 16(c) of the District Resolution and an event of default thereunder. Upon the occurrence of such event of default, the District agrees to pay from any source of legally available funds, as liquidated damages, an amount equal to the difference between (i) the

redemption price of the Authority Bonds under Section 2.04(b) of the Authority Bond Indenture, and (ii) the amount transferred to the Authority Bond Trustee by the County Treasurer from the Building Fund which is applied to pay the redemption price of the Authority Bonds under Section 2.04(b) of the Authority Bond Indenture.

(b) Findings. The District hereby finds and determines that the amount of damages specified in this Section are reasonable and necessary for the District in order to know, with reasonable certainty, the extent of its liability for a breach of the covenant of the District set forth in Section 16(c) the District Resolution. The District further finds and determines that the actual amount of damages which might accrue to individual owners of Authority Bonds would be impracticable to determine with certainty, and that the amount of damages specified in this Section represents a reasonable effort to estimate a fair compensation for any loss that may be sustained by the Owners of the Authority Bonds as a result of a breach by the District of its covenants set forth in Section 16(c) of the District Resolution. The District acknowledges and agrees that its obligations under this Section constitute a general obligation of the District which is payable from any source of legally available funds, including but not limited to amounts levied as ad valorem property taxes for the payment of principal of and interest on the District Bonds.

(c) Limitation on Further Liability. Except as expressly set forth in this Section, the District shall have no liability and incur no damages to the Authority, the Authority Bond Trustee or the Owners of the Bonds and related interests therein, arising from a breach of the covenant of the District set forth in Section 16(c) of the District Resolution.

SECTION 8. *Remedies Upon Loss of Qualified School Construction Bond Status Due to Accountable QSCB Loss Event.*

(a) Event of Default; Payments. The District hereby acknowledges and agrees that the occurrence of a Determination of Disqualification due to an Accountable QSCB Loss Event constitutes a breach of one or more of the covenants of the District set forth in Sections 15 or 16 of the District Resolution (other than the covenant set forth in Section 16(c) of the District Resolution, which is provided for in Section 7 of this Agreement), or otherwise contained in the District Resolution or the County Resolution, and constitutes an event of default thereunder. Upon the occurrence of a Determination of Disqualification due to an Accountable QSCB Loss Event, the District agrees to pay, from any source of legally available funds, as liquidated damages, the following amounts:

- (i) if any Tax Credits recognized prior to the Determination of Disqualification are determined to be ineligible as Tax Credits as a result of such Determination of Disqualification, an amount equal to the Prior Tax Credit Loss Amount; and
- (ii) an amount equal to the Future Tax Credit Loss Amount.

(b) Defined Terms. For purposes of this Section the following terms have the following respective meanings:

"Accountable QSCB Loss Event" has the meaning given that term in Section 2(b).

"Calculation Agent" means the Chase Bank, N.A, its successors and assigns, as original purchaser of the Authority Bonds, so long as it is the registered owner of the Bonds, and otherwise the District or its designee.

"Determination of Disqualification" has the meaning given that term in Section 2(b).

"Discount Rate" means the Treasury Rate determined as of the date which is five business days prior to the applicable repayment or redemption date.

"Future Tax Credit Loss Amount" means an amount equal to the present values of the remaining scheduled Tax Credits related to the Authority Bonds discounted to the date of repayment on a semiannual basis (assuming a 360-day year, consisting of 12 months of 30 days each) at a rate per annum equal to the Discount Rate.

"Prior Tax Credit Loss Amount" means an amount equal to the amount of Tax Credits lost as a result of the Determination of Disqualification, plus interest thereon from the applicable Tax Credit Allowance Date to date of repayment, compounded quarterly at a rate equal to the large corporate underpayment rate determined from time to time by the Internal Revenue Service.

"Tax Credit" means the entitlement, under the program for allocating tax credits and authorizing the issuance of the Authority Bonds promulgated under Sections 54A and 54F of the Tax Code, of a taxpayer to recognize a credit against the tax imposed by Chapter 1 of the Tax Code.

"Tax Credit Allowance Date" means each March 15, June 15, September 15 and December 15 during the term of the Authority Bonds, and the last date on which any Authority Bond is outstanding.

"Treasury Rate" means the yield on the United States Treasury bill, note or bond, selected by the Calculation Agent in a commercially reasonable manner, having a maturity closest in length to the period from the date such yield is determined to the maturity date of the Authority Bonds.

(c) Findings. The District hereby finds and determines that the amount of damages specified in this Section are reasonable and necessary for the District in order to know, with reasonable certainty, the extent of its liability for a breach of the covenants of the District set forth in Sections 15 and 16 of the District Resolution. The District further finds and determines that the actual amount of damages which might accrue to individual owners of Authority Bonds would be impracticable to determine with certainty, and that the amount of damages specified in this Section represents a reasonable effort to estimate a fair compensation for any loss that may be sustained by the Owners of the Authority Bonds as a result of a breach by the District of its covenants set forth in Sections 15 and 16 of the District (other than the covenant set forth in Section 16(c) of the District Resolution, which is provided for in Section 7). The District acknowledges

and agrees that its obligations under this Section constitute a general obligation of the District which is payable from any source of legally available funds, including but not limited to amounts levied as ad valorem property taxes for the payment of principal of and interest on the District Bonds.

(d) Limitation on Further Liability. Except expressly as set forth in this Section, the District shall have no liability and incur no damages to the Authority, the Authority Bond Trustee or the Owners of the District Bonds and related interests therein, arising from a breach of the covenants of the District set forth in Sections 15 and 16 of the District Resolution.

SECTION 9. *Waiver of Jury Trial.* To the fullest extent permitted by law, the District hereby waives its right to trial by jury in any action, proceeding and/or hearing on any matter whatsoever arising out of, or in any way connected with, the District Bonds, the District Resolution, the County Resolution, this Agreement or any other documents relating to the District Bonds, or the enforcement of any remedy under any law, statute, or regulation.

SECTION 10. *Execution in Counterparts.* This Purchase Agreement may be executed in any number of counterparts, each of which shall for all purposes be deemed to be an original and all of which shall together constitute but one and the same instrument.

SECTION 11. *Governing Law.* This Purchase Agreement shall be construed and governed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties to this Purchase Agreement have caused this Purchase Agreement to be signed by their respective officers, all as of the day and year first above written.

**PALM SPRINGS UNIFIED SCHOOL
DISTRICT**

By _____
Superintendent

COUNTY OF RIVERSIDE

By _____
[title]

**CALIFORNIA QUALIFIED SCHOOL BOND
JOINT POWERS AUTHORITY**

By _____
President

APPENDIX A
FORM OF OPINION OF COUNTY COUNSEL

[Closing Date]

\$ _____
PALM SPRINGS UNIFIED SCHOOL DISTRICT
(RIVERSIDE COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS ELECTION 2008, SERIES A

Ladies and Gentlemen:

As counsel to the Board of Supervisors (the "Board") of the County of Riverside, California (the "County"), I have reviewed Resolution No. 2009-195 adopted by the Board of Supervisors of the County on November 3, 2009, as supplemented by Resolution No. 2010-____ adopted by the Board of Supervisors of the County on May ____, 2010 (collectively, the "County Resolution"), authorizing the issuance of the Palm Springs Unified School District (Riverside County, California) General Obligation Bonds Election 2008, Series A in the aggregate principal amount of \$ _____ (the "District Bonds"). The District Bonds have been issued by the Board in the name and on behalf of the Palm Springs Unified School District (the "District"), and have been sold to the California Qualified School Bond Joint Powers Authority (the "Authority") and will be held by U.S. Bank National Association, as trustee for the California Qualified School Bond Joint Powers Authority 2010 General Obligation Revenue Bonds (Palm Springs Unified School District Qualified School Construction Bonds) in the aggregate principal amount of \$ _____. The District Bonds have been sold to the Authority under a District Bond Purchase Agreement (the "Purchase Agreement"), dated _____, 2010, among the District, the County and the Authority.

Having reviewed the County Resolution and the Purchase Agreement, it is my opinion as follows:

1. The County is a political subdivision duly organized and existing under the Constitution and laws of the State of California.
2. The County Resolution was duly adopted at a meeting of the Board 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 throughout.
3. To my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against or affecting the County which would restrain or enjoin the levy or collection of tax revenues pledged for the payment of the principal of and interest on the District Bonds or in any way contesting or affecting the validity of the County Resolution, the Purchase Agreement or the District Bonds, of in which a final adverse decision could materially adversely affect the operations of the County.

4. To my knowledge, the issuance of the District Bonds and the execution and performance of the provisions of the Purchase Agreement, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other instrument to which the County is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the County is subject.

5. No authorization, approval, consent or other order of the State of California, or other governmental authority or agency within the State of California, is required for the valid authorization, issuance and sale of the District Bonds or the execution of the Purchase Agreement by the County.

Very truly yours,

EXHIBIT "B"

ALTERNATIVE COSTS OF ISSUANCE SCHEDULE

Palm Springs Unified School District
 2010 General Obligation Bonds
 2008 Election, Series A
 Approx \$19.2 million par amount

Estimated Costs of Issuance

Dale Scott & Company Inc.
 Adjusted Financial Advisor Fee
Total

\$26,000.00
\$26,000.00

Bond Counsel (Bowie)

Adjusted Bond Counsel Fee
 Expenses
Total

\$22,345.00
 3,000.00
\$25,345.00

Paying Agent Fees & Costs

Acceptance
 Paying Agent
 COI
Total

\$500.00
 1,000.00
 500.00
\$2,000.00

Total Estimated COI for District GO Transaction

\$53,345.00

California Qualified School Bond JPA
 2010 QSCB Bonds
 \$25,000,000 par amount

Estimated Costs of Issuance

Dale Scott & Company Inc.
 Financial Advisor Fee
 Miscellaneous Expenses
 CalMuni
 Courier & Delivery
Total

\$50,000.00
 5,000.00
 2,500.00
 2,000.00
\$59,500.00

JPA Bond Counsel (Jones Hall)

Bond Counsel Fee
 Disclosure Counsel Fee
 Expenses
Total

\$55,000.00
 20,000.00
 3,500.00
\$78,500.00

Rating Fee
 Standard & Poor's

\$14,000.00
\$14,000.00

Trustee

Acceptance
 Trustee Fees
 Incidental Expenses
 Legal

\$1,250.00
 2,000.00
 500.00
 1,500.00
\$5,250.00

Total

JPA Fee
 California School Bond JPA
Total

\$18,750.00
\$18,750.00

Purchaser Counsel Fee (Kutak)
Total

\$30,000.00
\$30,000.00

Contingency

\$50,000.00

Total Estimated for QSCB Transaction

\$256,000.00

Total Estimated for both Transactions

\$309,345.00

RESOLUTION NO. 2009/2010-22

RESOLUTION OF THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT SUPPLEMENTING RESOLUTION NO. 2009/2010-16, PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A IN FULL OR IN PART AS QUALIFIED SCHOOL CONSTRUCTION BONDS, PRESCRIBING THE TERMS OF SALE OF SUCH BONDS, AUTHORIZING EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT IN CONNECTION WITH SUCH BONDS, AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT IN CONNECTION WITH SUCH BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, PROVIDING CERTAIN COVENANTS ON BEHALF OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT AND APPROVING CERTAIN OTHER DOCUMENTS, AGREEMENTS AND ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Palm Springs Unified School District ("District" or "School District") is a public school district organized and operating within the County of Riverside ("County") pursuant to the laws of the State of California ("State"), including, but not limited to, the California Constitution and the California Education Code ("Education Code"); and

WHEREAS, the issuance of not to exceed \$516,000,000 aggregate principal amount of general obligation bonds of the School District was authorized ("Bond Authorization") at an election duly called and regularly conducted within the School District on February 5, 2008 (further identified as "Measure E") ("Bond Election"), which Bond Election was conducted pursuant to the provisions of the "Safer Schools, Smaller Classes and Financial Accountability Act" (also known as "Proposition 39"), the California Constitution and related California law; and

WHEREAS, the results of the Bond Election were certified by this Board of Education of the District ("District Board") by adoption of Resolution No. 2007/2008-74, adopted on May 13, 2008, pursuant to State law, and which Resolution No. 2007/2008-74 was thereafter filed as required by State law; and

WHEREAS, the proceeds of general obligation bonds issued pursuant to the Bond Authorization are to be used for identified projects (as set out in School District Resolution No. 2007/2008-11, which are incorporated herein by this reference) as approved by the voters in the Bond Election; and

WHEREAS, the District Board previously approved Resolution No. 2009/2010-02 on June 21, 2009, and thereafter the District applied for an allocation to issue "Qualified School Construction Bonds" ("QSCB Bonds") pursuant to the provisions of the American Reinvestment

and Recovery Act of 2009 ("ARRA") and the California program for allocation of QSCB securities administered by the California Department of Education ("CDE"); and

WHEREAS, pursuant to proceedings undertaken by the CDE, the District has received an allocation to issue securities as QSCB Bonds during calendar year 2009 in an amount not to exceed \$25,000,000 ("QSCB Allocation") under Section 54F(d) of the Internal Revenue Code of 1986, as amended ("Code"); and

WHEREAS, it is the intention of the District Board that the Series A Bonds may be issued in full or in part as QSCB Bonds under the District's QSCB Allocation; and

WHEREAS, on September 22, 2009, the District Board adopted Resolution No. 2009/2010-16 entitled "RESOLUTION OF THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT DIRECTING ACTIONS FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$25,000,000 PRINCIPAL AMOUNT OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A, AS QUALIFIED SCHOOL CONSTRUCTION BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, AND TAKING AND DIRECTING CERTAIN RELATED ACTIONS" ("Resolution No. 2009/2010-16"); and

WHEREAS, the District Board, for the reasons stated herein, desires to adopt this Resolution to supplement Resolution No. 2009/2010-16 as set forth herein; and

WHEREAS, based upon information and documentation received by the District Board, the District Board desires to take actions to supplement Resolution No. 2009/2010-16 providing for the issuance of an initial series of the general obligation bonds authorized pursuant to the Bond Election, which general obligation bonds may be issued in full or in part as QSCB Bonds; and

WHEREAS, pursuant to the provisions of Proposition 39, the California Constitution and the Bond Authorization, the District may, pursuant to the provisions and limitations of Article 1 of Chapter 1.5 of Part 10 of Division 1 of Title 1 of the Education Code, proceed to borrow funds as set forth in the provisions and limitations of Chapter 1 of Part 10 of Division 1 of Title 1 of the Education Code; and

WHEREAS, Section 15140 of the Education Code of the State of California authorizes the Board of Supervisors of the County ("County Board") offer for sale general obligation bonds in the name and for the benefit of the District pursuant to resolutions adopted by the District Board and the County Board; and

WHEREAS, the Riverside County Superintendent of Schools has jurisdiction over the District and as such, pursuant to Education Code Section 15140(a), authority for the sale of authorized bonds of the District lies with Riverside County; and

WHEREAS, the District Board has determined that it is in the best interests of the District at this time to take certain actions to authorize the issuance of a portion of such authorized but unissued general obligation bonds in the total principal amount of not to exceed

Twenty-Five Million dollars (\$25,000,000) ("Bonds" or "Series A Bonds") and requests the County Board to offer the Series A Bonds for sale upon the terms and conditions set forth herein; and

WHEREAS, California statutory provisions require that the District comply with certain accountability measures, as further described below, which the District will comply with during the course of issuing the Series A Bonds and/or expending the Series A Bond proceeds; and

WHEREAS, Proposition 39, and related California statutory provisions, require that the District comply with various accountability measures, as further described below, which the District has either previously complied with, is complying with or will comply with, during the course of issuing the Series A Bonds and/or expending the Series A Bond proceeds; and

WHEREAS, the District Board has received additional information concerning the sale of the Series A Bonds, including, but not limited to, information concerning anticipated costs of issuance of the Series A Bonds; and

WHEREAS, based on information presented to the District Board, it is the intent of the District Board that the Series A Bonds may be sold at a negotiated sale, through the County, which sale may be to a joint powers agency ("JPA") formed pursuant to the provisions of California Government Code Sections 6500, *et seq.*, in order to participate in a financing transaction which is expected to have positive benefits for the School District, as previously described to this District Board; and

WHEREAS, the aforementioned JPA is expected to issue revenue bonds ("JPA Bonds") secured by the payment of principal and interest on the Series A Bonds, as further described herein; and

WHEREAS, in order to sell Series A Bonds to the specified JPA, the District must enter into an Associate Membership Agreement ("Associate Membership Agreement") with the specified JPA and the form of such Associate Membership Agreement has been presented to this District Board; and

WHEREAS, a form of the Preliminary Official Statement relating to the Series A Bonds and the JPA Bonds has been presented to this District Board; and

WHEREAS, the District Board has been presented with the forms of a Bond Purchase Agreement ("Purchase Agreement(s)") and a Continuing Disclosure Certificate relating to the Series A Bonds, which documents are on file with the Clerk of the District Board; and

WHEREAS, based upon documentation presented to the District Board, the District Board is prepared to make certain findings and determinations, and direct certain actions, concerning the issuance and sale of the Series A Bonds; and

WHEREAS, the District Board requests that the Auditor-Controller of the County levy on its 2010/2011 tax roll, and all subsequent tax rolls, taxes to be levied against property within the boundaries of the District, in an amount sufficient to pay the principal and interest on the Series A Bonds; and

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

WHEREAS, based on the foregoing, the District Board has determined that it is appropriate to adopt this resolution, including making certain findings and directing certain related actions concerning the Series A Bonds be issued by the District and sold through the County on behalf of the District.

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Supplemental Resolution. This Resolution is supplemental to Resolution No. 2009/2010-16 and it is the intention and directive of the District Board that the two Resolutions shall be read together. This Resolution constitutes the Supplemental Issuance Resolution as described in Resolution No. 2009/2010-16. In the event of a conflict between this Resolution and Resolution No. 2009/2010-16, the terms and provisions of this Resolution shall control. Subject to the foregoing sentence, terms and phrases defined in Resolution No. 2009/2010-16 shall have the same meaning(s) when used herein.

Section 3. Conditions Precedent. 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 Series A Bonds in order to make them legal, valid and binding general obligations of the District, secured by the levy of *ad valorem* taxes, have been performed and have been met, or will at the time of delivery of the Series A Bonds have been performed and met, in regular and due form as required by law; that the County Board and the appropriate officers of the County each have the power and are obligated to levy *ad valorem* taxes for the payment of the Series A Bonds and the interest thereon without limitation as to rate or amount upon all property within the District subject to taxation (except for certain classes of personal property); and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series A Bonds.

Section 4. Purpose of Bonds.

(a) The Series A Bonds of the District in the aggregate principal amount of not to exceed \$25,000,000 shall be offered for sale, the proceeds of which are to be used for the purposes set out in District Resolution No. 2007/2008-11 and as approved at the Bond Election

and to pay necessary and appropriate costs or expenses incurred in the issuance of the Series A Bonds pursuant to Education Code Sections 15145 and 15146 and applicable State law.

(b) The net construction proceeds of those Series A Bonds issued as QSCB Bonds shall be expended only upon projects and facilities permitted under the provisions of applicable federal law, as further set forth herein.

Section 5. Authority for Issuance of Bonds. The Series A Bonds shall be issued and sold by the County pursuant to and in accordance with the California Constitution, the provisions of Proposition 39, the Bond Authorization, Resolution No. 2009/2010-16, this Resolution, the County Resolution (as defined herein), Education Code Sections 15264, 15266, 15100 *et seq.* and 15140 *et seq.* and other applicable State law.

Section 6. Certain Definitions. Unless otherwise set forth herein, as used in this Resolution, the terms and phrases set forth below shall have the following meanings ascribed to them:

“ARRA” or “Recovery Act” shall mean the American Recovery and Reinvestment Act of 2009 adopted by the Congress of the United States and signed into law on February 17, 2009, as amended and supplemented.

“Available Project Proceeds” means (i) the proceeds from the sale of the Series A Bonds, (ii) less costs of issuing the Series A Bonds paid from proceeds of the sale of the Series A Bonds (not exceeding 2% of the proceeds of the sale thereof), plus (iii) investment earnings on the difference between (i) - (ii).

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Series A Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Series A Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Expenditure Period” means the “expenditure period” defined in Section 54A(d)(2)(B)(ii) of the Code and consists of the period beginning on the date of issuance of the Series A Bonds and ending on the later of the date which is three years after the date of such issuance or such later date, if any, as permitted by the Internal Revenue Service in response to a request to extend the Expenditure Period.

“JPA” shall mean the California Qualified School Bond Joint Powers Authority, or any other joint powers agency formed pursuant to the provisions of the California Government Code Sections 6500, *et seq.*

“Non-QSCB Bond(s)” shall mean any Series A Bond which is not issued and sold as a Qualified School Construction Bond, whether or not such bond is sold to a JPA. Non-QSCB Bonds may, or may not, be Tax-Exempt Bonds.

"Tax-Exempt Bond(s)" shall mean any issued and sold Series A Bond, which has received an opinion of Bond Counsel to the effect that the interest paid on such Series A Bond is exempt from income taxes under then-applicable federal tax law.

"QSCB Bond" shall mean any Series A Bond issued, sold and designated as a Qualified School Construction Bond under the provisions and requirements of the ARRA and the Code and corresponding limitations and requirements, whether or not such QSCB Bond is sold to a JPA.

"Qualified Purposes" means the construction, rehabilitation, or repair of a public school facility or for the acquisition of land on which such a facility is to be constructed with part of the Available Project Proceeds as described in Section 54F(a)(1) of the Code. Expenditures for costs of acquisition of equipment to be used in such portion of the public school facility that is being constructed, rehabilitated, or repaired with proceeds of the Series A Bonds constitute a Qualified Purpose.

Section 7. Designation. The Series A Bonds authorized pursuant to Resolution No. 2009/2010-16, the terms and conditions of this Resolution and the County Resolution (as defined in Resolution No. 2009/2010-16) shall be designated as **"Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A"** or such other designation as the Superintendent of the District ("Superintendent") or such officers of the District as authorized and designated in writing by the Superintendent (each a "Designated Officer") may approve. The Series A Bonds shall otherwise conform to the requirements set forth in Resolution No. 2009/2010-16, within this Resolution, the applicable Purchase Agreement(s) and in the County Resolution.

Section 8. Sale of Bonds.

(a) The County Board is hereby authorized and directed to sell an aggregate principal amount of not to exceed \$25,000,000 of Series A Bonds authorized at the aforementioned Bond Election.

(b) All or a portion of the Series A Bonds may be sold to a JPA pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, as amended, being California Government Code Sections 6584, *et seq.*. In such it is expected that all or a portion of the Series A Bonds will be purchased by the JPA with the proceeds of its revenue bonds (the JPA Bonds), which JPA Bonds will be secured through debt service payments made on the Series A Bonds. The sale of the Series A Bonds to the JPA and the corresponding issuance and sale of the JPA Bonds is expected to be in the best interests of the District based on documentation and information furnished to the District Board.

(c) The Series A Bonds may be issued in one or more sub-series as shall be determined by a Designated Officer of the District as set out in the applicable Purchase Agreement(s). Each sub-series of the Series A Bonds may be issued as QSCB Bonds or Non-QSCB Bonds (which latter may be Tax-Exempt Bonds) as shall be determined by a Designated Officer of the District in the applicable Purchase Agreement(s).

The proceeds of the Series A Bonds shall be expended for the purposes set forth in the ballot submitted to the voters, approved in the Bond Election and subject to State law (and subject to the limitations herein described if the Series A Bonds are issued as QSCB Bonds). The Series A Bonds shall otherwise conform to the requirements set out in Resolution No. 2009/2010-16, herein and in the County Resolution.

(d) Notwithstanding the foregoing provisions of this Section 8, one or more maturities of the Series A Bonds are authorized to be sold as federally taxable bonds to an underwriter, investment bank or other financial institution as shall be designated by the Superintendent or the Designated Officer, rather than to the JPA, pursuant to the Purchase Agreement which is approved hereunder and pursuant to Section 10. The proceeds of sale of such Series A Bonds shall be applied to pay the costs of issuing the Series A Bonds and the JPA Bonds which exceed the amount of such costs which are permitted to be paid from the proceeds of the JPA Bonds under applicable federal tax law. Such Series A Bonds shall as Non-QSCB Bonds be sold on such terms and conditions as shall be approved by the Superintendent or the Designated Officer; provided that the rate of interest on such Series A Bonds shall not exceed 6.50% per annum and the amount of purchaser's discount at which such Series A Bonds are sold shall not exceed \$20,000. Such Series A Bonds shall as QSCB Bonds be sold on such terms and conditions as shall be approved by the Superintendent or the Designated Officer; provided that the rate of interest on such Series A Bonds shall not exceed 10% per annum and the amount of purchaser's discount at which such Series A Bonds are sold shall not exceed 2.5% of the par amount of such bonds.

Section 9. Negotiated Sale. The County Board is hereby requested to issue the Series A Bonds to be sold at a negotiated sale in accordance with the terms and conditions, including provisions for the optional, and special mandatory, redemption of the Series A Bonds, set forth in Resolution No. 2009/2010-16, this Resolution, the County Resolution and in the Purchase Agreement(s) by and among Riverside County, District and the purchaser of the Series A Bonds (the Purchaser, as defined below), the form of which is attached hereto as Exhibit "A" and incorporated herein by this reference.

Section 10. Form of Purchase Agreement(s); Delegation.

(a) The form of the Purchase Agreement is hereby approved.

(b) The Superintendent and the Designated Officer(s) are, and each of them acting alone hereby is, authorized to execute and deliver, with the Riverside County Treasurer ("Treasurer"), to the Purchaser the Purchase Agreement(s) on behalf of the District, with such changes therein as the Designated Officer executing the same on behalf of the District may approve, in his or her discretion, as being in the best interests of the District and subject to the terms and conditions set forth in Resolution No. 2009/2010-16, herein and in the County Resolution. Such approval shall be conclusively evidenced by such Designated Officer's execution and delivery thereof.

(c) The Designated Officer, in consultation with Dale Scott & Co. ("Financial Advisor") and the County Treasurer ("Treasurer"), is authorized and directed to:

- (i) establish or modify the terms of redemption of the Series A Bonds, or any sub-series thereof, and establish the final principal amount of the Series A Bonds, or any sub-series thereof, provided, however, that such principal amount, in the aggregate, shall not exceed \$25,000,000;
- (ii) Sell the Series A Bonds, in consultation with the Treasurer, at a rate or rates which, in the opinion of Dale Scott & Company Inc., as Financial Advisor to the District, will provide a total debt service that is equal to or less than the total debt service that the Series A Bonds would produce if sold as tax-exempt bonds on the date of sale thereof.
- (iii) negotiate the term of the Series A Bonds, or any sub-series thereof, which shall be for not more than 25 years from the date of issuance;
- (iv) determine, subject to the provisions of Resolution No. 2009/2010-16, this Resolution and the County Resolution, whether the Series A Bonds shall be issued in one or more sub-series for purposes of issuance and sale, the respective principal amounts, maturity dates, interest rate or rates or yield or yields to maturity or the methods of determining such interest rate or rates, interest payment dates, redemption provisions and authorized denomination(s) (not exceeding the aggregate principal amount of each maturity) of the Series A Bonds or each sub-series thereof and any other provisions necessary to comply with the provisions of Resolution No. 2009/2010-16, this Resolution and the County Resolution or deemed necessary or advisable by such Designated Officer and which provisions are not in conflict with or in substitution for the provisions of the provisions of Resolution No. 2009/2010-16, this Resolution and the County Resolution;
- (v) determine whether each sub-series of the Series A Bonds shall be issued as either QSCB Bonds or Non-QSCB Bonds (which latter may be Tax-Exempt Bonds);
- (vi) determine the application of the proceeds of the Series A Bonds for the purposes stated herein, including, without limitation, the amount of capitalized interest, if any, that will be funded for each sub-series of the Series A Bonds from the proceeds of the Series A Bonds and the date or dates through which such capitalized interest will be funded;
- (vii) omit from, add to or incorporate into the designation and title of the Series A Bonds contained in Section 7 of this Resolution any provision, or modify such designation or title in any other manner, in which may be deemed necessary or advisable by such Designated Officer in connection with the issuance, sale and delivery of, and security for, each sub-series of the Series A Bonds and which is not inconsistent with Resolution No. 2009/2010-16, this Resolution and the County Resolution;

- (viii) In connection with any of the transactions authorized by Resolution No. 2009/2010-16, this Resolution and the County Resolution, to make such amendments, modifications and revisions to the form(s) of the Series A Bonds prior to, or simultaneously with, the issuance of the initial sub-series of the Series A Bonds as (i) may be requested by any rating agency in connection with obtaining a rating on any sub-series of the Series A Bonds from such rating agency, (ii) may be requested by the JPA in connection with obtaining a bond insurance policy in connection with any of the Series A Bonds and/or JPA Bonds, (iii) the Designated Officer of the District may determine, in consultation with the Bond Counsel, are necessary or advisable in order to (a) reflect the actual provisions of this Resolution that shall be applicable to any sub-series of the Series A Bonds, or (b) facilitate the issuance and sale of the Series A Bonds (including the issuance and sale of any sub-series of the Series A Bonds as QSCB Bonds for purposes of the ARRA) and to provide a mechanism for paying all or a portion of the costs and expenses incurred by the District in connection with the transactions contemplated by this Resolution, including, without limitation, the costs and expenses described in Section 19; and
- (ix) make such other determinations, to execute such other documents, instruments and papers, and to do such acts and things as may be necessary or advisable in connection with any sub-series of the Series A Bonds being treated as Qualified School Construction Bonds for purposes of the ARRA or any of the other transactions contemplated by Resolution No. 2009/2010-16, this Resolution and the County Resolution and which are not inconsistent with the provisions thereof.

Section 11. Building Fund; Debt Service Fund and Rebate Fund.

(a) Building Fund. Upon the issuance and sale of the Series A Bonds, the District Board requests that the Treasurer of the County establish and create the "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A, Building Fund," ("Building Fund") which shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit the net proceeds of the sale of the Series A Bonds (except any premium or accrued interest received from the sale), and certain net proceeds of the JPA Bonds (which shall be transferred to the County Treasurer to be credited to the Building Fund), to be expended as set forth herein and in the County Resolution. Amounts on deposit in the Building Fund shall be expended by the District solely to finance school facilities for which the Series A Bond proceeds are authorized to be expended under the Bond Election, subject to the provisions of Sections 15 and 16 relating to federal tax covenants. Any amounts remaining on deposit in the Building Fund at the expiration of the Expenditure Period shall be withdrawn from the Building Fund and applied to pay the applicable redemption price for the Series A Bonds as set forth in the final purchase and sale documents therefor. The Building Fund shall otherwise be administered as set forth in the County Resolution.

(b) Debt Service Fund. Upon the issuance and sale of the Series A Bonds, the District Board shall request that the Treasurer establish and create the "Palm Springs Unified

School District General Obligation Bonds, 2008 Election Series A, Debt Service Fund" ("Debt Service Fund") which shall be kept separate and distinct from all other District and County funds to be used for the payment of accreted value or principal of and interest on the Series A Bonds, as the case may be, and administrative costs and expenses for the Series A Bonds, including fees and expenses of the Paying Agent. The Debt Service Fund shall otherwise be administered as set forth in the County Resolution.

(c) Rebate Fund. Upon the issuance and sale of the Series A Bonds, the District Board shall request that the Treasurer establish and create, if and when required, the "Palm Springs Unified School District General Obligation Bonds, 2008 Election Series A, Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit funds used to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Code. The Rebate Fund shall otherwise be administered as set forth in the County Resolution.

Section 12. Preliminary Official Statement; Official Statement. Pursuant to applicable State law and federal disclosure requirements, the Preliminary Official Statement relating to the issuance and sale of the JPA Bonds and the Series A Bonds is hereby approved in substantially the form presented to the District Board, and the use and distribution of the Preliminary Official Statement and a final Official Statement in connection with the sale of the JPA Bonds and the Series A Bonds is hereby authorized subject to the provisions of this Section. The Designated Officers are, and each of them acting along hereby is, authorized to deliver copies of the Preliminary Official Statement and the Official Statement with such changes therein as such Designated Officer shall approve, in their discretion, as being in the best interests of the District. Upon approval of such changes by such Designated 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 by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The District Board hereby authorizes and directs the Designated Officer to deliver to the Purchaser a certificate to the effect that the District deems the Preliminary Official Statement, in the form approved by the Designated Officer, to be final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, (except for the omission of certain final pricing, rating and related information as permitted under such Rule).

Section 13. Book-Entry Form. The Series A Bonds may, to the extent required under the applicable Bond Purchase Agreement(s), be initially issued in book-entry form, to be lodged with The Depository Trust Company ("DTC") in New York, New York, which shall be the registered owner of the Series A Bonds issued at the closing in the form of a single, certificated Bond for each maturity. The Designated Officer is hereby authorized to take all actions necessary or appropriate to facilitate such filing and lodgment. The District Board hereby authorizes and directs the Designated Officer to execute and deliver such documents and letter as are necessary or desirable to qualify the Series A Bonds, or any portion thereof, as part of such book-entry form and system to the extent applicable.

Section 14. Collection of Taxes. Pursuant to Education Code Sections 15250 *et seq.* (or any successor sections thereto) the School District, upon sale and delivery of the Series A Bonds through the County, requests that the County Board take action to levy, or cause to be

levied, on all the taxable property in the School District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Series A Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series A Bonds, as applicable, when due in accordance with the terms of Resolution No. 2009/2010-16, this Resolution, the Series A Bonds, the County Resolution and the applicable Bond Purchase Agreement(s).

Section 15. Tax Covenants for Tax-Exempt Bonds. The covenants set forth in this Section shall apply to any Series A Bonds which are issued and sold as Tax-Exempt Bonds.

(a) The District, in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Bonds, hereby covenants to comply with each applicable requirements of Section 103 and Sections 141 through 150 of the Code, as set forth in the nonarbitrage (tax) certificate to be provided to the District by Bond Counsel, and executed by the District, on the date of initial delivery of the Tax-Exempt Bonds and incorporated herein by this reference, as a source of guidance for compliance with such provisions.

(b) The District hereby covenants that it shall not, directly or indirectly, use or permit the use of any proceeds of any of the Tax-Exempt Bonds, or of any of the property financed or refinanced with the proceeds of the Tax-Exempt Bonds, or other funds of the District, or take or omit to take any action that would cause the Tax-Exempt Bonds to be deemed "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the District shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury promulgated under that section or any successor section to the extent that such requirements are in effect and applicable to the Tax-Exempt Bonds.

(c) The District covenants that it shall (i) make all calculations in a reasonable and prudent fashion relating to any rebate or excess investment earnings on the proceeds of the Tax-Exempt Bonds due to the United State Treasury; and (ii) cause to be segregated and set aside from lawfully available sources held in the County treasury the amount such calculations indicate may be required to be paid to the United State Treasury. Based on such rebate calculations, the District will, to the extent required, cause to be set aside, from monies lawfully available, the amount of such rebate in a separate fund that the District hereby agrees to cause to be established and maintained as set forth in Section 11 hereof and in the County Resolution.

(d) The District represents that it shall not take any action, or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code.

Section 16. Covenants for Compliance with ARRA with Respect to Series A Bonds Issued as QSCB Bonds. The covenants set forth in this Section shall apply to any Series A Bonds which are issued and sold as QSCB Bonds.

(a) Qualified School Construction Project. The District shall assure that all of the Available Project Proceeds will be used for Qualified Purposes in accordance with Section 54F(a)(1) of the Code.

(b) Designation of Bonds as Qualified School Construction Bonds; Delegation. The District hereby authorizes the Designated Officer to designate the Series A Bonds issued and sold as QSCB Bonds as qualified school construction bonds for purposes of Section 54F(a)(3) of the Code.

(c) Three Year Expenditure of Proceeds for Qualified Purposes. The District reasonably expects to expend all of the Available Project Proceeds for Qualified Purposes within the Expenditure Period. To the extent that less than 100% of the Available Project Proceeds are expended for Qualified Purposes by the end of the Expenditure Period, all nonqualified bonds (as determined under Section 142 of the Code) shall be redeemed within 90 days of the end of the Expenditure Period, in accordance with the requirements of Section 54A(d)(2)(B) of the Code in the time and manner prescribed by the Code.

(d) Binding Commitment to Spend Available Project Proceeds. The District will, within six months of the date the JPA Bonds are issued, enter into a substantial binding obligation to a third party to spend at least 10% of the Available Project Proceeds for Qualified Purposes.

(e) Financing Capital Expenditures, No Working Capital. All Available Project Proceeds will be spent on capital expenditures with a reasonably expected economic life of one year or more.

(f) Limitation on Issuance Costs. No proceeds of the Series A Bonds and investment earnings thereon, in an amount in excess of 2% of the proceeds of the sale of the Series A Bonds, will be used to pay costs of issuing of the Series A Bonds. If the fees of the original purchaser are retained as a discount on the purchase of the Series A Bonds, such retention shall be deemed to be an expenditure of proceeds of the Series A Bonds for such fees.

(g) Qualified Issuer. The District is local government qualified to issue the Series A Bonds under Section 54F(a)(2) of the Code. The District has established and currently operates the various public school sites with respect to which the Available Project Proceeds will be spent.

(h) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the District or otherwise, any action with respect to the proceeds of the Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series A Bonds would have caused the Series A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code as modified by Section 54A(d)(4) of the Code.

(i) Arbitrage and Rebate Compliance. The District shall not take, or permit or suffer to be taken by the Paying Agent, the District or otherwise, any action with respect to the proceeds of the Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Series A Bonds would have caused the Series A Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code. The District shall take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings,

if any, to the federal government, to the extent that such section is applicable to the Series A Bonds. For purposes of this sub-paragraph, investments of Available Project Proceeds during the Expenditure Period are deemed to comply with the requirements and limitations of Section 148 of the Code.

(j) Prohibition on Financial Conflicts of Interest. The District hereby covenants and agrees to comply with all State and local law requirements governing conflicts of interest as such requirements may relate, directly or indirectly, to the Series A Bonds. The District hereby covenants and agrees to comply with any conflict of interest rules prescribed by the IRS or United States Department of Treasury governing the appropriate Member of Congress, Federal, State, and local officials, and their spouses as such rules may apply to the Series A Bonds while the Series A Bonds remain outstanding.

(k) Davis-Bacon Act Requirements. The District hereby covenants and agrees to comply with the wage rate requirements of Title 40, Subtitle II, Part A, Chapter 31, Subchapter IV of the United States Code as such requirements relate to the proceeds of the Series A Bonds.

(l) Extraordinary Mandatory Redemption Requirements. The District recognizes that in the event and to the extent that the District fails to expend all of the proceeds on deposit in the Building Fund within the Expenditure Period, the JPA Bonds shall be subject to extraordinary mandatory redemption on the date on which the Series A Bonds are subject to extraordinary mandatory redemption under the provisions of the County Resolution and the Bond Purchase Agreement (being a date which is not more than 90 days following the expiration of the Expenditure Period) upon the terms and conditions that shall be set forth in the County Resolution and the Bond Purchase Agreement. Such extraordinary mandatory redemption is required in order to maintain the status of the Series A Bonds, and the JPA Bonds, as Qualified School Construction Bonds.

The District hereby covenants that it shall take all actions necessary to complete such extraordinary mandatory redemption within the time periods required by the ARRA and/or the Code in the event such actions become necessary to maintain the status of the Series A Bonds, and the JPA Bonds as Qualified School Construction Bonds. Such actions shall include, but shall not be limited to, the retention of consultants (which may include accountancy services) in order to calculate the amount of the then-outstanding Series A Bonds required to be redeemed as part of such extraordinary mandatory redemption.

The redemption price of any Series A Bonds under this Section 16(1) and the terms of the County Resolution and the Series A Bonds shall be payable solely from a portion of the amounts held by the Treasurer in the Building fund at the expiration of the Expenditure Period and shall be paid to the owners of the Series A Bonds for the corresponding redemption of JPA Bonds under the terms of the JPA Bond Indenture.

Section 17. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). Notwithstanding any other provisions of this Resolution, failure of the District to comply with the provisions of the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Series A Bonds; however, any purchaser or any

holder or beneficial Owner of the Series A Bonds may take such actions as may be necessary and appropriate to compel performance therewith, including seeking mandate or specific performance by court order.

For purposes of this Section, "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Series A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. A form of the Continuing Disclosure Certificate is attached hereto as Exhibit "B" and incorporated by reference herein. The Designated Officer(s) are hereby authorized to approve, execute and deliver the final form of the Continuing Disclosure Certificate with such changes, insertions and deletions as may be approved by the Designated Officer, Disclosure Counsel and Bond Counsel, which approval shall be conclusively evidenced by execution and delivery thereof.

Section 18. County Books and Accounts. The Treasurer and the County are requested to keep, or cause to be kept, proper books or record and accounts to record (i) the amount of taxes collected pursuant to Section 14 hereof, (ii) all deposits, expenditures and investment earnings on the funds and accounts set out in the County Resolution, and (iii) all transfers of funds for the payment of principal, interest or redemption premiums on the Series A Bonds. The Treasurer is requested to provide regular periodic statements of such accounts to the District.

Section 19. Additional Findings and Directives. Pursuant to Education Code Section 15146(b) and (c), the District Board hereby finds, determines and directs as follows:

(a) The Series A Bonds shall be sold by negotiated sale as set forth in Sections 8, 9 and 10 of this Resolution and elsewhere herein.

(b) The Series A Bonds shall be sold by negotiated sale inasmuch as: (i) the sale of Series A Bonds to the JPA is expected to result in additional proceeds to the District to construct and acquire school facilities projects for which the Series A Bond funds may be expended, (ii) such a sale will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; and (iii) such a sale will allow the District to utilize the services of consultants at a lower cost than selecting, retaining and utilizing the services of consultants who are not familiar with the District, its financing needs and related matters.

(c) The District is represented by Dale Scott & Co., as its Financial Advisor, Bowie, Arneson, Wiles & Giannone as Bond Counsel to the District and Jones Hall as Disclosure Counsel to the District. The underwriter(s)/purchaser(s) of the JPA Bonds have not yet been determined and shall be disclosed once such underwriter(s)/purchaser(s) are selected.

(d) The District Board estimates that the costs associated with the issuance of the Series A Bonds, including compensation to the underwriter(s)/purchaser(s) and any such costs which the underwriter(s)/purchaser(s) agrees to pay pursuant to the bid and sale documents for the Series A Bonds, are set forth in Exhibit "C", attached hereto and incorporated herein by this reference. Such estimated costs of issuance of the Series A Bonds include, but are not limited to,

costs of bond insurance, Bond Counsel and Disclosure Counsel fees and expenses, Financial Advisor fees and costs, rating agency fees, County costs, printing costs and related costs and expenses. All such figures are estimates and shall not constrain or limit the District as to the issuance and sale of the Series A Bonds pursuant to the directives and conditions set forth herein.

(e) The District Board hereby directs that following the sale of the Series A Bonds, the District Board shall be presented with the actual costs of sale, issuance and delivery costs of the Series A Bonds at the next occurring meeting of the District Board for which such information can be determined and presented in accordance with State law.

(f) The District Board hereby directs that following the sale and delivery of the Series A Bonds that an itemized summary of the costs of the sale, issuance and delivery costs of the Series A Bonds shall be provided to the California Debt and Investment Advisory Commission (CDIAC). The District Board hereby determines that submission of such information as part of the filing of the Report of Final Sale for the Series A Bonds and/or the JPA Bonds made to CDIAC pursuant to State law, including Government Code Section 8855, shall constitute compliance with the requirements of Education Code Section 15146(c)(2).

(g) The District Board hereby directs that as part of the authorization for issuance, sale, issuance and delivery of the Series A Bonds that all necessary filings with CDIAC shall be completed by the District staff and/or consultants or counsel on behalf of the District. The District Board directs that confirmation of such filings shall be included in the transcript of agreements, resolutions, proceedings and documents prepared and delivered in connection with the authorization for issuance, sale, issuance and delivery of the Series A Bonds.

Section 20. Approval of Associate Membership Agreement. The Associate Membership Agreement, between the District and the California Qualified School Bond Joint Powers Authority ("Authority"), in substantially the form on file with the Clerk of the Board, together with any changes therein or modifications thereof which are approved by the Designated Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or modifications. The Designated Officer is authorized to execute and deliver the final form of the Associate Membership Agreement in the name and on behalf of the District.

Section 21. Approval of Actions. All actions heretofore taken by officers and agents of the District with respect to the sale and issuance of the Series A Bonds to this point in time are hereby approved, confirmed and ratified. The President and Clerk of the District Board and the Superintendent and the Designated Officer(s) are each authorized and directed in the name and on behalf of the District to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

Section 22. Other Actions. The President, Clerk and Secretary of the District Board, and the Designated Officers of the District, are authorized and directed to execute all documents and to take all actions necessary to cause or facilitate the issuance of the Series A Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution.

Section 23. Partial Invalidity; Severability. If any one of the findings, determinations, directions or portions thereof, provided in this Resolution on the part of the District to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreement or portions thereof and shall in no way affect the validity of this Resolution or of the Series A Bonds; but the Bond owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The District hereby declares that it would have entered into this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Series A Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 24. Supplemental District Resolution(s). For any one or more of the following purposes and at any time or from time to time, a District may adopt a resolution(s) to supplement this Resolution and/or Resolution No. 2009/20101-6 (each a "Supplemental District Resolution"), which, without the requirement of consent of the owners or holders of the Series A Bonds, shall be fully effective in accordance with its terms:

(a) To add to the covenants of the District set forth in this Resolution, other covenants to be observed by the District which are not contrary to or inconsistent with this Resolution; or

(b) To make such additions, deletions or modifications as may be necessary or desirable to assure the qualification of the Series A Bonds as Qualified School Construction Bonds under the Code, in the opinion of JPA Bond Counsel filed with the District.

In the event that such a Supplemental District Resolution is adopted, the District shall furnish certified copies thereof to the County and to the JPA (in the event that any of the Series A Bonds are sold to the JPA).

Section 25. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.


Section 26. County Filing. The Clerk of the District Board is hereby directed to file, or cause to be filed, certified copies of Resolution No. 2009/2010-16 and this Resolution with the Clerk of the County Board and the Superintendent of Schools of the County.

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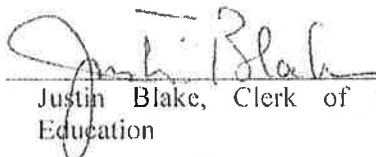
Section 26. **Effective Date.** This Resolution shall take effect immediately upon adoption.

ADOPTED, SIGNED AND APPROVED this 13th day of October, 2009.

BOARD OF EDUCATION OF THE PALM
SPRINGS UNIFIED SCHOOL DISTRICT

By: 
Gary Jeandron, President of the Board of
Education

ATTEST:

By: 
Justin Blake, Clerk of the Board of
Education

STATE OF CALIFORNIA

)

) ss.

COUNTY OF RIVERSIDE

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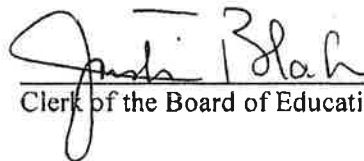
I, Justin Blake, Clerk of the Board of Education of the Palm Springs Unified School District, do hereby certify that the foregoing resolution was duly adopted by the Board of Education of such School District at a meeting of said Board held on the 13th day of October, 2009, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES: Clapp, Jeandron, Shoenberger

NOES:

ABSTAIN:

ABSENT: Blake, Stewart

A handwritten signature in dark ink, appearing to read "Justin Blake", is written over a horizontal line.

Clerk of the Board of Education

STATE OF CALIFORNIA

)

) ss.

COUNTY OF RIVERSIDE

)

I, Justin Blake, Clerk of the Board of Education of the Palm Springs Unified School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 2009/2010-22 of such Board and that the same has not been amended or repealed.

Dated: October 13, 2009


Clerk of the Board of Education

DIRECTING ACTIONS FOR THE ISSUANCE AND SALE OF NOT TO EXCEED \$25,000,000 PRINCIPAL AMOUNT OF PALM SPRINGS UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2008 ELECTION, SERIES A, AS QUALIFIED SCHOOL CONSTRUCTION BONDS, MAKING CERTAIN FINDINGS AND DETERMINATIONS, AND TAKING AND DIRECTING CERTAIN RELATED ACTIONS

RESOLUTION NO. 2009/2010-16

WHEREAS, the Palm Springs Unified School District ("District" or "School District") is a public school district organized and operating within the County of Riverside ("County") pursuant to the laws of the State of California ("State"), including, but not limited to, the California Constitution and the California Education Code ("Education Code"); and

WHEREAS, the issuance of not to exceed \$516,000,000 aggregate principal amount of general obligation bonds of the School District was authorized ("Bond Authorization") at an election duly called and regularly conducted within the School District on February 5, 2008 (further identified as "Measure E") ("Bond Election"), which Bond Election was conducted pursuant to the provisions of the "Safer Schools, Smaller Classes and Financial Accountability Act" (also known as "Proposition 39"), the California Constitution and related California law; and

WHEREAS, the results of the Bond Election were certified by this Board of Education of the District ("District Board") by adoption of Resolution No. 2007/2008-74, adopted on May 13, 2008, pursuant to State law, and which Resolution No. 2007/2008-74 was thereafter filed as required by State law; and

WHEREAS, the proceeds of general obligation bonds issued pursuant to the Bond Authorization are to be used for identified projects (as set out in School District Resolution No. 2007/2008-11, which are incorporated herein by this reference) as approved by the voters in the Bond Election; and

WHEREAS, the District Board previous approved Resolution No. 2009/2010-02 on June 21, 2009, the School District applied for an allocation to issue "Qualified School Construction Bonds" ("QSCBs") pursuant to the provisions of the American Reinvestment and Recovery Act of 2009 ("ARRA") and the California program for allocation of QSCB securities administered by the California Department of Education ("CDE"); and

WHEREAS, pursuant to proceedings undertaken by the CDE, the School District has received an allocation to issue securities as QSCBs during calendar year 2009 in an amount not to exceed \$25,000,000 ("QSCB Allocation"); and

WHEREAS, based upon information and documentation received by the District Board, the District Board desires to take actions to direct the issuance of an initial series of the general obligation bonds authorized pursuant to the Bond Election which may be issued in full or in part as QSCB securities and desires to take actions in connection therewith; and

WHEREAS, pursuant to the provisions of Proposition 39, the California Constitution and the Bond Authorization, the School District may, pursuant to the provisions and limitations of Article 1 of Chapter 1.5 of Part 10 of Division 1 of Title 1 of the Education Code, proceed to borrow funds as set forth in the provisions and limitations of Chapter 1 of Part 10 of Division 1 of Title 1 of the Education Code; and

WHEREAS, Section 15140 of the Education Code of the State of California authorizes the Board of Supervisors of the County ("County Board") to borrow funds through the issuance of general obligation bonds in the name and for the benefit of the School District pursuant to resolutions adopted by the District Board and the County Board; and

WHEREAS, the District Board has determined that it is in the best interests of the School District at this time to take certain actions to authorize the issuance of a portion of such authorized but unissued general obligation bonds in the total principal amount of not to exceed Twenty-Five Million dollars (\$25,000,000) ("Bonds" or "Series A Bonds") as further set forth herein; and

WHEREAS, based upon documentation presented to the District Board, the District Board is prepared to make certain findings and determinations, and direct certain actions, concerning the issuance and sale of the Series A Bonds; and

WHEREAS, the District Board, on behalf of the School District, has previously retained the services of certain consultants in connection with the issuance and sale of the Series A Bonds and desires to take certain related actions in connection therewith; and

WHEREAS, it is the intention of the District Board that the Series A Bonds may be issued in full or in part as QSCB securities under the District's QSCB Allocation; and

WHEREAS, based on information presented to the District Board, it is the intent of the District Board that the Series A Bonds be sold at a negotiated sale to a joint powers agency ("JPA") formed pursuant to the provisions of California Government Code Sections 6500, *et seq.*, in order to participate in a pooled financing transaction which is expected to have positive benefits for the School District, as previously described to this District Board; and

WHEREAS, based on the foregoing, the District Board has determined that it is appropriate to adopt this resolution, including making certain findings and directing certain related actions concerning the Series A Bonds be issued through the County on behalf of the School District.

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE PALM SPRINGS UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. **Incorporation of Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. Authority for Issuance of Bonds. The Series A Bonds shall be issued and sold by the County, on behalf of the School District, pursuant to and in accordance with the California Constitution, the provisions of Proposition 39, the Bond Authorization, this Resolution, the Supplemental Issuance Resolution (as defined herein) shall such issuance and sale be subject to the matters set forth herein and in subsequently adopted Resolutions of the District Board and the County Board, the County Resolution (as defined herein) and Education Code Sections 15264, 15266, 15100 *et seq.* and 15140 *et seq.*

Section 3. Actions for Issuance of Series A Bonds.

(a) The District Board hereby directs that actions shall be undertaken to issue the Series A Bonds, through the County, pursuant to the applicable provisions of California law and as further described herein. Additional terms and conditions with respect to the issuance of the Series A Bonds shall be set forth in a supplemental resolution to be adopted by this District Board with respect to the issuance of the Series A Bonds ("Supplemental Issuance Resolution"). The Supplemental Issuance Resolution is expected to include specific documentation, findings and directives relative to the issuance of the Series A Bonds, including, but not limited to, specification of the form of the continuing disclosure documentation/agreement entered into or provided by the District with respect to the Series A Bonds, approval of a preliminary official statement furnished in connection with the issuance of the Series A Bonds (or the JPA Bonds, as defined herein), approval of the form of a bond purchase agreement form and sale parameters for the Series A Bonds and various related matters.

(b) The District Board intends to sell the Series A Bonds, or a portion thereof, to the JPA, which shall be identified in the bond purchase agreement described in the Supplemental Issuance Resolution. The District Board currently expects and intends that all or a portion of the Series A Bonds will be pooled by the JPA for the purpose of issuing revenue bonds of the JPA ("JPA Bonds"), which JPA Bonds will be secured through debt service payments made on underlying securities purchased by the JPA. The sale of the Series A Bonds to the JPA and the corresponding issuance and sale of the JPA Bonds is expected to be in the best interests of the School District.

(c) The District Board intends that some or all of the Series A Bonds shall be issued as Qualified School Construction Bonds (QSCBs). Any Series A Bonds issued as QSCBs will comply with the applicable provisions of the ARRA, the United States Internal Revenue Code of 1986, as amended ("Code"), and the regulations promulgated pursuant to the provisions of the Code. Certain of those conditions are described herein.

(d) The District Superintendent, or the District Superintendent's designees (each a "Designated Officer") may determine that it is in the best interest of the School District to sell all or a portion of the Series A Bonds as taxable or tax-exempt securities, as further described in the Supplemental Issuance Resolution and the County Resolution. In such event, the Designated Officer(s) may so provide in a bond purchase agreement(s) for the issuance and sale of the tax-exempt portion of the Series A Bonds, as shall be further described and set forth in the Supplemental Issuance Resolution.

Section 4. Designation. The Series A Bonds authorized pursuant to this Resolution, the terms and conditions of the Supplemental Issuance Resolution and the County Issuance

Resolution shall be designated as "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A" or such other designation as the Superintendent of the School District ("Superintendent") or the Superintendent's designee(s) (as described herein) may approve. The resolution of the County Board providing for the issuance and sale of the Series A Bonds is in certain instances herein referred to as the "County Resolution." The Series A Bonds shall otherwise conform to the requirements forth herein, within the Supplemental Issuance Resolution, the applicable bond purchase agreement(s) and in the County Resolution.

Section 5. Purpose of Bonds.

(a) The Series A Bonds, in the aggregate principal amount of not to exceed \$25,000,000, shall be offered for sale, the proceeds of which are to be used for the purposes set out in District Resolution No. 2007/2008-11, as approved at the Bond Election and to pay all necessary and appropriate costs or expenses incurred in the issuance of the Series A Bonds pursuant to Education Code Sections 15145 and 15146 and applicable State law.

(b) The net construction proceeds of those Series A Bonds issued as QSCB securities shall be expended only upon projects and facilities permitted under the provisions of applicable federal law.

Section 6. Negotiated Sale. Subject to the provisions of the Supplemental Issuance Resolution and the County Resolution, the District Board authorizes the Series A Bonds to be sold through a negotiated sale process. All Series A Bonds sold at such a negotiated sale shall bear interest, if any, at a rate not in excess of the legal maximum under State law and shall mature not later than twenty-five (25) years after their date of issuance. Such Series A Bonds shall be issued in the form(s) and at the maturity(ies) set out in the Supplemental Issuance Resolution and the County Resolution. The form(s) of the bond purchase agreement(s) and additional sale parameters for the sale of the Series A Bonds will be set out in the Supplemental Issuance Resolution and the County Resolution.

Section 7. Collection of Taxes. Pursuant to Education Code Sections 15250 *et seq.* (or any successor sections thereto) the School District, upon sale and delivery of the Series A Bonds through the County, requests that the County Board take action to levy, or cause to be levied, on all the taxable property in the School District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Series A Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series A Bonds, as applicable, when due in accordance with the terms of the Supplemental Issuance Resolution, the Series A Bonds and the County Resolution.

Section 8. Building Fund; Debt Service Fund and Rebate Fund.

(a) **Building Fund.** Upon the issuance and sale of the Series A Bonds, the District Board shall request that the Treasurer of the County establish and create the "Palm Springs Unified School District General Obligation Bonds, 2008 Election, Series A, Building Fund," ("Building Fund") which shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit the net proceeds of the sale of the Series A Bonds (except any premium or accrued interest received from the sale) to be expended as set

forth herein and in the County Resolution. The Building Fund shall otherwise be administered as set forth in the County Resolution.

(b) Debt Service Fund. Upon the issuance and sale of the Series A Bonds, the District Board shall request that the Treasurer establish and create the "Palm Springs Unified School District General Obligation Bonds, 2008 Election Series A, Debt Service Fund" ("Debt Service Fund") which shall be kept separate and distinct from all other District and County funds to be used for the payment of accreted value or principal of and interest on the Series A Bonds, as the case may be, and administrative costs and expenses for the Series A Bonds, including fees and expenses of the Paying Agent. The Debt Service Fund shall otherwise be administered as set forth in the County Resolution.

(c) Rebate Fund. Upon the issuance and sale of the Series A Bonds, the District Board shall request that the Treasurer establish and create, if and when required, the "Palm Springs Unified School District General Obligation Bonds, 2008 Election Series A, Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other District and County funds and into which the Treasurer shall deposit funds used to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Code. The Rebate Fund shall otherwise be administered as set forth in the County Resolution.

Section 9. Expenditure of Bond Proceeds.

(a) The School District hereby covenants to expend all Series A Bond proceeds in accordance with applicable law, including, but not limited to, Chapter 2 of Part 10 of Division 1 of Title 1 of the California Education Code of the State of California, as amended, the requirements of Proposition 39 and related State legislation, Article XIII A of the California Constitution, the Bond Authorization and the determinations and directives made herein.

(b) The provisions of the ARRA applicable to QSCB securities require that net construction proceeds of such QSCB securities be expended on certain types of capital expenditures and within certain time periods. The District Board hereby directs that the documentation, resolutions, agreements and covenants of the School District with respect to the Series A Bonds issued as QSCBs, and the expenditure of the proceed thereof, shall conform to such requirements.

Section 10. Continuing Disclosure. In connection with the issuance of the Series A Bonds, the District shall provide a continuing disclosure document(s). The School District hereby covenants and agrees that it shall comply with and carry out all of the provisions of the continuing disclosure agreement/certificate delivered in connection with the issuance and sale of the Series A Bonds. Further details and the form of the continuing disclosure agreement/certificate delivered in connection with the issuance and sale of the Series A Bonds is expected to be provided in the Supplemental Issuance Resolution.

Section 11. Compliance with Proposition 39. The School District hereby finds and determines that it has complied, or will comply, with the applicable requirements prescribed by Proposition 39, and related applicable State statutory provisions, as follows:

- (a) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the proceeds of the sale of the Series A Bonds (exclusive of costs of issuance and delivery of the Series A Bonds) ("Bond Proceeds" or "Series A Bond Proceeds") shall be used only for the purposes specified in the list of specific school facilities projects set forth in Resolution No. 2007/2008-11 and approved by the voters in the Bond Election ("School Facilities Project List") and not for any other purpose, including teacher and administrator salaries and any other school operating expenses.
- (b) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the School Facilities Project List was made available to the public for review prior to and during the Bond Election, which included the District Board's evaluation of safety, class size reduction and information technology needs in developing the School Facilities Project List as set forth in Resolution Nos. 8701-01 and 040609-01.
- (c) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the District Board shall conduct, or cause to be conducted, annual, independent performance audits to ensure that the Series A Bond Proceeds have been expended only on the school facilities projects identified in the School Facilities Project List.
- (d) Pursuant to Section 1(b)(3) of Article XIII A of the California Constitution, the District Board shall conduct, or cause to be conducted, annual, independent financial audits of the Bond Proceeds until all of the Bond Proceeds have been expended for the school facilities projects identified in the School Facilities Project List.
- (e) Measure E and matters submitted to the voters as part of the Bond Election included statements substantially in compliance with Education Code Section 15272.
- (f) The Measure E election results have been certified by the District Board pursuant to Resolution No. 2007/2008-74, and such resolution has been filed as required under Education Code Sections 15124 and 15274.
- (g) Pursuant to Education Code Sections 15278 *et seq.*, the District Board has established its Citizens' Oversight Committee for the Measure E bond election ("Committee") and has appointed members thereto pursuant to the Committee Policy and Regulations previously adopted by the District Board.
- (h) Pursuant to Education Code Section 15268, based on estimates that assessed valuation will increase in accordance with Article XIII A of the California Constitution, the tax rate to be levied to meet the requirements of Section 18 of Article XVI of the California Constitution with regard to the Series A Bonds will not exceed sixty Dollars (\$60) per year per One Hundred Thousand Dollars (\$100,000) of taxable property within the boundaries of the School District. The School District shall provide, or be provided, a certificate specifying the

estimated tax rate, and confirming compliance with this statutory requirement, at the time the Series A Bonds are delivered.

Section 12. Compliance with State Law. That pursuant to Government Code Section 53410, the District Board hereby finds, determines and directs as follows:

- (a) The Series A Bond Proceeds shall be used only for the purposes set forth in the School Facilities Project List.
- (b) One or more funds or accounts (which may include subaccounts) as further described in the Supplemental Resolution and in the County Resolution shall be created into which the Series A Bond Proceeds shall be deposited.
- (c) The School District's Assistant Superintendent, Business Services, shall have the responsibility no less often than annually, to provide to the District Board a written report which shall contain at least the following information:
 - (i) The amount of the Series A Bond Proceeds received and expended during the applicable reporting period; and
 - (ii) The status of the acquisition, construction or financing of the school facility projects, as identified in the School Facilities Project List, with the Series A Bond Proceeds.

The report(s) required by this Section 12(c) may be combined with other periodic reports which include the same information, including, but not limited to, periodic reports made to the California Debt and Investment Advisory Commission (CDIAC) or continuing disclosure reports or other reports made in connection with the Series A Bonds. The requirements of this Section 12(c) shall apply only until all the Series A Bonds are redeemed or defeased, but if the Series A Bonds, or any portion thereof, are refunded, such provisions shall apply until all such refunding bonds are redeemed or defeased.

Section 13. Additional Findings and Directives.

(a) Within the Supplemental Issuance Resolution, the District Board shall make findings and provide directives with respect to compliance with the applicable provisions of Education Code Section 15146(b) and (c) concerning the anticipated costs of issuance of the Series A Bonds.

(b) Within the Supplemental Issuance Resolution, the District Board shall make such findings and determinations, and make such covenants, as shall be required to protect and preserve the status of Series A Bonds issued as QSCB securities, taxable bonds or as tax-exempt bonds, as shall be applicable.

Section 14. District Consultant Costs; County Costs.

(a) The School District has retained the services of Bowie, Arneson, Wiles & Giannone to represent the School District as Bond Counsel and Dale Scott & Company, Inc. as Financial Advisor with regard to the issuance of the Series A Bonds. U.S. Bank National Association will serve as the School District's initial Paying Agent. The Superintendent is hereby authorized to retain such other and further consultants and services, including, but not limited to, printing services, legal services, assessment information and pricing consultant services as are necessary or desirable to facilitate the issuance and delivery of the Series A Bonds.

(b) That this District Board authorizes the payment to the County of out-of-pocket expenses and other costs incurred by the County in connection with the County's support of, and participation in, the issuance of the Series A Bonds.

Section 15. Services for Issuance of the Series A Bonds. The Superintendent of the District and the Designated Officers are authorized and directed to contract for such other and further services, including legal, financial and related professional services, as specified herein, or as otherwise necessary so the School District may proceed with, and complete, the issuance and sale of the Series A Bonds as set forth herein.

Section 16. Approval of Actions. All actions heretofore taken by officers and agents of the School District with respect to the sale and issuance of the Series A Bonds to this point in time are hereby approved, confirmed and ratified. The President and Clerk of the District Board and the Superintendent and the Designated Officer(s) are each authorized and directed in the name and on behalf of the School District to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution. Whenever in this Resolution any officer of the School District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

Section 17. Other Actions. The President, Clerk and Secretary of the District Board, and the Designated Officers of the School District, are authorized and directed to execute all documents and to take all actions necessary to cause or facilitate the issuance of the Series A Bonds pursuant to the terms hereof and of the Supplemental Issuance Resolution.

Section 18. Partial Invalidity; Severability. If any one of the findings, determinations, directions or portions thereof, provided in this Resolution on the part of the School District to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreement or portions thereof and shall in no way affect the validity of this Resolution or of the Series A Bonds; but the Bond owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The School District hereby declares that it would have entered into this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized

the issuance of the Series A Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

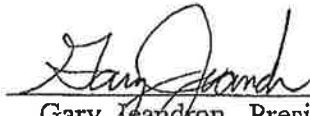
Section 18. Governing Law. This Resolution shall be construed and governed in accordance with the laws of the State of California.

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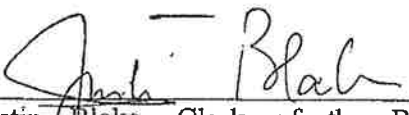
Section 19. Effective Date. This Resolution shall take effect immediately upon adoption.

ADOPTED, SIGNED AND APPROVED this 22nd day of September, 2009.

BOARD OF EDUCATION OF THE PALM
SPRINGS UNIFIED SCHOOL DISTRICT

By: 
Gary Jeandron, President of the Board of
Education

ATTEST:

By: 
Justin Blake, Clerk of the Board of
Education

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

)
) ss
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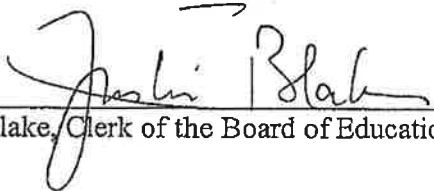
I, Justin Blake, Clerk of the Board of Education of the Palm Springs Unified School District, do hereby certify that the foregoing resolution was duly adopted by the Board of Education of such School District at a meeting of said Board held on the 22nd day of September, 2009, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES: Members, Jeandron, Blake, Clapp, Stewart

NOES: None

ABSENT: Member, Shoenberger

ABSTAINING: None


Justin Blake, Clerk of the Board of Education

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Third business day.**
Saturday Delivery NOT available.

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☐ **Yes**
Shipper's Declaration
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delivery, if so applies.

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at a neighboring address may
sign for delivery, if so applies.

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