

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

164 A



FROM: Don Kent, Treasurer/Tax Collector

SUBMITTAL DATE:
November 18, 2010

SUBJECT: Resolution No. 2010-317 – Alvord Unified School District General Obligation Bonds, 2007 Election, Series B (Vote on Separately)

RECOMMENDED MOTION: That your Honorable Board approve and adopt Resolution No. 2010-317 authorizing the issuance and sale of general obligation bonds on behalf of Alvord Unified School District (the "District") in a principal amount not to exceed \$40,000,000.

BACKGROUND: California law requires that the general obligation bonds of a school district be offered for sale by the Board of Supervisors of Riverside County when the Riverside County Superintendent of Schools has jurisdiction over the district and when the district wishes to offer its bonds via a negotiated sale. Although a board of supervisors is authorized to opt out of that requirement, your Honorable Board has not adopted the necessary enabling resolution. At the same time the County Treasurer has taken the position that school districts should not be negotiating the sale of bonds without his participation.

(Continued on page two)



Don Kent, Treasurer-Tax Collector

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 11/19/10
DATE: 11/19/10
Department: Finance

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

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

C.E.O. RECOMMENDATION: APPROVE

BY: 
Karen L. Johnson

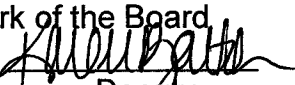
County Executive Office Signature

Policy
 Policy
 Consent
 Consent

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Stone, seconded by Supervisor Benoit and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
 Nays: None
 Absent: None
 Date: November 30, 2010
 xc: Treasurer

Kecia Harper-Ihem
 Clerk of the Board
 By: 
 Deputy

Dept's Recomm.:
 Per Exec. Ofc.:

Date: November 18, 2010
From: Treasurer-Tax Collector
Subject: Resolution No. 2010-317
Page 2

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

The issuance of the bonds has been approved by the voters of the District. An election was held on November 6, 2007 pursuant to paragraph (3) of subdivision (b) of Section 1 of Article XIII A and subdivision (b) of Section 18 of Article XVI of the California Constitution and Section 15266 of the Education Code which codifies, in part, Proposition 39. During that election, a measure authorizing the District to incur general obligation bonded indebtedness in an aggregate principal amount not to exceed \$196,000,000 was approved by more than 55% of the voters of the District voting in the election.

On May 1, 2008 the County issued and sold Alvord Unified School District General Obligation Bonds, 2007 Election, Series A on behalf of the District in an initial par amount of \$60,000,000. In addition, the District has previously issued its 2009 General Obligation Bond Anticipation Notes in the principal amount of \$60,000,000 to provide funds to finance the acquisition and construction of certain public educational facilities and and projects.

The bonds to be issued and sold in accordance with Resolution No. 2010-317 will represent the second series of bonds to be issued and sold pursuant to the election. Resolution No. 2010-317 authorizes the issuance and sale of Alvord Unified School District General Obligation Bonds, 2007 Election, Series B (the "Series B Bonds") in an aggregate principal amount not to exceed \$40,000,000.

The Series B Bonds are being issued and sold for the purpose of paying and redeeming a portion of the outstanding 2009 General Obligation Bond Anticipation Notes, including related interest expense, and to pay for the cost of issuance of the Series B Bonds.

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

The Office of County Counsel has reviewed Resolution No. 2010-317 and has approved it as to form.

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RESOLUTION NO. 2010-317

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, PROVIDING FOR THE ISSUANCE AND SALE OF ALVORD UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2007 ELECTION, SERIES B, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FORTY MILLION DOLLARS (\$40,000,000) PRESCRIBING THE TERMS OF THE BONDS AND THEIR SALE; APPROVING FORM AND AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AUTHORIZING EXECUTION OF NECESSARY DOCUMENTS; MAKING RELATED FINDINGS AND DETERMINATIONS AND TAKING RELATED ACTIONS

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RESOLUTION NO. 2010-317

RESOLUTION OF THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY, STATE OF CALIFORNIA, PROVIDING FOR THE ISSUANCE AND SALE OF ALVORD UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2007 ELECTION, SERIES B, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED FORTY MILLION DOLLARS (\$40,000,000) PRESCRIBING THE TERMS OF THE BONDS AND THEIR SALE; APPROVING FORM AND AUTHORIZING EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT; AUTHORIZING EXECUTION OF NECESSARY DOCUMENTS; MAKING RELATED FINDINGS AND DETERMINATIONS AND TAKING RELATED ACTIONS

WHEREAS, the Alvord Unified School District ("District") is a public unified school district located within the boundaries of the County of Riverside ("County"), State of California ("State"); and is duly organized and operating pursuant to the Constitution and the laws of the State; and

WHEREAS, an election was duly called and regularly held in the District, on November 6, 2007 ("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 Registrar 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 \$196,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the District ("Authorization"); and

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner DATE: 11/10/07

1 **WHEREAS**, the results of the Election were certified by the Board of Education of the
2 District (“School Board”) by adoption of Resolution No. 22, adopted on January 17, 2008,
3 pursuant to State law, which Resolution No. 22 has been filed as required by State law; and
4

5 **WHEREAS**, the District, acting through the County and the County Board of
6 Supervisors (“County Board”), has previously authorized the issuance of, and did issue, its
7 “Alvord Unified School District General Obligation Bonds, 2007 Election, Series A” (“Series A
8 Bonds”), in the total initial par amount of \$60,000,000, leaving bonds of the Authorization in the
9 principal amount of \$136,000,000 unissued; and
10

11 **WHEREAS**, pursuant to the Authorization and Government Code Section 53506 et seq.,
12 including Government Code Section 53508.7(c) and, as applicable, Education Code Sections
13 15100 et seq., 15266, and 15350 et seq., the School Board adopted its Resolution No. 17 on
14 November 18, 2010 (“School Board Resolution”), a certified copy of which has been received by
15 the County Board, requesting the County Board to issue a series of such authorized bonds,
16 designated the “Alvord Unified School District General Obligation Bonds, 2007 Election, Series
17 B” in an aggregate principal amount not to exceed \$40,000,000 (“Series B Bonds”); and
18

19 **WHEREAS**, the District has requested the issuance of the Series B Bonds in any
20 combination of Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital
21 Appreciation Bonds, all as defined herein; and
22

23 **WHEREAS**, the District previously issued the 2009 General Obligation Bond
24 Anticipation Notes of the Alvord Unified School District (“2009 Notes”) in the principal amount
25 of \$60,000,000 for the purpose of providing funds to finance the acquisition and construction of
26 public educational facilities and projects as described in the Authorization; and
27
28

1 **WHEREAS**, the Series B Bonds will be issued and sold for the purpose of paying and
2 redeeming a portion of the outstanding 2009 Notes, including interest expenses thereof, and to
3 pay for the costs of issuance of the Series B Bonds; and
4

5 **WHEREAS**, the Series B Bonds are authorized to be issued by the County pursuant to
6 the Authorization, the provisions of the Government Code, specifically Government Code
7 Section 53506 et seq., and, as applicable, the provisions of the Education Code, specifically
8 Education Code Sections 15100 et seq. and 15266; and
9

10 **WHEREAS**, in the School Board Resolution, the School Board found and informed this
11 County Board that all acts and conditions necessary to be performed by the District or to have
12 been met precedent to and in the issuing and sale of the Series B Bonds in order to make them
13 legal, valid and binding general obligations of the District have been performed and have been
14 met, or will at the time of delivery of the Series B Bonds have been performed and met, in
15 regular and due form as required by law; and
16

17 **WHEREAS**, the School Board has further requested this County Board to sell the Series
18 B Bonds to Piper Jaffray & Co. ("Underwriter") by negotiated sale pursuant to the terms of the
19 proposed form of Bond Purchase Agreement ("Purchase Agreement") among the County, the
20 District and the Underwriter, subject to the limitations set forth herein and in the School Board
21 Resolution; and
22

23 **WHEREAS**, this County Board desires to make certain determinations and to authorize
24 the issuance and sale of the Series B Bonds.
25

26 **NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS**
27 **OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS FOLLOWS:**
28

1 **SECTION 1. Recitals; Incorporation of School Board Resolution.** The foregoing
2 recitals are true and correct and are incorporated herein by this reference. The School Board
3 Resolution, adopted on November 18, 2010, together with the exhibits thereto, is on file with this
4 County Board and is incorporated herein by reference and all of the provisions thereof are made
5 a part hereof and shall be applicable to the issuance and delivery of the Series B Bonds, except as
6 otherwise specified herein.

7
8 **SECTION 2. Purpose and Designation of the Bonds.** The purpose of the Series B
9 Bonds is for raising money to refinance various projects for the District by paying a portion of
10 the 2009 Notes as authorized by the qualified electors pursuant to Education Code Sections
11 15266, 15150 and 15100, et seq., and to pay all reasonable and necessary costs of issuing and
12 delivering the Series B Bonds pursuant to Government Code Section 53506 et seq. and, as
13 applicable, Education Code Section 15145(a). The Series B Bonds shall be officially designated
14 as the “Alvord Unified School District General Obligation Bonds, 2007 Election, Series B.”

15
16 **SECTION 3. Statutory Authorization.** The Series B Bonds are authorized to be issued
17 and sold by the County pursuant to the Authorization, the School Board Resolution, the
18 California Constitution, this Resolution, the provisions of Government Code Section 53506 et
19 seq., and to the extent applicable, Education Code Sections 15100 et seq., and 15266.

20
21 **SECTION 4. Negotiated Sale.** The Series B Bonds shall be sold at a negotiated sale
22 upon the direction of the District’s Superintendent, or the Superintendent’s designee(s), on behalf
23 of the District, acting together with an authorized representative of the Office of the County
24 Treasurer-Tax Collector (“Treasurer”). The Series B Bonds shall be sold pursuant to the
25 applicable provisions of the Education Code and the terms and conditions set forth in the
26 Purchase Agreement, as described herein.

1 **SECTION 5. Approval of Purchase Agreement.** The Series B Bonds will be sold at
2 negotiated sale by the Treasurer pursuant to the terms and conditions set forth in the Bond
3 Purchase Agreement (“Purchase Agreement”), substantially in the form appended hereto as
4 Exhibit “A” and incorporated by reference herein. The form of the Purchase Agreement is
5 hereby approved and the Treasurer, or any designated deputy thereof, is hereby authorized to
6 execute and deliver the Purchase Agreement and the Superintendent, or other Designated Officer
7 (as defined herein) of the District, is hereby requested to execute the Purchase Agreement, with
8 such changes therein, deletion wherefrom and modification thereto as the Treasurer, or
9 designated deputy thereof, and the District may approve, such approval to be conclusively
10 evidenced by the execution and delivery thereof; provided, however, that the principal amount of
11 the Series B Bonds shall be determined by the District (but in no event to exceed \$40,000,000),
12 the term of the Series B Bonds shall not exceed 40 years, the true interest cost of the Series B
13 Bonds shall not exceed ten percent (10%), and the Underwriter’s discount, if any, shall not
14 exceed one percent (1.00%) of the principal amount of the Series B Bonds (exclusive of any
15 premium or original issue discount on the Series B Bonds, which original issue discount shall not
16 exceed one percent (1.00%)) (and further excluding any amount held by the Underwriter to pay
17 designated costs of issuance under the terms of the Purchase Agreement). True interest cost for
18 purposes of this Section means that nominal interest rate that, when compounded semiannually
19 and used to discount the debt service payments on the Series B Bonds to the dated date(s) of the
20 Series B Bonds, results in an amount equal to the purchase price of the Series B Bonds,
21 excluding interest accrued to the date of delivery. For purposes of this calculation, the premium
22 paid for the policy of municipal bond insurance, if any, shall be treated as interest paid on the
23 Series B Bonds on the date of delivery. The Treasurer, or designated deputy thereof, is further
24 authorized to determine the principal or issue amount of the Series B Bonds of each maturity
25 (including any Capital Appreciation Bonds or Convertible Capital Appreciation Bonds) to be
26 specified in the Purchase Agreement for sale by the County, up to an aggregate principal or issue
27 amount of \$40,000,000, to determine, upon consultation with the District, whether to purchase
28

1 bond insurance, to modify redemption terms for the Series B Bonds and to enter into and execute
2 the Purchase Agreement, if the conditions set forth in this Resolution are met.

3
4 If, upon consultation with the Designated Officer (as defined below) of the District, the
5 District determines to acquire municipal bond insurance to secure the Series B Bonds, the
6 Treasurer may so provide in the Purchase Agreement.

7
8 **SECTION 6. Certain Definitions.** As used in this Resolution, the terms set forth below
9 shall have the following meanings ascribed to them:

10
11 (a) **“Accreted Interest”** means, with respect to the Capital Appreciation Bonds and
12 Convertible Capital Appreciation Bonds, the Accreted Value thereof minus the Principal Amount
13 thereof as of the date of calculation.

14
15 (b) **“Accreted Value”** means, as of the date of calculation, with respect to the Capital
16 Appreciation Bonds and Convertible Capital Appreciation Bonds prior to the Conversion Date,
17 the Denominational Amount thereof, plus Accreted Interest thereon to such date of calculation,
18 compounded semiannually on each February 1 and August 1 (commencing on the date stated in
19 the Purchase Agreement), or such other dates or maturity date(s) as shall be specified in the
20 Purchase Agreement, with respect to the Capital Appreciation Bonds and Convertible Capital
21 Appreciation Bonds prior to the Conversion Date maturing on those dates specified in the
22 Purchase Agreement, and at the stated yield to maturity thereof, assuming in any such
23 semiannual period that such Accreted Value increases in equal daily amounts on the basis of a
24 360-day year of twelve 30-day months.

25
26 (c) **“Accretion Rate”** means, unless otherwise provided by the Purchase Agreement,
27 that rate which, when applied to the Principal Amount of a Capital Appreciation Bond or a
28 Convertible Capital Appreciation Bond, and compounded semiannually on each February 1 and

1 August 1 (commencing on the date set forth in the Purchase Agreement), produces the Maturity
2 Value on the maturity date (with respect to Capital Appreciation Bonds) and the Conversion
3 Value on the Conversion Date (with respect to Convertible Capital Appreciation Bonds).

4
5 (d) **“Authorized Investments”** means the Riverside County Investment Pool (or
6 other investment pools of the County into which the District may lawfully invest its funds), the
7 Local Agency Investment Fund, any investment authorized pursuant to Sections 16429.1 and
8 53601 of the Government Code, or in shares in a California common law trust established
9 pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in
10 investments permitted by Section 53635 of the Government Code, or in guaranteed investment
11 contracts, float contracts or other investment products (provided that such investments comply
12 with the requirements of applicable State law and with Section 148 of the Code, and with the
13 requirements of the Bond Insurer, if any, and as shall be applicable).

14
15 (e) **“Authorized Newspaper”** means a newspaper selected by the District which is
16 customarily published at least once a day for at least five days (other than legal holidays) in each
17 calendar week, published in the English language, of general circulation in the County of
18 Riverside and which has been adjudicated or designated as a “newspaper of general circulation”
19 pursuant to California law.

20
21 (f) **“Bond Counsel”** means a firm of nationally recognized bond counsel, initially
22 Bowie, Arneson, Wiles & Giannone.

23
24 (g) **“Bond Insurer”** means any insurance company which issues a municipal bond
25 insurance policy insuring the payment of Principal and interest on all or a portion of the Series B
26 Bonds.

1 (h) **“Bond Payment Date”** or **“Interest Payment Date”** means, unless otherwise
2 provided in the Purchase Agreement as executed and delivered, with respect to the interest on the
3 Current Interest Bonds, February 1 and August 1, commencing on the date set forth in the
4 Purchase Agreement, and commencing on the date set forth in the Purchase Agreement, with
5 respect to the principal payments on the Current Interest Bonds. With respect to the Capital
6 Appreciation Bonds or Convertible Capital Appreciation Bonds prior to the Conversion Date,
7 **“Bond Payment Date”** means the stated maturity dates thereof, as applicable, as stated in the
8 Purchase Agreement.

9
10 (i) **“Bond Register”** means the listing of names and addresses of the then-current
11 registered owners of the Bonds, as maintained by the Paying Agent in accordance with Section
12 12 hereof.

13
14 (j) **“Bonds”** or **“Series B Bonds”** means the Alvord Unified School District General
15 Obligation Bonds, 2007 Election, Series B.

16
17 (k) **“Business Day”** means a day which is not a Saturday or Sunday or a day on
18 which banking institutions are authorized or required by law or executive order to be closed in
19 California and New York for commercial banking purposes and on which the Federal Reserve
20 system is not closed.

21
22 (l) **“Capital Appreciation Bonds”** means those Series B Bonds, if any, the interest
23 component of which is compounded semiannually on each Bond Payment Date to maturity as
24 shown in the table of Accreted Values for such Bonds in the Purchase Agreement.

25
26 (m) **“Capital Appreciation Term Bonds”** means those Capital Appreciation Bonds,
27 if any, for which mandatory sinking fund redemption dates have been established in the Purchase
28 Agreement.

1
2 (n) **“Code”** means the Internal Revenue Code of 1986, as amended, and any
3 successor provisions thereto, and applicable regulations of the Department of Treasury
4 thereunder, and any successor provisions thereto.

5
6 (o) **“Conversion Date”** means, with respect to Convertible Capital Appreciation
7 Bonds, the date stated in the Purchase Agreement as the date on which such Series B Bonds,
8 originally issued as Capital Appreciation Bonds, convert to Current Interest Bonds.

9
10 (p) **“Conversion Value”** means, with respect to any Convertible Capital
11 Appreciation Bonds, the Accreted Value as of the Conversion Date.

12
13 (q) **“Convertible Capital Appreciation Bonds”** means the Bonds which are
14 originally issued as Capital Appreciation Bonds, but which convert to Current Interest Bonds on
15 the Conversion Date.

16
17 (r) **“County”** means the County of Riverside, California, a political subdivision of
18 the State of California organized and existing under the Constitution and laws of the State of
19 California.

20
21 (s) **“Current Interest Bonds”** means the Series B Bonds, if any, designated as, or
22 converted to, Current Interest Bonds pursuant to the terms hereof, the interest on which is
23 payable on each Bond Payment Date specified for each such Series B Bond as designated and
24 maturing in the years and in the amounts set forth in the Purchase Agreement.

25
26 (t) **“Current Interest Term Bonds”** means those Current Interest Bonds for which
27 mandatory sinking fund redemption dates have been established in the Purchase Agreement.
28

1 (u) **“Date of Issuance”** means the delivery date with respect to the Series B Bonds,
2 or such other dates for the Series B Bonds as shall be designated by the Purchase Agreement.

3
4 (v) **“Debt Service Fund”** shall have the meaning set forth in Section 17 hereof.

5
6 (w) **“Denominational Amount”** means, with respect to the Capital Appreciation
7 Bonds and Convertible Capital Appreciation Bonds, the initial offering price thereof, which
8 represents the initial Principal Amount thereof (exclusive of any initial premium thereon), and,
9 with respect to the Current Interest Bonds, the Principal Amount thereof.

10
11 (x) **“Designated Officer(s)”** means the District’s Superintendent, Assistant
12 Superintendent, Business Services, Controller, or other persons designated in writing by the
13 District’s Superintendent as a Designated Officer of the District.

14
15 (y) **“District”** or **“School District”** means the Alvord Unified School District, a
16 public school district organized and operating under the Constitution and the laws of the State of
17 California, and any lawful successor thereto.

18
19 (z) **“District Board”** or **“School Board”** means the Board of Education of the
20 District.

21
22 (aa) **“DTC”** or **“Depository”** means The Depository Trust Company, New York, New
23 York, a limited purpose trust company organized under the laws of the State of New York in its
24 capacity as securities depository for the Series B Bonds.

25
26 (bb) **“Escrow Agent”** means U.S. Bank National Association as the Escrow Agent
27 under the terms of the Escrow Agreement.

1 (cc) **“Escrow Agreement”** means the Escrow Agreement to be entered into by and
2 between the District and the Escrow Agent for the deposit, investment and application of a
3 portion of the proceeds of the Series B Bonds to pay and redeem at maturity a portion of the
4 District’s outstanding 2009 Notes.

5
6 (dd) **“Informational Services”** means Financial Information, Inc.'s “Daily Called
7 Bond Service,” 1 Cragwood Road, 2nd Floor, South Plainfield, New Jersey 07080, Attention:
8 Editor; Kenny Information Services “Called Bond Service,” 65 Broadway, 16th Floor, New
9 York, New York 10006; Standard & Poor's Ratings Group “Called Bond Record,” 55 Water
10 Street, New York, New York, 10041; FIS/Mergent, 5250 77 Center Drive, Suite 150, Charlotte,
11 North Carolina, 28217, Attention: Called Bond Department, and, in accordance with then current
12 guidelines of the Securities and Exchange Commission, such other addresses and/or such other
13 services providing information with respect to called bonds as the District may designate in a
14 written request of the District delivered to the Paying Agent.

15
16 (ee) **“Letter of Representations”** or **“Representation Letter”** shall have the
17 meaning set forth in Section 13 hereof.

18
19 (ff) **“Maturity Value”** means the Accreted Value of any Capital Appreciation Bond
20 on its maturity date.

21
22 (gg) **“Nominee”** means the nominee of the Depository, which may be the Depository,
23 as determined from time to time pursuant to Section 13 hereof.

24
25 (hh) **“Official Statement”** shall have the meaning set forth in Section 21 hereof.

26
27 (ii) **“Outstanding”** means all Series B Bonds theretofore issued by or on behalf of
28 the District, except:

1
2 (1) Series B Bonds theretofore canceled by the District or surrendered to the
3 District for cancellation;

4
5 (2) Series B Bonds for the transfer or exchange of or in lieu of or in
6 substitution for which other Series B Bonds shall have been authenticated
7 and delivered by the District pursuant to the terms hereof; and

8
9 (3) Series B Bonds paid and discharged pursuant to Sections 18 or 19 hereof.
10

11 (jj) **“Owner”** means the current registered owner of a Series B Bond or Series B
12 Bonds to whom payments of principal and interest are made.

13
14 (kk) **“Participants”** means those broker-dealers, banks and other financial institutions
15 from time to time for which DTC holds book-entry certificates as securities depository.

16
17 (ll) **“Paying Agent”** means U.S. Bank National Association, acting in the capacity of
18 paying agent, registrar, authenticating agent and transfer agent or any successor thereto as duly
19 appointed by the District.

20
21 (mm) **“Principal”** or **“Principal Amount”** means, with respect to any Current Interest
22 Bond, the principal amount stated thereon, and, with respect to any Capital Appreciation Bond
23 and Convertible Capital Appreciation Bond, the Denominational Amount.

24
25 (nn) **“Purchase Agreement”** shall have the meaning set forth in Section 5 hereof.

26
27 (oo) **“Rebate Fund”** shall have the meaning set forth in Section 17(c) hereof.
28

1 (pp) **“Record Date”** means the close of business on the fifteenth day of the month
2 preceding each Bond Payment Date whether or not such day is a business day.

3
4 (qq) **“Securities Depositories”** means the following: The Depository Trust Company,
5 with Cede & Co. as its nominee, 55 Water Street, 25th Floor, New York, New York, 10041-
6 0099, Attn: Call Notification Department, Fax (212) 855-5004, and in accordance with then
7 current guidelines of the Securities and Exchange Commission, such other addresses and/or such
8 other securities depositories as the District may designate in a Written Request of the District
9 delivered to the Paying Agent.

10
11 (rr) **“Special Tax Counsel”** means a firm or law office nationally recognized for the
12 provision of opinions concerning the tax-exempt status of municipal securities, initially the Law
13 Offices of Samuel Norber.

14
15 (ss) **“State”** means the State of California.

16
17 (tt) **“Tax Certificate”** means the document of that name, executed by the District,
18 including all attachments thereto, dated the date of delivery of the Series B Bonds.

19
20 (uu) **“Transfer Amount”** means, (i) with respect to any Outstanding Current Interest
21 Bond, the Principal Amount, (ii) with respect to any Outstanding Capital Appreciation Bond, the
22 Maturity Value, and (iii) with respect to any Outstanding Convertible Capital Appreciation
23 Bond, the Conversion Value.

24
25 (vv) **“Treasurer,” “County Treasurer”** or **“Treasurer-Tax Collector”** means the
26 Treasurer-Tax Collector of the County of Riverside, California, or any authorized deputy thereof.
27
28

1 (ww) “Underwriter” or “Purchaser” means the initial purchaser of the Series B Bonds
2 (Piper Jaffray & Co.) as identified in the Purchase Agreement.

3
4 (xx) “Written Request” means a written request or directive of the District provided
5 by a Designated Officer.

6
7 Unless the context otherwise indicates, words expressed in the singular shall include the
8 plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience
9 only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.
10 Headings of sections herein and the table of contents hereof are solely for convenience of
11 reference, do not constitute a part hereof and shall not affect the meaning, construction or effect
12 hereof.

13
14 All references herein to “Sections” and other subdivisions are to the corresponding
15 Sections or subdivisions of this Resolution; the words “herein,” “hereof,” “hereby,” “hereunder”
16 and other words of similar import refer to this Resolution as a whole and not to any particular
17 Section or subdivision hereof.

18
19 **SECTION 7. Terms of Bonds.** The Series B Bonds shall be issued in one series (which
20 may include one or more sub-series) designated “Alvord Unified School District General
21 Obligation Bonds, 2007 Election, Series B.” The Series B Bonds shall consist of Current Interest
22 Bonds, Capital Appreciation Bonds and/or Convertible Capital Appreciation Bonds as set forth
23 in the Purchase Agreement (as executed and delivered).

24
25 The Series B Bonds shall be issued as fully-registered bonds, without coupons, in the
26 following denominations: (i) with respect to the Current Interest Bonds, \$5,000 Principal
27 Amount or any integral multiple thereof, (ii) with respect to the Capital Appreciation Bonds,
28 \$5,000 Maturity Value, or any integral multiple thereof, and (iii) with respect to Convertible

1 Capital Appreciation Bonds, \$5,000 Conversion Value or any integral multiple thereof; provided
2 that one Capital Appreciation Bond may be issued in an odd Maturity Value.

3
4 The Current Interest Bonds, if issued, shall be dated the Date of Issuance, and shall bear
5 interest at the rate or rates consistent with the interest cost limitations set forth in Section 5,
6 payable on February 1 and August 1 of each year, commencing on the date specified in the
7 Purchase Agreement (subject to the terms of the Purchase Agreement, as executed and
8 delivered), as may be specified in the Purchase Agreement as executed and delivered (each, an
9 "Interest Payment Date"), the actual interest rate or rates and the actual maturity schedule to be
10 fixed at the time of sale. Each Series B Bond shall be issued in denominations of \$5,000 or
11 integral multiples thereof, and shall bear interest from the Interest Payment Date next preceding
12 the date of authentication thereof unless it is authenticated as of a day during the period from the
13 16th day of the month next preceding any Interest Payment Date to the Interest Payment Date,
14 inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is
15 authenticated on or before the fifteenth day prior to the initial Interest Payment Date, in which
16 event it shall bear interest from the Date of Issuance, computed using a year of 360 days,
17 comprised of twelve 30-day months; provided, however, that if at the time of authentication of
18 any Series B Bond, interest is then in default on Outstanding Series B Bonds, such Series B
19 Bond shall bear interest from the Interest Payment Date to which interest has previously been
20 paid or made available for payment thereon. The foregoing terms shall be subject to the terms of
21 the Purchase Agreement as executed and delivered.

22
23 The Capital Appreciation Bonds, if issued, shall mature in the years, shall be issued in
24 aggregate Principal Amounts, shall have Accretion Rates and shall have Denominational
25 Amounts per each \$5,000 in Maturity Value as shown in the Accreted Value table attached to the
26 Purchase Agreement, provided that one Capital Appreciation Bond may be issued in an odd
27 Maturity Value. Series B Bonds issued as Capital Appreciation Bonds will not bear interest on a
28 current basis. The Convertible Capital Appreciation Bonds, if issued, shall mature in the years,

1 shall be issued in the aggregate Principal Amounts, shall have Accretion Rates and shall have
2 Denominational Amounts per each \$5,000 in Conversion Value as shown in such Accreted
3 Value table; provided, that in the event that the amount shown in such Accreted Value table and
4 the Accreted Value caused to be calculated by the District and approved by the Bond Insurer, if
5 any, by application of the definition of Accreted Value set forth in Section 6 differ, the latter
6 amount shall be the Accreted Value of such Capital Appreciation Bond or Convertible Capital
7 Appreciation Bond, as applicable.
8

9 The Convertible Capital Appreciation Bonds, if issued, shall convert to Current Interest
10 Bonds on the Conversion Date. During the period while the Convertible Capital Appreciation
11 Bonds are in the form of Capital Appreciation Bonds, they will not bear interest but will accrete
12 value through the Conversion Date. From and after the Conversion Date, the Convertible Capital
13 Appreciation Bonds will bear interest as Current Interest Bonds, and such interest will accrue
14 based upon the Conversion Value of such Bonds at the Conversion Date. No payment will be
15 made to the Owners of Convertible Capital Appreciation Bonds on the Conversion Date.
16

17 The Series B Bonds will be sold as provided in Section 5 hereof; notwithstanding
18 anything herein to the contrary, the terms of the Series B Bonds, as set forth in this Resolution,
19 may be amended prior to delivery in accordance with the provisions of the Purchase Agreement,
20 as finally approved and executed. The Series B Bond maturities may be adjusted by the
21 Designated Officer(s), in consultation with the Underwriter, the District's Financial Consultant
22 (as defined in the School Board Resolution) and Bond Counsel, as appropriate, to provide funds
23 to finance school facilities as set forth in the Authorization and pay for the costs of issuance of
24 the Series B Bonds, provided that the total par amount of the Series B Bonds shall not exceed
25 \$40,000,000.
26

27 **SECTION 8. Redemption.**

28 (a) Optional Redemption. Unless otherwise specified in the Purchase Agreement as

1 executed and delivered, the Capital Appreciation Bonds and Convertible Capital Appreciation
2 Bonds shall not be subject to optional redemption prior to maturity.

3
4 The terms for the optional redemption of the Current Interest Bonds shall be as specified
5 in the Purchase Agreement, as executed and delivered.

6
7 (b) Mandatory Sinking Fund Redemption of Current Interest Term Bonds. The
8 Current Interest Term Bonds, if any, are subject to mandatory sinking fund redemption prior to
9 their maturity, by lot, without premium, on each August 1 (or such other date specified in the
10 Purchase Agreement), in the years and in the amounts as set forth in the Purchase Agreement and
11 in the Official Statement. In the event that there are no Current Interest Term Bonds specified in
12 the Purchase Agreement, this subsection shall not apply.

13
14 (c) Mandatory Sinking Fund Redemption of Capital Appreciation Term Bonds. The
15 Capital Appreciation Term Bonds are subject to mandatory sinking fund redemption prior to
16 their maturity date from monies in the Debt Service Fund established in Section 17 hereof, by
17 lot, without premium, on each August 1 (or such other date specified in the Purchase
18 Agreement), in the years and in the amounts as set forth in the Purchase Agreement and in the
19 Official Statement. In the event that there are no Capital Appreciation Term Bonds specified in
20 the Purchase Agreement, this subsection shall not apply.

21
22 (d) Selection of Bonds for Redemption. Whenever less than all of the outstanding
23 Bonds are to be redeemed, the Paying Agent, upon written direction from the District, shall
24 select the Bonds to be redeemed as so directed, and if not so directed in inverse order of
25 maturity, and within a maturity, the Paying Agent shall select Bonds for redemption by lot.
26 Redemption by lot shall be in such manner as the Paying Agent shall determine; provided,
27 however, that (A) the portion of any Current Interest Bond to be redeemed in part shall be in the
28 Principal Amount of \$5,000 or any integral multiple thereof, (B) the portion of any Capital

1 Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value
2 per \$5,000 Maturity Value thereof, and (C) the portion of any Convertible Capital Appreciation
3 Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000
4 Conversion Value thereof. In the event that Term Bonds are subject to optional redemption
5 pursuant to Section 8, there shall be pro rata reductions in the annual sinking fund payments due
6 on such Outstanding Term Bonds.

7
8 (e) Form of Notice of Redemption. The Paying Agent shall give notice of the
9 redemption of the Series B Bonds at the expense of the District. Such notice shall specify: (a)
10 that the Series B Bonds or a designated portion thereof are to be redeemed; (b) if less than all of
11 the then outstanding Bonds are to be called for redemption, shall designate the numbers (or state
12 that all Series B Bonds between two stated numbers both inclusive have been called for
13 redemption) and CUSIP® numbers, if any, of the Series B Bonds to be redeemed; (c) the date of
14 notice and the date of redemption; (d) the place or places where the redemption will be made;
15 and (e) descriptive information regarding the Series B Bonds and the specific Series B Bonds to
16 be redeemed, including the dated date, interest rate and stated maturity date of each. Such notice
17 shall further state that on the specified date there shall become due and payable upon each Series
18 B Bond to be redeemed, the portion of the Principal Amount of such Series B Bond to be
19 redeemed, together with interest accrued, to the date of redemption, and redemption premium, if
20 any, and that from and after such date interest with respect thereto shall cease to accrue.

21
22 (f) Provision of Notice of Redemption. Notice of redemption of the Series B Bonds
23 (“Redemption Notice”) shall be mailed by the Paying Agent, first-class, postage prepaid, to the
24 respective Owners of any Series B Bonds designated for redemption at their address appearing
25 on the Bond Register (as defined herein) required to be kept by the Paying Agent, not less than
26 thirty (30) nor more than sixty (60) days prior to the corresponding redemption date. At the
27 same time the Paying Agent shall also provide such Redemption Notice to at least one of the
28

1 Information Services and at least one of the Securities Depositories. Any such redemption, or
2 notice of such redemption, shall be subject to the provisions of subsection (g), below.

3
4 Neither the failure to receive such Redemption Notice nor any defect in any Redemption
5 Notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Series
6 B Bonds or the cessation of accrual of interest represented thereby from and after the redemption
7 date. Neither failure to receive, nor failure to send, to the Securities Depositories or Information
8 Services, any Redemption Notice nor any defect in any such Redemption Notice so given shall
9 affect the sufficiency of the proceedings for the redemption of the affected Series B Bonds.

10
11 (g) Contingent Redemption; Rescission of Redemption. Any Redemption Notice
12 may specify that redemption of the Series B Bonds designated for redemption on the specified
13 date will be subject to the receipt by the District of monies sufficient to cause such redemption
14 (and will specify the proposed source of such monies), and neither the District or the County will
15 have any liability to the Owners of any Series B Bonds, or any other party, as a result of the
16 District's failure to redeem the Series B Bonds designated for redemption as a result of
17 insufficient monies therefor.

18
19 Additionally, the District may rescind any optional redemption of the Series B Bonds,
20 and notice thereof, for any reason on any date prior to the date fixed for such redemption by
21 causing written notice of the rescission to be given to the Owners of the Series B Bonds so called
22 for redemption. Notice of rescission of redemption shall be given in the same manner in which
23 notice of redemption was originally given. The actual receipt by the Owner of any Series B
24 Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to
25 receive such notice or any defect in such notice shall not affect the validity of the rescission.
26 Neither the District nor the County will have any liability to the Owners of any Series B Bonds,
27 or any other party, as a result of the District's decision to rescind redemption of any Series B
28 Bonds pursuant to the provisions of this subsection.

1
2 (h) Payment of Redeemed Bonds. When a Redemption Notice has been given
3 substantially as provided for herein, and, when the amount necessary for the redemption of the
4 Series B Bonds called for redemption (Principal, Accreted Value and interest, as applicable, and
5 premium, if any) is set aside for that purpose in the Debt Service Fund, as provided herein (and
6 subject to the provisions of the foregoing subparagraph), the Series B Bonds designated for
7 redemption shall become due and payable on the date fixed for redemption thereof and upon
8 presentation and surrender of said Bonds at the place specified in the Redemption Notice, such
9 Series B Bonds shall be redeemed and paid at the redemption price from funds held in the Debt
10 Service Fund.

11
12 Each check issued or other transfer of funds made by the Paying Agent for the purpose of
13 redeeming Series B Bonds shall bear or include the CUSIP® number identifying, by issue and
14 maturity, the Series B Bonds being redeemed with the proceeds of such check or other transfer.

15
16 If on such redemption date, money for the redemption of all the Series B Bonds to be
17 redeemed as provided in this Section, together with interest to such redemption date, shall be
18 available therefor, and if notice of redemption thereof shall have been given as aforesaid, then
19 from and after such redemption date, interest with respect to the Series B Bonds to be redeemed
20 shall cease to accrue. All money held for the redemption of Series B Bonds shall be held in trust
21 for the account of the registered Owners of the Series B Bonds so to be redeemed. All unpaid
22 interest payable at or prior to the designated redemption date shall continue to be payable to the
23 respective Owners, but without interest thereon.

24
25 (i) Purchase in Lieu of Redemption. In lieu of, or partially in lieu of, any mandatory
26 sinking fund redemption of Series B Bonds pursuant to the terms hereof, monies in the Debt
27 Service Fund may be used to purchase the Outstanding Series B Bonds that were to be redeemed
28 with such funds in the manner hereinafter provided. Purchases of Outstanding Series B Bonds

1 may be made by the District or the Treasurer through the Paying Agent prior to the selection of
2 Series B Bonds for redemption at public or private sale as and when and at such prices as the
3 District may in its discretion determine but only at prices (including brokerage or other expenses)
4 not more than par plus accrued interest. Any accrued interest payable upon the purchase of
5 Series B Bonds may be paid from the Debt Service Fund for payment of interest on the next
6 following Interest Payment Date. Any Series B Bond purchased in lieu of redemption shall be
7 transmitted to the Paying Agent and shall be canceled by the Paying Agent upon surrender
8 thereof, as provided for in Section 8(l) below and shall not be re-issued or resold.

9
10 (j) Effect of Notice of Redemption. Notice having been given as aforesaid, and the
11 monies for the redemption (including the interest to the applicable date of redemption) having
12 been set aside in the District's Debt Service Fund, the Series B Bonds to be redeemed shall
13 become due and payable on such date of redemption.

14
15 If on such redemption date, money for the redemption of all the Series B Bonds to be
16 redeemed as provided in this Section 8, together with interest to such redemption date, shall be
17 held by the Paying Agent so as to be available therefor on such redemption date, and if notice of
18 redemption thereof shall have been given as aforesaid, then from and after such redemption date,
19 interest with respect to the Series B Bonds to be redeemed shall cease to accrue and become
20 payable. All money held by or on behalf of the Paying Agent for the redemption of Series B
21 Bonds shall be held in trust for the account of the Owners of the Series B Bonds so to be
22 redeemed.

23
24 (k) Partial Redemption of Series B Bonds. Upon the surrender of any Series B Bond
25 redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new
26 Series B Bond or Series B Bonds of like tenor and maturity and of authorized denominations
27 equal in Transfer Amounts to the unredeemed portion of the Series B Bond surrendered. Such
28 partial redemption shall be valid upon payment of the amount required to be paid to such Owner,

1 and the District shall be released and discharged thereupon from all liability to the extent of such
2 payment.

3
4 (l) Cancellation of Redeemed Bonds. All Series B Bonds paid at maturity or
5 redeemed prior to maturity pursuant to the provisions of this Section and Section 15 shall be
6 canceled upon surrender thereof and be delivered to or upon the order of the County and the
7 District. All or any portion of a Series B Bond purchased by the Treasurer or the District
8 pursuant to subsection (i) above shall be canceled by the Paying Agent, and the Paying Agent
9 shall provide a written certification of such cancellation and destruction to the District.

10
11 (m) Bonds No Longer Outstanding. When any Series B Bonds (or portion(s) thereof),
12 which have been duly called for redemption prior to maturity under the provisions of this
13 Resolution, or with respect to which irrevocable instructions to call for redemption prior to
14 maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory
15 to it, and sufficient monies shall be held by the Paying Agent irrevocably in trust for the payment
16 of the redemption price of such Series B Bonds or portions thereof, and, in the case of Series B
17 Bonds, accrued interest with respect thereto to the date fixed for redemption, all as provided in
18 this Resolution, then such Series B Bonds shall no longer be deemed outstanding and shall be
19 surrendered to the Paying Agent for cancellation.

20
21 **SECTION 9. Form of Bonds.** The Series B Bonds shall be substantially in conformity
22 with the standard form of registered school district bonds, copies of which are attached hereto as
23 Exhibit "B" (as to the Current Interest Bonds), Exhibit "C" (as to the Capital Appreciation
24 Bonds) and Exhibit "D" (as to the Convertible Capital Appreciation Bonds) and incorporated
25 herein by this reference as if set forth in full, with necessary or appropriate variations, omissions
26 and insertions as may be permitted or required by this Resolution and to conform with the
27 requirements of the Purchase Agreement. One bond certificate shall be issued for each maturity
28

1 of the Current Interest Bonds of the same interest rate and one bond certificate shall be issued for
2 each maturity of the Capital Appreciation Bonds.

3
4 The Series B Bonds may be initially issued in temporary form exchangeable for
5 definitive Series B Bonds when ready for delivery. The temporary Series B Bonds may be
6 printed, lithographed or typewritten, shall be of such denominations as may be determined by the
7 Treasurer and the District, and may contain such reference to any of the provisions of this
8 Resolution as may be appropriate. Every temporary Bond shall be executed by the County upon
9 the same conditions and in substantially the same manner as the definitive Series B Bonds. If the
10 County issues temporary Series B Bonds, it will execute and furnish definitive Series B Bonds
11 without delay, and thereupon the temporary Series B Bonds may be surrendered, for
12 cancellation, in exchange therefor at the principal office of the Paying Agent and the Paying
13 Agent shall deliver in exchange for such temporary Series B Bonds an equal aggregate Principal
14 amount of definitive Series B Bonds of authorized denominations. Until so exchanged, the
15 temporary Series B Bonds shall be entitled to the same benefits pursuant to this Resolution as
16 definitive Series B Bonds executed and delivered hereunder.

17
18 "CUSIP[®]" identification numbers shall be imprinted on the Series B Bonds, but such
19 numbers shall not constitute a part of the contract evidenced by the Series B Bonds and any error
20 or omission with respect thereto shall not constitute cause for refusal of the Purchaser to accept
21 delivery of and pay for the Series B Bonds. In addition, failure on the part of the County or the
22 District to use such CUSIP[®] numbers in any notice to Owners of the Series B Bonds shall not
23 constitute an event of default or any violation of the District's contract with such Owners and
24 shall not impair the effectiveness of any such notice.

25
26 **SECTION 10. Execution of Bonds; Authentication.** The Series B Bonds shall be
27 executed by the manual or facsimile signature of the Chair and the Treasurer, or any designated
28 deputy of the Treasurer, and countersigned by the manual or facsimile signature of the Clerk of

1 the County Board or any designated deputy, and the official seal of the County affixed thereto.
2 The facsimile signatures of the Chair, the Treasurer and the Clerk of the County Board may be
3 printed, lithographed, engraved, typewritten or otherwise mechanically reproduced. The County
4 Board hereby directs that the provisions of Education Code Sections 15181 and 15182 shall
5 apply to such execution of the Series B Bonds.
6

7 No Series B Bond shall be valid or obligatory for any purpose or shall be entitled to any
8 security or benefit under this Resolution unless and until the certificate of authentication printed
9 on the Series B Bond is signed by the Paying Agent as authenticating agent for the Series B
10 Bonds. Authentication by the Paying Agent shall be conclusive evidence that the Series B Bond
11 so authenticated has been duly issued, signed and delivered under this Resolution and is entitled
12 to the security and benefit of this Resolution.
13

14 **SECTION 11. Delivery of Series B Bonds.** The proper officials of the County shall
15 cause the Series B Bonds to be prepared and, following their sale, shall have the Series B Bonds
16 executed and delivered (as set forth herein), to the original purchaser (Underwriter) upon
17 payment of the purchase price in immediately available funds as set forth in the Purchase
18 Agreement, as executed and delivered.
19

20 **SECTION 12. Bond Registration; Transfers.** As hereinafter provided, the Bonds shall
21 be delivered in a form and with such terms as will permit them to be in book-entry only form,
22 deposited with DTC. If the book-entry only system is no longer in effect, the District will cause
23 the Paying Agent to maintain and keep at its principal corporate trust office all books and records
24 necessary for the registration, exchange and transfer of certificated Bonds as provided in this
25 Section ("Bond Register") and which Bond Register shall, upon reasonable notice, be open to
26 inspection by the District. While the book-entry only system is in effect, such books need not be
27 kept, as the Bonds will be represented by one Bond for each maturity registered in the name of
28 Cede & Co., as nominee for DTC.

1
2 Subject to the provisions of Section 13 below, the person in whose name a Bond is
3 registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all
4 purposes of this Resolution. Payment of or on account of the Principal of and interest on any
5 Bond shall be made only to or upon the order of the Owner thereof; neither the District, the
6 County nor the Paying Agent shall be affected by any notice to the contrary, but the registration
7 may be changed as provided in this Section. All such payments shall be valid and effectual to
8 satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of
9 the amount or amounts so paid.
10

11 Any Bond may be exchanged for Bonds of the same series of any other authorized
12 denomination upon presentation and surrender at the principal corporate trust office of the
13 Paying Agent, together with a request for exchange signed by the Owner or by a person legally
14 empowered to do so in a form satisfactory to the Paying Agent in its capacity as bond registrar.
15 Any Bond may, in accordance with its terms (but only if the District determines no longer to
16 maintain the book-entry only status of the Bonds, DTC determines to discontinue providing such
17 services and no successor securities depository is named or DTC requests the District to deliver
18 certificated securities to particular DTC Participants, as deemed below), be transferred, upon the
19 books required to be kept pursuant to the provisions of this Section, by the Owner, in person or
20 by his or her duly authorized attorney, upon surrender of such Bond for cancellation at the office
21 of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form
22 approved by the Paying Agent, duly executed.
23

24 If manual signatures on behalf of the County are required in connection with an exchange
25 or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the
26 new Bonds are signed by the authorized officers of the County. In all cases of exchanged or
27 transferred Bonds, the County shall sign and the Paying Agent shall authenticate and deliver
28 Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall

1 be paid by the requesting party. Those charges may be required to be paid before the procedure
2 is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be
3 valid obligations of the District, evidencing the same debt, and entitled to the same security and
4 benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.
5

6 Any Bond surrendered to the Paying Agent for payment, retirement, exchange,
7 replacement or transfer shall be canceled by the Paying Agent. The District and the County may
8 at any time deliver to the Paying Agent for cancellation any previously authenticated and
9 delivered Bonds that the District and the County may have acquired in any manner whatsoever,
10 and those Bonds shall be promptly canceled by the Paying Agent. Written reports of the
11 surrender and cancellation of Bonds shall be made to the District and the County by the Paying
12 Agent and updated annually. The canceled Bonds shall be destroyed by the Paying Agent in
13 accordance with its procedures as confirmed in writing to the District.
14

15 Neither the District, the County nor the Paying Agent will be required to: (a) issue or
16 transfer any Bonds during a period beginning with the opening of business on the 15th business
17 day of the month next preceding either any Interest Payment Date or any date of selection of
18 Bonds to be redeemed and ending with the close of business on the Interest Payment Date or day
19 on which the applicable notice of redemption is given, or (b) transfer any Bonds which have
20 been selected or called for redemption in whole or in part.
21

22 **SECTION 13. Book-Entry System.** Except as provided below, the owner of all of the
23 Bonds shall be The Depository Trust Company, New York, New York ("DTC" or "Depository"),
24 and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Bonds
25 shall be initially executed and delivered in the form of a single, fully-registered Bond for each
26 maturity (which may be typewritten). Upon initial execution and delivery, as provided for
27 herein, the ownership of such Bond shall be registered in the Bond Register in the name of the
28 Nominee identified below as nominee of The Depository Trust Company, New York, New York,

1 and its successors and assigns. Except as hereinafter provided, all of the Outstanding Bonds
2 shall be registered in the Bond Register in the name of the nominee of the Depository, which
3 may be the Depository, as determined from time to time pursuant to this Section ("Nominee").
4 With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither
5 the District nor the Paying Agent shall have any responsibility or obligation to any broker-
6 dealers, banks and other financial institutions from time to time for which the Depository holds
7 Bonds as securities depository ("Participant") or to any person on behalf of which such a
8 Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence,
9 neither the District nor the Paying Agent shall have any responsibility or obligation (unless the
10 District is at such time the Depository) with respect to (i) the accuracy of the records of the
11 Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds,
12 (ii) the delivery to any Participant or any other person, other than an Owner of a Bond as shown
13 in the Bond Register, of any notice with respect to the Bonds, including any notice of
14 redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in
15 the Bonds to be redeemed in the event the District redeems the Bonds in part, or (iv) the payment
16 to any Participant or any other person, other than an Owner of a Bond as shown in the Bond
17 Register, of any amount with respect to the principal of or interest on the Bonds. The District
18 and the Paying Agent may treat and consider the person in whose name each Bond is registered
19 in the Bond Register as the holder and absolute Owner of such Bond for the purpose of payment
20 of principal and interest with respect to such Bond, for the purpose of giving notices of
21 redemption, if applicable, and other matters with respect to such Bond, for the purpose of
22 registering transfers with respect to such Bond, and for all other purposes whatsoever. The
23 Paying Agent shall pay all principal of and interest on the Bonds only to or upon the order of the
24 respective Owner of the Bond, as shown in the Bond Register, or his respective attorney duly
25 authorized in writing, and all such payments shall be valid and effective to fully satisfy and
26 discharge the District's obligations with respect to payment of principal of and interest on the
27 Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as
28 shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to

1 make payments of principal and interest. Upon delivery by the Depository to the Owners of the
2 Bonds and the District of written notice to the effect that the Depository has determined to
3 substitute a new nominee in place of the Nominee, and subject to the provisions herein with
4 respect to Record Dates, the word Nominee in this Resolution shall refer to such nominee of the
5 Depository.
6

7 In order to qualify the Bonds for the Depository's book-entry system, the District is
8 executing and delivering to the Depository a Representation Letter. The execution and delivery
9 of the Representation Letter shall not in any other way limit the provisions of this Section or in
10 any other way impose upon the District any obligation whatsoever with respect to persons having
11 interests in the Bonds other than the owners of the Bonds, as shown on the Bond Register. In
12 addition to the execution and delivery of the Representation Letter, the District shall take such
13 other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the
14 Bonds for the Depository's book-entry program.
15

16 If the District determines to replace the Depository with another qualified securities
17 depository, the District shall prepare or direct the preparation of a new single, separate, fully-
18 registered Bond, per maturity, registered in the name of such successor or substitute qualified
19 securities depository or its nominee. If the District fails to identify another qualified securities
20 depository to replace the Depository, then the Bonds shall no longer be restricted to being
21 registered in the Bond Register in the name of the Nominee, but shall be registered in whatever
22 name or names owners of the Bonds transferring or exchanging Bonds shall designate, in
23 accordance with provisions of this Resolution, and the District shall prepare and deliver Bonds to
24 the owners thereof for such purpose.
25

26 Registered ownership of the Series B Bonds, or any portion thereof, may not thereafter be
27 transferred except:
28

1 (i) To any successor of Cede & Co., as Nominee of Depository, or its
2 Nominee, or to any substitute depository designated pursuant to clause (ii) of this section
3 (a "substitute depository"); provided, that any successor of Cede & Co., as Nominee of
4 Depository or a substitute depository, shall be qualified under any applicable laws to
5 provide the services proposed to be provided by it;

6
7 (ii) To any substitute depository not objected to by the District or the County,
8 upon (1) the resignation of the Depository or its successor (or any substitute depository or
9 its successor) from its functions as depository, or (2) a determination by the County
10 (upon consultation with the District) to substitute another depository for Depository (or
11 its successor) because the Depository or its successor (or any substitute depository or its
12 successor) is no longer able to carry out its functions as depository; provided, that any
13 such substitute depository shall be qualified under any applicable laws to provide the
14 services proposed to be provided by it; or

15
16 (iii) To any person as provided herein, upon (1) the resignation of Depository
17 or its successor (or substitute depository or its successor) from its functions as depository,
18 or (2) a determination by the County (upon consultation with the District) to remove
19 Depository or its successor (or any substitute depository or its successor) from its
20 functions as depository.

21
22 If the District determines to replace the Depository with another qualified securities
23 depository, the District shall prepare or direct the preparation of a new single, separate, fully-
24 registered Bond, per maturity, registered in the name of such successor or substitute qualified
25 securities depository or its nominee. If the District fails to identify another qualified securities
26 depository to replace the Depository, then the Bonds shall no longer be restricted to being
27 registered in the Bond Register in the name of the Nominee, but shall be registered in whatever
28 name or names owners of the Bonds transferring or exchanging Bonds shall designate, in

1 accordance with provisions of this Resolution, and the District shall prepare and deliver Bonds to
2 the owners thereof for such purpose.

3
4 In the event of a reduction in aggregate principal amount of Bonds Outstanding or an
5 advance refunding of part of the Bonds Outstanding, Depository in its discretion, (a) may request
6 the District to prepare and issue a new Bond or (b) may make an appropriate notation on the
7 Bond indicating the date and amounts of such reduction in principal, but in such event the
8 District records maintained by the Paying Agent shall be conclusive as to what amounts are
9 Outstanding on the Bond, except in the case of final maturity in which case the Bond must be
10 presented to the Paying Agent prior to payment.

11
12 Notwithstanding any other provisions of this Resolution to the contrary, so long as any
13 Bond is registered in the name of the Nominee, all payments with respect to Principal of, and
14 interest on such Bond and all notices with respect to such Bond shall be made and given,
15 respectively, as provided in the Representation Letter or as otherwise instructed by the
16 Depository and acceptable to the District. The initial depository under this Section shall be
17 Depository. The initial nominee shall be Cede & Co., as Nominee of Depository.

18
19 The County, the District and the Paying Agent shall have no responsibility for
20 transmitting payments to, communicating with, notifying, or otherwise dealing with any
21 beneficial owners of the Series B Bonds and neither the County, the District or the Paying Agent
22 shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any
23 other party, including the Depository or its Nominee for any failure of the Depository or its
24 Nominee to provide notices, distribute payments on the Series B Bonds or take other actions
25 concerning the beneficial owners of the Series B Bonds which are the responsibility of the
26 Depository or its Nominee. As to the District, the foregoing is subject to the express provisions
27 of the Representation Letter.
28

1 **SECTION 14. Paying Agent.**

2

3 (a) At the direction of the District, U.S. Bank National Association shall act as the
4 initial authenticating agent, bond registrar, transfer agent and paying agent (collectively the
5 “Paying Agent”) for the Series B Bonds. All fees and expenses incurred for services of the
6 Paying Agent shall be the sole responsibility of the District, subject to the terms hereof.

7

8 (b) The Paying Agent may, at any time, resign as Paying Agent upon 60 days’ prior
9 written notice to the Treasurer and the District and may be removed at any time by the District.
10 If at any time the Paying Agent shall resign or be removed, the District shall appoint a successor
11 Paying Agent, which shall be a bank or trust company doing business in and having a principal
12 corporate trust office in Los Angeles County, California, or other location as specified by the
13 District, with at least \$50,000,000 in assets. The Paying Agent shall keep accurate records of all
14 funds administered by it and of all Series B Bonds paid and discharged by it. Such records shall
15 be provided, upon reasonable request and reasonable notice to the Paying Agent, in a format
16 mutually agreeable to the District, Paying Agent and the County.

17

18 (c) In the event of the resignation or removal of the Paying Agent, such Paying Agent
19 shall pay over, assign and deliver any monies held by it as Paying Agent to its successor. In the
20 event of a replacement of the Paying Agent, the Paying Agent shall serve in such capacity until
21 the successor Paying Agent has accepted such position and appointment. The County shall
22 promptly cause to be mailed, at the District’s expense, the name and principal corporate trust
23 office address of the Paying Agent appointed to replace any resigned or removed Paying Agent
24 to the Informational Services and to DTC.

25

26 (d) Any company or association into which a successor Paying Agent may be merged
27 or converted or with which it may be consolidated or any company resulting from any merger,
28 conversion or consolidation to which it shall be a party or any company or association to which

1 the Paying Agent may sell or transfer all or substantially all of its corporate trust business,
2 provided that such company or association shall be eligible under Section 14(b), shall be the
3 successor to the Paying Agent and vested with all of the title to the trust estate and all of the
4 trust, powers, discretions, immunities, privileges and all other matters as was its predecessor,
5 without the execution or filing of any paper or further act, anything herein to the contrary
6 notwithstanding. All costs associated with the Paying Agent's merger or consolidation with
7 another bank or trust company shall be paid by the successor Paying Agent. No expense
8 resulting from such merger or consolidation shall be billed to the District.

9
10 (e) The Paying Agent may, to the extent permitted by applicable law, become the
11 Owner of any of the Outstanding Series B Bonds.

12
13 (f) The District shall be responsible to pay all fees, costs and expenses of the Paying
14 Agent, subject to the provisions of Section 16 hereof.

15
16 **SECTION 15. Payment of Principal and Interest.** The Principal of, Maturity Value
17 of, and interest on the Series B Bonds shall be payable in lawful money of the United States of
18 America without deduction for the services of the Paying Agent. Interest on Current Interest
19 Bonds shall be paid on each Bond Payment Date by check mailed by first-class mail to the
20 person in whose name the Bond is registered, and to that person's address appearing on the Bond
21 Register (as described in Section 12) on the Record Date. The Owner of an aggregate Principal
22 Amount of Current Interest Bonds of \$1,000,000 or more may request, in writing, prior to the
23 close of business on the fifteenth (15th) day of the month preceding each Interest Payment Date,
24 to the Paying Agent that such Owner be paid interest by wire transfer to the bank within the
25 continental United States and account number on file with the Paying Agent as of the Record
26 Date.

1 Payments of Principal and redemption premiums, if any, with respect to the Current
2 Interest Bonds, and the payments of Maturity Value and redemption premiums, if any, with
3 respect to the Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, shall be
4 payable at maturity or redemption upon surrender at the office of the Paying Agent in Los
5 Angeles, California, or such other location as the Paying Agent shall designate to the County and
6 the District in writing. In the event the Paying Agent shall provide written notice of a change in
7 the location for payment of Principal, redemption premiums and Maturity Value on the Bonds,
8 the Paying Agent shall thereafter provide notice of such change to the Informational Services and
9 Securities Depositories of such change. The Paying Agent is hereby authorized to pay the Bonds
10 when duly presented for payment at maturity and to cancel all Bonds upon payment thereof.
11

12 The Series B Bonds are the general obligations of the District secured by *ad valorem*
13 taxes levied and collected pursuant to the Authorization, the California Constitution and State
14 law and do not constitute an obligation of the County except to provide for the levy and
15 collection of the *ad valorem* taxes and payment of funds to the Paying Agent as set forth in
16 Section 16 hereof. No part of any fund of the County is pledged or obligated to the payment of
17 the Series B Bonds.
18

19 **SECTION 16. Source of Payment; Security for the Series B Bonds.** Pursuant to the
20 California Constitution, the Authorization and California law, there shall be levied by the
21 County, pursuant to Education Code Sections 15250 et seq., on all the taxable property in the
22 District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the
23 period the Series B Bonds are Outstanding, commencing in Fiscal Year 2011/2012, as needed, in
24 an amount sufficient to pay the Principal and Accreted Value of, interest on, and redemption
25 premium, if any, on the Series B Bonds when due, which monies when collected will be placed
26 in the Debt Service Fund. The Auditor-Controller of the County of Riverside has been, and is
27 hereby, requested to levy, pursuant to Education Code Sections 15250 et seq. on its 2011/2012
28 tax roll, as needed, and all subsequent tax rolls, taxes on taxable property within the District in an

1 amount sufficient to pay the Principal and Accreted Value of, interest on and redemption
2 premium, if any, on the Series B Bonds, in accordance with the provisions of this Resolution and
3 State law. The Debt Service Fund is irrevocably pledged for the payment of the Principal and
4 Accreted Value of, interest on, and redemption premium, if any, on the Series B Bonds when and
5 as the same fall due. Funds in the Debt Service Fund after payment of Principal and Accreted
6 Value of, interest on, and redemption premium, if any, the Series B Bonds, if any still then
7 remain following each August 1 (or other maturity date for the Series B Bonds, as specified),
8 may be used to pay administrative costs and expenses for the Series B Bonds, including fees and
9 expenses of the Paying Agent.

10
11 The monies in the Debt Service Fund, to the extent necessary to pay the Principal and
12 Accreted Value of, interest on, and redemption premium, if any, on the Series B Bonds as the
13 same become due and payable, shall be transferred by the Treasurer, or his or her designee or
14 deputy, to the Paying Agent (sufficiently in advance of each Interest Payment Date to allow for
15 timely payment by the Paying Agent of Principal, Accreted Value, interest on, and redemption
16 premium, if any, on the Series B Bonds) who in turn, shall pay such monies to Depository to pay
17 the Principal and Accreted Value of, interest on, and redemption premium, if any, on the Series
18 B Bonds when due. Depository will thereupon make payments of Principal and Accreted Value
19 of, interest on, and redemption premium, if any, on the Series B Bonds to the Depository who
20 will thereupon make payments of Principal and Accreted Value, interest and redemption
21 premium, if any, to the beneficial owners of the Series B Bonds. Any monies remaining in the
22 Debt Service Fund after the Series B Bonds, the interest thereon and redemption premium, if
23 any, have been paid, or provision for such payment has been made, shall be transferred to the
24 General Fund of the District pursuant to the Education Code Section 15235, or any successor
25 section thereto.

26
27 **SECTION 17. Establishment of Funds; Disposition of Proceeds of the Bonds;**
28 **Investment.**

1
2 (a) A portion of the proceeds of the Series B Bonds, which may include a portion of
3 any premium paid thereof, shall be used to pay and redeem at maturity a portion of the District's
4 Outstanding 2009 Notes. Such proceeds, as designated in writing by the District, shall, upon
5 delivery by the Underwriter, be transferred to the Escrow Agent, for deposit into an escrow fund
6 established pursuant to the provisions of the Escrow Agreement and invested pursuant to the
7 terms thereof. Such deposited funds, and earnings thereon, to be applied to the payment of a
8 portion of the Outstanding 2009 Notes. The Treasurer is authorized and directed to assist in such
9 transfer and deposit of funds, as may be requested by the District.
10

11 (b) The accrued interest, if any, and any premium received by the County or the
12 District from the sale of the Series B Bonds (if any, after all or a portion of the Underwriter's
13 discount, costs of issuance and payment for the 2009 Notes are paid therefrom), as well as tax
14 revenues collected by the County pursuant to Section 16 hereof and Sections 15250 et seq. of the
15 Education Code, shall be deposited and kept separate and apart in the fund established and held
16 by the Treasurer and designated as the "Alvord Unified School District General Obligation
17 Bonds, 2007 Election, Series B Bond Debt Service Fund" ("Debt Service Fund") for the Bonds
18 and used for payments of Principal and Accreted Value of, interest on, and redemption premium,
19 if any, on the Series B Bonds when and as such become due. *Ad valorem* taxes collected by the
20 County pursuant to State law and Section 16 hereof shall be deposited by the County into the
21 Debt Service Fund and applied, pursuant to the provisions of State law and this Resolution, only
22 for payments of Principal and Accreted Value of, interest on and redemption premium, if any, on
23 the Series B Bonds when due. Funds held in the Debt Service Fund are irrevocably pledged to
24 the payment of Principal and Accreted Value of, interest on and redemption premium, if any, on
25 the Series B Bonds when due. Except as required below to satisfy the requirements of Section
26 148(f) of the Code, as may be applicable, interest earned on investments of monies held in the
27 Debt Service Fund shall be retained in the Debt Service Fund and used to pay Principal and
28 Accreted Value of, interest on, and redemption premium, if any, on the Series B Bonds when and

1 as such become due. Prior to each such Bond Payment Date (and subject to the applicable
2 provisions of Section 16 hereof), the Treasurer shall transfer to the Paying Agent, for subsequent
3 disbursement to the beneficial Owners of the Series B Bonds, pursuant to the provisions hereof,
4 monies from the Debt Service Fund sufficient to pay Principal and Accreted Value of, interest on
5 and premium (if any) on the Series B Bonds due on such Bond Payment Date. The Paying
6 Agent shall hold all such monies transferred to it, pursuant to the foregoing sentence, uninvested.
7 If, after payment in full of all Principal and Accreted Value, redemption premium, if any, and
8 interest on the Series B Bonds, there remain funds in the Debt Service Fund, any such excess
9 amounts shall be transferred to the General Fund of the District.

10
11 (c) The District shall, at such time as shall be necessary, establish and create the
12 "Series B Bonds Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct
13 from all other District funds, and into which the District shall deposit, or direct deposit of, funds
14 used to satisfy any requirement to make rebate payments to the United States pursuant to Section
15 148 of the Internal Revenue Code of 1986, as amended and the Treasury Regulations
16 promulgated thereunder ("Code") as shall be applicable to the Series B Bonds. The Rebate Fund
17 (if and when established pursuant to the requirements of the Tax Certificate) may, at the
18 discretion of the District, be held by the Paying Agent or the County. Responsibility for
19 determining and calculating rebate payments, if any, due with regard to the Series B Bonds is the
20 responsibility of the District as further set forth in the School Board Resolution and Section 23.
21 Monies in the Rebate Fund shall be invested in compliance with the limitations of the Code.

22
23 (d) If, after payment in full of the Series B Bonds, there remain excess proceeds
24 and/or interest earnings, any such excess amounts shall be transferred to the General Fund of the
25 District to be applied in accordance with law.

26
27 (e) All funds in the Debt Service Fund and interest earning thereon shall be invested
28 by the County, on behalf of, and pursuant to the written direction(s) of, the District, in

1 Authorized Investments. Absent other written investment directions provided to the County
2 from the District, the Treasurer shall invest monies in the Debt Service Fund pursuant to the
3 State law and the then-current investment policy of the County.
4

5 **SECTION 18. Defeasance.** The Series B Bonds may be defeased prior to maturity in
6 the following ways:
7

8 (a) Cash: By irrevocably depositing with a bank or trust company, in escrow, an
9 amount of cash which, together with amounts then on deposit in the Debt Service Fund, is
10 sufficient to pay all Series B Bonds Outstanding, including all Principal and interest and
11 premium, if any; or
12

13 (b) Defeasance Securities: By irrevocably depositing with a bank or trust company,
14 in escrow, noncallable Defeasance Securities, permitted under Section 149(d) of the Code thereto
15 together with cash, if required, in such amount as will, in the opinion of an independent certified
16 public accountant, together with interest to accrue thereon and monies then on deposit in the
17 Debt Service Fund, together with the interest to accrue thereon, be fully sufficient to pay and
18 discharge all Series B Bonds (including all Principal and interest represented thereby and
19 redemption premiums, if any) at or before their maturity date;
20

21 *then*, notwithstanding that any Series B Bonds shall not have been surrendered for payment, all
22 obligations of the District and the County with respect to all Outstanding Series B Bonds shall
23 cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid
24 from funds deposited pursuant to paragraphs (a) or (b) of this Section 18, to the Owners of the
25 Series B Bonds not so surrendered and paid all sums due with respect thereto.
26

27 For purposes of this Section and Section 19, "Defeasance Securities" shall mean:
28

1 Direct and general obligations of the United States of America, or obligations that are
2 unconditionally guaranteed as to principal and interest by the United States of America,
3 including (in the case of direct and general obligations of the United States of America) evidence
4 of direct ownership or proportionate interests in future interest or principal payments of such
5 obligations. Investments in such proportionate interests must be limited to circumstances
6 wherein: (a) a bank or trust company acts as custodian and holds the underlying Defeasance
7 Obligations; (b) the owner of the investment is the real party in interest and has the right to
8 proceed directly and individually against the obligor of the underlying Defeasance Obligations;
9 and (c) the underlying Defeasance Obligations are held in a special account, segregated from the
10 custodian's general assets, and are not available to satisfy any claims of the custodian, any
11 person claiming through the custodian, or any person to whom the custodian may be obligated;
12 provided that such obligations are rated or assessed "AAA" by Standard & Poor's if the Bonds
13 are then rated by Standard & Poor's, and "Aaa" by Moody's Investors Service if the Bonds are
14 then rated by Moody's Investors Service.

15
16 For purposes of this Section 18, and Section 19, the escrow agent bank and verification
17 agent shall be selected by the District. Any such escrow bank or trust company shall conform to
18 the successor paying agent requirements of Section 14 hereof. All costs for defeasance of the
19 Series B Bonds shall be paid by the District.

20
21 **SECTION 19. Partial Defeasance.** A portion of the then-Outstanding maturities of the
22 Series B Bonds may be defeased prior to maturity in the following ways:

23
24 (a) Cash: by irrevocably depositing with a bank or trust company, in escrow, an
25 amount of cash which, together with amounts then on deposit in the Debt Service Fund, is
26 sufficient to pay the designated Outstanding maturities of Series B Bonds, including all Principal
27 and interest and premium, if any; or
28

1 (b) Defeasance Securities: by irrevocably depositing with a bank or trust company,
2 in escrow, noncallable Defeasance Securities, permitted under Section 149(d) of the Code
3 together with cash, if required, in such an amount as will, in the opinion of an independent
4 certified public accountant, together with interest to accrue thereon, be fully sufficient to pay and
5 discharge the designated maturities of Series B Bonds (including all Principal and interest
6 represented thereby and redemption premiums, if any) at or before their maturity date;

7
8 *then*, notwithstanding that any of such designated maturities of Series B Bonds shall not have
9 been surrendered for payment, all obligations of the District and the County with respect to such
10 Outstanding maturities of Series B Bonds shall cease and terminate, except only the obligation of
11 the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or
12 (b) of this Section 19, to the Owners of the Series B Bonds of such maturities designated for
13 redemption not so surrendered and paid all sums due with respect thereto.

14
15 **SECTION 20. Bond Insurance.** In the event the District purchases bond insurance for
16 the Series B Bonds, and to the extent that the Bond Insurer makes payment of the Principal or
17 Accreted Value of, or interest on, the Series B Bonds, it shall become the Owner of such Series
18 B Bonds with the right to payment of Principal or interest on the Series B Bonds, and shall be
19 fully subrogated to all of the Owners' rights, including the Owners' rights to payment thereof.
20 To evidence such subrogation (i) in the case of subrogation as to claims that were past due
21 interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the
22 Bond Register upon receipt of a copy of the canceled check issued by the Series B Bonds Bond
23 Insurer for the payment of such interest to the Owners of the Series B Bonds, and (ii) in the case
24 of subrogation as to claims for past due Principal, the Paying Agent shall note the Bond Insurer
25 as subrogee on the Bond Register upon surrender of the Series B Bonds by the Owners thereof to
26 the Bond Insurer or the insurance trustee for the Bond Insurer. The officers and officials of the
27 County are authorized to take all other and further necessary actions to arrange for the delivery
28 of the bond insurance policy, if such is purchased by, or on behalf of, the District for the Series B

1 Bonds. In the event that the Bond Insurer requires additional agreements, covenants or
2 conditions to the issuance of the bond insurance policy, the Designated Officer may deliver or
3 agree to such; provided, however, that applicable law(s) shall be complied with and any such
4 agreement, covenants or conditions shall be consistent with the provisions of this Resolution and
5 the School Board Resolution and be satisfactory to the Designated Officer.
6

7 **SECTION 21. Official Statement.** The District shall authorize, and shall be
8 responsible for, preparing a preliminary and final Official Statement for the Series B Bonds
9 meeting the requirements of Securities and Exchange Commission (“SEC”) Rule 15c2-12. Such
10 preliminary Official Statement and final Official Statement are collectively referred to herein as
11 the “Official Statement.” Neither the Board of Supervisors nor any officer of the County has
12 prepared or reviewed the Official Statement, and this Board of Supervisors and the various
13 officers of the County take no responsibility for the contents or distribution thereof; provided,
14 however, that solely with respect to one or more section(s) contained, or to be contained, therein
15 describing the County’s investment policy, current portfolio holdings, and valuation procedures,
16 as they may relate to funds of the District held by the Treasurer, the Treasurer is hereby
17 authorized and directed to prepare and review such information for inclusion in the District’s
18 Official Statement and in preliminary Official Statement, and to certify to the District prior to or
19 upon the issuance of the Series B Bonds that the information contained in such section(s) does
20 not contain any untrue statement of a material fact or omit to state any material fact necessary in
21 order to make the statements made therein, in the light of the circumstances under which they are
22 made, not misleading.
23

24 **SECTION 22. Continuing Disclosure.** “Continuing Disclosure Certificate” shall mean
25 that certain Continuing Disclosure Certificate provided by the District, as originally executed and
26 as it may be amended from time to time in accordance with the terms thereof.
27
28

1 The District has covenanted and agreed that it will comply with and carry out all of the
2 terms and conditions of the Continuing Disclosure Certificate (as defined above), which shall be
3 entered into by District and delivered at the time of delivery of the Series B Bonds.
4 Notwithstanding any other provisions of this Resolution, failure of the District to comply with
5 the Continuing Disclosure Certificate shall not be considered a default by the District hereunder
6 or under the Series B Bonds; however, any underwriter or any holder or beneficial Owner of the
7 Series B Bonds may take such actions as may be necessary and appropriate to compel
8 performance, including seeking mandate or specific performance by court order.

9
10 **SECTION 23. Tax and Arbitrage Matters.**

11
12 (a) The District has represented that it shall not take any action, or fail to take any
13 action if such action or failure to take such action would adversely affect the exclusion from
14 gross income of the interest payable on the Series B Bonds under Section 103 of the Code.

15
16 (b) The District has covenanted to restrict the use of the proceeds of the Series B
17 Bonds in such manner and to such extent, if any, as may be necessary, so that the Series B Bonds
18 will not constitute "arbitrage bonds" under Section 148 of the Code and the applicable
19 regulations prescribed under that section or any successor section. Calculations for determining
20 arbitrage requirements, and payment of any required monies, are the sole responsibility of the
21 District.

22
23 (c) The District, in order to maintain the exclusion from gross income for federal
24 income tax purposes of the interest on the Series B Bonds, has covenanted to comply with each
25 applicable requirement of Section 103 and Sections 141 through 150 of the Code, as set forth in
26 the Tax Certificate to be provided to the District by Special Tax Counsel, on the date of initial
27 delivery of the Series B Bonds, and executed by the District and incorporated herein by this
28 reference as a source of guidance for compliance with such provisions.

1
2 (d) The District has covenanted to at all times do and perform all other acts and
3 things necessary or desirable and within its powers to assure, for the purposes of California
4 personal and federal income taxation, that the tax-exempt status of the interest paid on the Series
5 B Bonds to the recipients thereof will be preserved.
6

7 (e) Notwithstanding any other provision of this Resolution to the contrary, upon the
8 District's failure to observe, or refusal to comply with, the above covenant, no person other than
9 the Owners of the Series B Bonds shall be entitled to exercise any right or remedy provided to
10 such Owners under this Resolution on the basis of the District's failure to observe, or refusal to
11 comply with, the above covenant.
12

13 **SECTION 24. County Books and Accounts.** The Treasurer and the County will keep,
14 or cause to be kept, proper books or record and accounts to record (i) the amount of taxes
15 collected pursuant to Section 16 hereof, (ii) all deposits, expenditure and investment earnings on
16 the Debt Service Fund and any and all accounts or subaccounts thereof, and (iii) all transfers of
17 funds for the payment of Principal, interest, Accreted Value or redemption premiums on the
18 Series B Bonds. The Treasurer shall provide regular periodic statements of such accounts to the
19 District. Such books of record and accounts shall at all times during business hours, upon
20 reasonable notice, be subject to the inspection of the District and the Owners of not less than ten
21 percent (10%) of the Principal amount of the Series B Bonds then Outstanding, or their
22 representatives authorized in writing.
23

24 **SECTION 25. Execution of Documents by Bond Owners.** Any request, consent or
25 other instrument required by this Resolution to be signed and executed by Bond Owners may be
26 in any number of concurrent writings of substantially similar tenor and may be signed or
27 executed by such Bond Owners in person or by their agent or agents duly appointed in writing.
28 Proof of the execution of any such request consent or other instrument or of a writing appointing

1 any such agent shall be sufficient for any purpose of this Resolution and shall be conclusive in
2 favor of the County, and the District, if made in the manner provided in this Section 25.

3
4 The fact and date of the execution by any person of any such request consent or other
5 instrument or writing may be proved by the affidavit of a witness of such execution or by the
6 certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof
7 to take acknowledgements of deeds, certifying that the person signing such request consent or
8 other instrument or writing acknowledged to him the execution thereof.

9
10 The ownership of the Series B Bonds shall be proved by the Bond Register. Any request,
11 consent or vote of the Owner of any Series B Bond shall bind every future Owner of the same
12 Series B Bond and the Owner of any Series B Bond issued in exchange therefor or in lieu
13 thereof, in respect of anything done or suffered to be done by the County or the District, in
14 pursuance of such request, consent or vote.

15
16 **SECTION 26. Unclaimed Monies.** Notwithstanding any of the foregoing provisions of
17 this Resolution, and subject to applicable State law, any monies held by the Paying Agent for the
18 payment of the principal and Accreted Value of, redemption premium, if any, or interest on
19 Series B Bonds remaining unclaimed for one year after the corresponding maturity or
20 redemption date for such Series B Bonds shall be returned by the Paying Agent to the Treasurer,
21 with any and all interest accrued thereon, for deposit into the Debt Service Fund.
22 Notwithstanding any other provisions of this Resolution, any monies held in any fund created
23 pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the Principal or
24 Accreted Value of, redemption premium, if any, or interest on Series B Bonds and remaining
25 unclaimed for one year after the Principal of all of the Series B Bonds have become due and
26 payable (whether by maturity or upon prior redemption) shall be, after payment in full of the
27 Series B Bonds, transferred to the General Fund of the District to be applied in accordance with
28 law; provided, however, that the Paying Agent, or the District, before making such payment,

1 shall cause notice to be mailed to the Owners of all Bonds that have not been paid, by first-class
2 mail at the addresses on the Bond Register, postage prepaid, not less than 90 days prior to the
3 date of such payment.
4

5 **SECTION 27. Conditions Precedent.** This County Board determines that all acts and
6 conditions necessary to be performed by the County precedent to and in the issuing of the Series
7 B Bonds, in order to make them legal, valid and binding general obligations of the District have
8 been performed and have been met, or will at the time of delivery of the Bonds have been
9 performed and have been met, in regular and due form as required by law; that this County
10 Board has the power and is obligated to levy *ad valorem* taxes for the payment of the Bonds and
11 the interest thereon without limitation as to rate or amount upon all property within the District
12 subject to taxation (except for certain classes of personal property); and that no statutory or
13 Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of
14 the Series B Bonds.
15

16 **SECTION 28. Amendments.** The County may from time to time (which may be at the
17 request of the District, made in writing), and at any time, without notice to or consent of any of
18 the Owners, by action of the County Board, amend the provisions of this Resolution for any of
19 the following reasons:
20

21 (a) to cure any ambiguity, to correct or supplement any provision herein which may
22 be inconsistent with any other provision herein or therein, or to make any other provision with
23 respect to matters or questions arising under this Resolution, provided that such action shall not
24 adversely affect the interests of the Bond Owners;
25

26 (b) to add to the covenants and agreements of and the limitations and the restrictions
27 upon the District contained in this Resolution which are not contrary to or inconsistent with this
28 Resolution as theretofore in effect; and/or

1
2 (c) to modify, alter, amend or supplement this Resolution in any other respect which
3 is not materially adverse to the Bond Owners.
4

5 In the event of any such amendment, the County shall promptly provide the District and
6 the Paying Agent with copies of such amendment and the action of the County Board approving
7 such amendment. Notice of any such amendment shall also be provided to the Owners by the
8 District in the next occurring Annual Report provided by the District under the terms of the
9 Continuing Disclosure Certificate.
10

11 No such amendment shall: (i) extend the fixed maturity of any Series B Bond, reduce the
12 amount of Principal thereof or the rate of interest thereon or extend the time of payment thereof,
13 without the consent of the Owner of each Series B Bond so affected, or (ii) modify or amend this
14 Section without the consent of the Owners of all the Series B Bonds then outstanding.
15

16 Upon the adoption of any amendment pursuant to this Section, this Resolution shall be
17 deemed to be modified and amended in accordance therewith, and the respective rights, duties
18 and obligations under this Resolution of the County, the District, the Paying Agent and all
19 Owners shall thereafter be determined, exercised and enforced hereunder subject in all respects
20 to such modification and amendment, and all the terms and conditions of any such amendment
21 shall be deemed to be part of the terms and conditions of this Resolution for any and all
22 purposes.
23

24 The provisions of this Section shall not prevent any Owner from accepting any
25 modification or amendment as to the particular Series B Bonds held by such Owner.
26

27 **SECTION 29. Benefits Limited to Parties.** Nothing in this Resolution, express or
28 implied, is intended to give to any person other than the County, the District, the Paying Agent

1 and the Owners of the Series B Bonds, any right, remedy or claim under or by reason of this
2 Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by
3 and on behalf of the District or the County, are for the sole and exclusive benefit of the County,
4 the District, the Paying Agent and the Owners.

5
6 **SECTION 30. Approval of Actions.** Officers of the County Board and County officials
7 and staff, including the Treasurer and the County Auditor-Controller, or their designee(s), are
8 hereby authorized and directed, jointly and severally, to do any and all things and to execute and
9 deliver any and all documents which they may deem necessary or advisable in order to proceed
10 with the issuance and sale of the Series B Bonds and otherwise carry out, give effect to and
11 comply with the terms and intent of this Resolution. Such actions heretofore taken by such
12 officers, officials and staff are hereby ratified, confirmed and approved.

13
14 **SECTION 31. Effective Date.** This Resolution shall take effect immediately upon
15 adoption.

16
17 **SECTION 32. Clerk's Certificate.** The Clerk of the County Board is hereby directed
18 to provide certified copies of this Resolution to the Treasurer, the County Auditor-Controller and
19 Bond Counsel immediately following its adoption.

20
21 **SECTION 33. Compliance With Law.** All acts, conditions and things required by law
22 to be done and performed in strict conformity with the laws authorizing the issuance of general
23 obligation bonds of the District, and the indebtedness of the District, including this proposed
24 issue of the Series B Bonds, is within all limits prescribed by law.

25
26 **SECTION 34. Partial Invalidity; Severability.** If any one or more of the covenants or
27 agreements, or portions thereof, provided in this Resolution to be performed should be contrary
28 to law, then such covenant or covenants, such agreement or agreements, or such portions thereof,

1 shall be null and void and shall in no way affect the validity of this Resolution or of the Series B
2 Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under any
3 applicable provisions of law. The County Board hereby declares that it would have adopted this
4 Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase
5 hereof and would have authorized the issuance of the Series B Bonds pursuant hereto
6 irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences,
7 clauses or phrases of this Resolution or the application thereof to any person or circumstance
8 may be held to be unconstitutional, unenforceable or invalid.

9
10 [Remainder of the page is blank.]
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1 The foregoing Resolution was on the 30th of November, 2010, adopted by the Board
2 of Supervisors of the County of Riverside.

3
4 ROLL CALL:

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

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

11 KECIA HARPER-IHEM, Clerk of said Board

12 By: _____
13 Deputy

EXHIBIT "A"

FORM OF BOND PURCHASE AGREEMENT

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**ALVORD UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, 2007 ELECTION, SERIES B**

BOND PURCHASE AGREEMENT

_____, 2010

County of Riverside Treasurer-Tax Collector
4080 Lemon Street, 4th Floor
Riverside, California 92502

Alvord Unified School District
10365 Keller Avenue
Riverside, California 92505

The undersigned, Piper Jaffray & Co. (the "Underwriter"), hereby offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the County of Riverside, California (the "County") and the Alvord Unified School District (the "District") which, upon the acceptance hereof, will be binding upon the County, the District and the Underwriter. By execution of this Bond Purchase Agreement, the County and the District acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding on the County and the District, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Bond Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 p.m., California time, on the date hereof.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the County for reoffering to the public and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of the \$_____ aggregate initial principal amount of the Alvord Unified School District General Obligation Bonds, 2007 Election, Series B (the "Bonds").

The Bonds shall consist of \$_____ aggregate principal amount of current interest bonds (the "Current Interest Bonds"), \$_____ aggregate initial principal amount of capital appreciation bonds (the "Capital Appreciation Bonds") and \$_____ aggregate initial principal amount of convertible capital appreciation bonds (the "Convertible Capital Appreciation Bonds"). The Bonds shall bear or accrete interest at the rates and shall mature on the dates and in the years shown on Exhibit A hereto, which is incorporated herein by this reference. The Current Interest Bonds shall bear interest from the date thereof and such interest shall be payable on each February 1 and August 1, commencing _____ 1, 20___. The Capital Appreciation Bonds shall accrete interest from their date, compounded semiannually on February 1 and August 1, commencing on _____ 1, 20___, and shall be paid at maturity as shown in Exhibit A hereto. The Convertible

Capital Appreciation Bonds shall accrete interest from their date, compounded semiannually on February 1 and August 1, commencing on _____ 1, 20__, to the applicable conversion date thereof (the "Conversion Date"). From and after the Conversion Date thereof, each Convertible Capital Appreciation Bond shall bear interest from such Conversion Date and such interest shall be payable on each February 1 and August 1, commencing on the February 1 or August 1 immediately following such Conversion Date. The stated value of each Convertible Capital Appreciation Bond at the Conversion Date thereof shall be paid at maturity as shown in Exhibit A hereto.

The Underwriter shall purchase the Bonds at a price of \$_____ (which is equal to the sum of \$_____, the initial principal amount of the Bonds plus \$_____, the amount of remaining net original issue premium), in immediately available funds by check, draft or wire transfer to or upon the order of the County on behalf of the District. The Underwriter's discount of \$_____ on the Bonds does not exceed ___% of the principal amount of the Bonds (excluding costs of issuance to be paid by the Underwriter pursuant to Section 14 hereof with respect to the Bonds). The true interest cost for the Bonds is _____%.

2. **The Bonds.** The Current Interest Bonds shall be dated their date of delivery, shall bear interest at the rates and shall mature on August 1 in the years and be subject to redemption all as shown on Exhibit A hereto. The Capital Appreciation Bonds shall be dated their date of delivery, shall accrete interest at the rates and shall mature on August 1 in the years and be subject to redemption all as shown on Exhibit A hereto. The Convertible Capital Appreciation Bonds shall be dated their date of delivery, shall accrete interest to their Conversion Dates at the rates, shall bear interest from and after their Conversion Dates at the rates, shall convert to current interest bonds on the Conversion Dates and shall mature on August 1 in the years and be subject to optional and mandatory redemption all as shown on Exhibit A hereto.

The Bonds shall be issued and secured pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Government Code") and Article XIII A of the California Constitution and pursuant to, and shall otherwise be as described in, resolutions of the Board of Education of the District (the "Board of Education") adopted on _____, 2010 (the "District Resolution"), and of the Board of Supervisors of the County (the "Board of Supervisors") adopted _____, 20__ (the "County Resolution" and, collectively with the District Resolution, the "Resolutions"), which provide for the terms of the Bonds and designate U.S. Bank National Association, as initial paying agent therefor (the "Paying Agent"), and this Bond Purchase Agreement. The Bonds were authorized under and pursuant to a bond authorization approved by more than fifty-five percent (55%) of the voters of the District voting at an election held on November 6, 2007 (the "Election") approving an amount not more than \$196,000,000 million of general obligation bonds of the District to be used to finance specific construction, repair and improvement projects as further described in the Preliminary Official Statement (defined below). Capitalized terms used herein and not defined herein shall have the meanings set forth in the County Resolution.

Proceeds from the Bonds will be used (a) to defease and pay a portion of the 2009 General Obligation Bond Anticipation Notes of the Alvord Unified School District in the aggregate principal amount of \$_____ (the "Notes"), (b) [to pay capitalized interest on the Bonds], and (c) to pay costs of issuance of the Series B Bonds. In connection with the defeasance of the Notes, the District

and U.S. Bank National Association, as escrow bank (the "Escrow Bank") will enter into the Escrow Agreement, dated as of _____ 1, 2010 (the "Escrow Agreement").

The Bonds will be substantially in the form described in the County Resolution and shall be executed and delivered under and in accordance with the provisions of this Bond Purchase Agreement and the Resolutions. The Bonds shall be in definitive form, shall bear CUSIP numbers, shall be in fully registered form, registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York ("DTC").

[The payment of principal of and interest and compounded interest (but not any redemption premium) on the Bonds as specified in Exhibit A hereto will be secured by a municipal bond insurance policy (the "Insurance Policy") to be issued simultaneously with the issuance of the Bonds by _____ (the "Insurer").]

3. **Use of Documents.** The District and the County hereby authorize the Underwriter to use, in connection with the offering and sale of the Bonds, this Bond Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate (defined below), a Preliminary Official Statement (defined below), and an Official Statement (defined below), the Resolutions and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriter in connection with the transactions contemplated by this Bond Purchase Agreement.

4. **Public Offering of the Bonds.** The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields as set forth in Exhibit A hereto. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Bonds; *provided* that the Underwriter shall not change the interest rates set forth in Exhibit A hereto. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

Prior to Closing, as a condition to delivery of the Bonds, the Underwriter shall be required to provide to the District initial offering price information in form and substance as Bond Counsel (defined below) may require for purposes of determining the yield on the Bonds.

5. **Review of Official Statement.** (a) The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated _____, 20__ (as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the "Preliminary Official Statement"). The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revisions or additions to the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (the "Rule"). By the execution of this Bond Purchase Agreement, the County and the District ratify the use by the Underwriter of the Preliminary Official Statement.

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

(b) The Underwriter agrees to file the Official Statement with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system.

(c) References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto.

6. **Closing.** At 8:00 a.m., California time, on _____, 2010, or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the "Closing" or "Closing Date"), the District will direct the Paying Agent to deliver to the Underwriter, through the facilities of DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed, together with the other documents hereinafter mentioned. Upon fulfillment of all conditions to Closing herein, the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds (by wire transfer or such other manner of payment as the Underwriter and the Auditor-Controller-Treasurer-Tax Collector of the County, following the direction of the District, shall reasonably agree upon) to the order of the County.

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

(a) The District is a school district duly organized and validly existing under the laws of the State of California (the "State"), with the power to issue the Bonds pursuant to the California Constitution and the Government Code;

(b) (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Bond Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate, to adopt the District Resolution, to issue and to deliver the Bonds, to perform its obligations under each such document or instrument and to carry out and effectuate the transactions contemplated by this Bond Purchase Agreement and the District Resolution; (iii) the execution and delivery or adoption of and the performance by the District of the obligations represented by, the Bonds, the District Resolution, the County Resolution, the Continuing Disclosure Certificate, the Escrow Agreement and this Bond Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) each of this Bond Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate constitutes a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Bond Purchase Agreement;

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

(d) The District has complied with the Internal Revenue Code of 1986, as amended, with respect to the Bonds;

(e) As of the time of acceptance hereof and as of the time of the Closing, the District is not and will not be, in any manner which would adversely affect the transactions contemplated hereby and by the Resolutions, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would adversely affect the transactions contemplated hereby and by the Resolutions, a default or event of default under any such instrument; and, as of such times, to the best knowledge of the District, the issuance of the Bonds, the execution, delivery and performance of this Bond Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate, the District Resolution and the Bonds and the compliance with the provisions hereof and of the County Resolution do not conflict with or constitute on the part of the District a violation of, or material default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject;

(f) As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of the Bonds, this Bond Purchase Agreement, the Escrow Agreement or the Continuing Disclosure Certificate or the Resolutions or contesting the powers of the District or its authority with respect to the Bonds, the Resolutions, this Bond Purchase Agreement, the Escrow Agreement or the Continuing

Disclosure Certificate; (iii) contesting the completeness or accuracy of the Preliminary Official Statement; or (iv) in which a final adverse decision could (a) result in any material adverse impact on the financial condition of the District, (b) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Bond Purchase Agreement or the Resolutions, (c) declare this Bond Purchase Agreement, the Escrow Agreement or the Continuing Disclosure Certificate to be invalid or unenforceable in whole or in material part, or (d) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation;

(g) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon;

(h) The Preliminary Official Statement was as of its date, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain, and up to and including the Closing will contain, no material misstatement of any material fact and do not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in light of the circumstances in which such statements were made, not misleading. At the time of the Closing, there shall not have been any material adverse changes in the financial condition of the District since the date of the Official Statement;

(i) To assist the Underwriter in complying with the Rule, the District will undertake, pursuant to the District Resolution and a Continuing Disclosure Certificate, to provide annual reports and notices of certain events; the District has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events. A form of this undertaking is set forth as an appendix to the Preliminary Official Statement and will also be set forth as an appendix to the Official Statement;

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

(k) Between the date hereof and the Closing, without the prior written consent of the Underwriter, the District will not have issued any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement;

(l) Preparation and distribution of the Official Statement pertaining to the Bonds have been duly authorized by the District, and the information contained therein (excluding the statements and information in Appendix H – “BOOK-ENTRY ONLY SYSTEM,” [any information relating to the Insurer or the Insurance Policy] and any information provided by the Underwriter for inclusion in the Official Statement) is true and correct in all material

respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representation and warranty is made concerning statements and information in Appendix H – “BOOK-ENTRY ONLY SYSTEM,” [any information relating to the Insurer or the Insurance Policy] and any information provided by the Underwriter for inclusion in the final Official Statement; and

(m) The District agrees that if at any time before the Closing Date, any event occurs as a result of which the Official Statement as then in effect would include any untrue statement of a material fact or omit to state any fact necessary to make the statements made therein not misleading in any material respect, the District shall promptly prepare an amendment or supplement that will correct such statement or omission. The District will advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Underwriter.

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

(a) The County has the power under the laws of the State to issue the Bonds in the name and on behalf of the District pursuant to the applicable provisions of the California Constitution and the Government Code;

(b) (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Bond Purchase Agreement, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter in the name and on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions applicable to the County contemplated by this Bond Purchase Agreement and the Resolutions; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations represented by the Bonds, the County Resolution and this Bond Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing and the County Resolution shall not have been modified, amended, rescinded or revoked and is in full force and effect on the date hereof and on the date of the Closing; (iv) this Bond Purchase Agreement constitutes a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Bond Purchase Agreement;

(c) To the best knowledge of the County, no authorization, approval, consent or other order of the State, other than such authorizations, approvals and consents which have been obtained, is required for the valid authorization, execution and delivery by the County of this Bond Purchase Agreement or the consummation by the County of the other transactions contemplated by such agreement (provided that no representation or warranty

need be given as to any action required of the District or under state securities or blue sky laws in connection with the purchase or distribution of the Bonds by the Underwriter);

(d) To the best knowledge of the County, no consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any California governmental agency is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, *except* for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; *provided, however*, that the County shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof;

(e) To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Bond Purchase Agreement, the County Resolution and the Bonds, and the compliance with the provisions hereof applicable to the County do not conflict with or constitute on the part of the County a material violation of, or material default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution to which the County is bound and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party;

(f) The County is not in breach of or default under any applicable law or administrative regulation of the State or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the County is a party, which breach or default would materially adversely affect the County's ability to enter into or perform its obligations under this Bond Purchase Agreement;

(g) As of the time of acceptance hereof, to the best knowledge of the County, no action, suit, proceeding, hearing or investigation is pending in which service of process has been completed against the County or threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices or the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, or directly contesting or affecting the validity or enforceability of the Bonds, this Bond Purchase Agreement or the County Resolution or contesting the powers of the County or its authority with respect to the Bonds, the County Resolution or this Bond Purchase Agreement; or (iii) in which a final adverse decision would declare this Bond Purchase Agreement to be invalid or unenforceable in whole or in material part;

(h) Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money; and

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

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

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

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

(c) The Underwriter has, and has had, no financial advisory relationship with the District with respect to the Bonds and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship within the meaning of California Government Code Section 53590(c).

(d) The Underwriter has reasonably determined that the District's undertaking pursuant to Section 7(i) hereof to provide continuing disclosure with respect to the Bonds is sufficient to effect compliance with Rule 15c2-12.

10. Covenants of the County and the District. The County and the District respectively covenant and agree with the Underwriter that:

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

(b) The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Bond Purchase Agreement is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto, and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, being herein called the "Official Statement") in such quantities as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB; provided, however, that the failure of the District to comply with this requirement due solely to the acts of the Underwriter, its counsel or agents, shall not be

considered cause for the Underwriter to refuse to accept delivery of and pay for the Bonds; and

(c) Each party hereto agrees that it will notify the other parties hereto if, within the period from the date of this Bond Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period (as hereinafter defined), such party discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case which might cause the Official Statement (as the same may have been theretofore supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If, in the written opinion of the District or counsel to the Underwriter, the preparation and publication of a supplement or amendment to the Official Statement is, as a result of such fact or event (or any other event which becomes known to the County, the District or the Underwriter during such period), necessary so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District will, at its expense, supplement or amend the Official Statement in such a manner so that the Official Statement, as so supplemented or amended, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and furnish copies of such supplement or amendment to the Underwriter in such numbers as the Underwriter may reasonably request. The District and the Underwriter agree that they will cooperate in the preparation of any such amendment or supplement. As used herein, the term "End of the Underwriting Period" means the later of such time as (i) the County delivers the Bonds to the Underwriter, or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the "End of the Underwriting Period" shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the End of the Underwriting Period.

11. **Division of Responsibility Between District and County.** It is specifically acknowledged and agreed by and between the District and the County that the County shall have no responsibility or liability to ensure or provide compliance with those provisions of this Bond Purchase Agreement which are to be performed solely by the District.

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

(a) The representations and warranties of the County and the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and

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

(b) At the time of the Closing, (i) the Official Statement, the Continuing Disclosure Certificate, the Escrow Agreement, this Bond Purchase Agreement, the District Resolution and the County Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Government Code and other applicable laws which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the County and the District shall perform or have performed all of their respective obligations required under or specified in the District Resolution, the County Resolution, the Continuing Disclosure Certificate, the Escrow Agreement and the Official Statement to be performed at or prior to the Closing;

(c) No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Bond Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, is pending (in which service of process has been completed against the County or the District) or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds or the execution and delivery of this Bond Purchase Agreement, the Continuing Disclosure Certificate or the Escrow Agreement, or (C) in any way contesting the existence or powers of the County or the District, or contesting in any way the completeness or accuracy of the Official Statement;

(d) Between the date hereof and the Closing, the investment quality, the marketability or the market price of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected by reason of any of the following:

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

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences or State tax consequences of

interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

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

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

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

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

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

(6) the withdrawal or downgrading of any rating or credit outlook of the District's outstanding indebtedness by a national rating agency; or

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

(e) At or prior to the date of the Closing, the Underwriter shall have received the following documents, in each case dated as of the Closing Date and satisfactory in form and substance to the Underwriter:

(1) An approving opinion of Bowie, Arneson, Wiles & Giannone (“Bond Counsel”), substantially in the form attached as Appendix C to the Official Statement, dated the Closing Date and addressed to the County and the District;

(2) A reliance letter from Bond Counsel to the effect that the Underwriter [and the Insurer] may rely upon the approving opinion described in subsection (e)(1) above;

(3) A certificate, signed by an appropriate official of the District, to the effect that (i) such official is authorized to execute this Bond Purchase Agreement, the Continuing Disclosure Certificate and the Escrow 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, (iii) the District has complied with all the terms of the District Resolution, the County Resolution, this Bond Purchase Agreement, the Continuing Disclosure Certificate and the Escrow Agreement to be complied with by the District prior to or concurrently with the Closing, (iv) to the best of such official’s knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, or the execution and delivery of this Bond Purchase Agreement, the Continuing Disclosure Certificate or the Escrow Agreement, or (C) in any way contesting the existence or powers of the District, (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (vi) each of the conditions listed in Section 12 of this Bond Purchase Agreement has been satisfied on the date hereof and the District is not aware of any other condition of this Bond Purchase Agreement that has not been satisfied on the date hereof, (vii) the Bonds being delivered on the date of the Closing to the Underwriter under this Bond Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and this Bond Purchase Agreement, and (viii) no consent of any party is required for inclusion of the District’s audited financial statements for fiscal year ended June 30, 2008, in the Official Statement;

(4) The opinion of Orrick, Herrington & Sutcliffe LLP, as disclosure counsel to the District, addressed to the District and the Underwriter, dated the Closing Date, to the effect that, based on such counsel’s participation in conferences with representatives of the Underwriter, the District, the County, the Paying Agent, [the Insurer,] their respective counsel, and others, during which conferences the contents of the Official Statement and related matters were discussed (but with no inquiry made of other attorneys in such counsel’s firm not working directly on the

issuance of the Bonds who may have information material to the issue), and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District and the Underwriter, as a matter of fact and not opinion, that, during the course of its engagement as disclosure counsel no facts came to the attention of such counsel's attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date (except for any CUSIP numbers, financial, statistical, economic, engineering or demographic data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, any information about feasibility valuation, appraisals, absorption, real estate or environmental matters, or any information about litigation, Appendices B, C, D, E, F, G, H, I and J, or any information about [the Insurer, the Insurance Policy,] book-entry or DTC, included or referred to therein, as to which such counsel need express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(5) The Continuing Disclosure Certificate signed by an appropriate official of the District substantially in the form appended to the Official Statement and the Escrow Agreement executed and delivered by the District and the Escrow Bank;

(6) A certificate signed by appropriate officials of the County to the effect that (i) such officials are authorized to execute and to approve this Bond 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, (iii) the County has complied with all the terms of the County Resolution and this Bond Purchase Agreement to be complied with by the County prior to or concurrently with the Closing and such documents are in full force and effect, (iv) such official has reviewed the information contained in the Official Statement in Appendix F – "SUMMARY OF COUNTY OF RIVERSIDE INVESTMENT POLICIES AND PRACTICES AND DESCRIPTION OF INVESTMENT POOL" and in Appendix G – "COUNTY INVESTMENT POLICY" and on such basis certifies that the information contained in the Official Statement in Appendix F – "SUMMARY OF COUNTY OF RIVERSIDE INVESTMENT POLICIES AND PRACTICES AND DESCRIPTION OF INVESTMENT POOL" and in Appendix G – "COUNTY INVESTMENT POLICY" does not contain any untrue statement of a material fact concerning the County required to be stated therein or omit to state a material fact necessary to make the statements concerning the County therein, in the light of the circumstances in which they were made, not misleading; and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Bond Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and this Bond Purchase Agreement;

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

(8) Evidence satisfactory to the Underwriter that the Bonds shall have been rated at “___” by [Moody’s Investors Service] and “___” by [Standard & Poor’s Ratings Services] (or such other equivalent rating as such rating agency may give) and that such rating has not been revoked or downgraded;

(9) The opinion of County Counsel for the County of Riverside, as counsel to the County, addressed to the Underwriter, dated the Closing Date and in a form reasonably satisfactory to the Underwriter;

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

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

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

(11) An original adopted County Resolution or a certificate, together with fully executed copies of the County Resolution, of the Clerk of the Board of Supervisors to the effect that:

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

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

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

(13) A report by [Causey, Demgen & Moore Inc., Denver, Colorado], verifying the arithmetical accuracy of the computation of projected receipts for and of payments to retire the Notes; and

(14) [A policy of municipal bond insurance with respect to the Bonds that are insured by the Insurer;]

(15) [A certificate of the Insurer in form and substance satisfactory to Bond Counsel, County Counsel and the Underwriter;]

(16) [An opinion of counsel to the Insurer addressed to the District, the County and the Underwriter in form and substance satisfactory to Bond Counsel, County Counsel and the Underwriter;]

(17) At or before Closing, and contemporaneously with the acceptance of delivery of the Bonds and the payment of the purchase price thereof, the Underwriter will provide to the District: (i) the receipt of the Underwriter, in form satisfactory to the District and signed by an authorized officer of the Underwriter, confirming delivery of the Bonds to the Underwriter and the satisfaction of all conditions and terms of this Bond Purchase Agreement by the District and confirming to the District that as of the Closing Date all of the representations of the Underwriter contained in this Bond Purchase Agreement are true and correct in all material respects; and (ii) the reoffering price certificate of the Underwriter in form satisfactory to Bond Counsel, as described in Section 4 and such other matters as Bond Counsel may request; and

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

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

13. Conditions to Obligations of the County and the District. The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriter of its obligations hereunder; and (ii) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District and other than items to be executed by the Underwriter or their counsel.

14. Expenses. At the direction of the District, the Underwriter shall pay costs of issuance of the Bonds up to the amount of \$_____, including but not limited to the following: (i) the costs of the preparation and reproduction of the Resolutions; (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel and District Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for ratings, including all necessary expenses for travel relating to such ratings; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vi) the initial fees of the Paying Agent; (vii) CUSIP Bureau registration fees and security depository fees, [(viii) the premium for the Insurance Policy;] and (ix) all other fees and expenses incident to the issuance and sale of the Bonds. Any such expenses which

exceed such amounts shall be paid by the District and may be paid from the proceeds of the Bonds. All out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, expenses for travel, the fees and expenses of counsel to the Underwriter, if any, and other expenses (except as provided above), shall be paid by the Underwriter.

15. **Notices.** Any notice or other communication to be given under this Bond Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the County of Riverside, Office of the Treasurer-Tax Collector, 4080 Lemon Street, 4th Floor, Riverside, California 92502, Attention: Treasurer-Tax Collector, if to the District, to the Alvord Unified School District at 10365 Keller Avenue, Riverside Avenue, California 92505, or if to the Underwriter, in care of the Underwriter, 345 California St., Suite 2400, San Francisco, California 94104; Attention: Jeff Baratta.

16. **Severability.** In the event any provision of this Bond Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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

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

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

Very truly yours,

PIPER JAFFRAY & CO.

By: _____
Authorized Representative

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

COUNTY OF RIVERSIDE

By: _____

ALVORD UNIFIED SCHOOL DISTRICT

By: _____
Superintendent

EXHIBIT A

**ALVORD UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, 2007 ELECTION, SERIES B**

MATURITY SCHEDULE

\$ _____ **Current Interest Bonds**

\$ _____ **Serial Bonds**

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
--------------------------------	-----------------------------	--------------------------	---------------------------

† Yield to par call on August 1, 20__.

\$ _____ % Term Bonds due August 1, 20__ – Price or Yield _____ %

\$ _____ **Capital Appreciation Bonds**

<u>Maturity (August 1)</u>	<u>Initial Principal (Denominational) Amount</u>	<u>Accretion Rate</u>	<u>Maturity Value</u>	<u>Reoffering Yield</u>
--------------------------------	--	---------------------------	---------------------------	-----------------------------

\$ _____ Convertible Capital Appreciation Bonds

<u>Maturity</u> <u>(August 1)</u>	<u>Initial Principal</u> <u>(Denominational)</u> <u>Amount</u>	<u>Accretion Rate</u> <u>to (but</u> <u>excluding)</u> <u>Conversion</u> <u>Date</u>	<u>Conversion</u> <u>Date</u>	<u>Interest Rate</u> <u>from and after</u> <u>Conversion</u> <u>Date</u>	<u>Stated Value</u> <u>at Conversion</u> <u>Date</u>	<u>Reoffering</u> <u>Yield</u>
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TERMS OF REDEMPTION

The Bonds are subject to redemption prior to their stated maturity dates as follows:

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

[The Capital Appreciation Bonds maturing or before August 1, 20__, are not subject to redemption prior to their respective stated maturity dates. The Capital Appreciation Bonds maturing on and after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount of the Capital Appreciation Bonds called for redemption plus accreted interest thereon to the date of redemption, without premium.]

[The Convertible Capital Appreciation Bonds maturing on or before August 1, 20__, are not subject to redemption prior to their respective stated maturity dates. The Convertible Capital Appreciation Bonds maturing on and after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the stated accreted value at the Conversion Date of the Convertible Capital Appreciation Bonds called for redemption, together with interest accrued thereon from the last interest payment date for which interest has been paid to the date of redemption, without premium.]

Mandatory Sinking Fund Redemption. The \$_____ Term Current Interest Bonds maturing on August 1, 20__, are also subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
---	------------------------------------

†

† Maturity.

The principal amount to be redeemed in each year shown above will be reduced proportionately, in integral multiples of \$5,000, by any portion of the Term Current Interest Bond optionally redeemed prior to the mandatory sinking fund redemption date.

[The Capital Appreciation Bonds shall not be subject to mandatory sinking fund redemption prior to their stated maturity dates.]

[The \$_____ Convertible Capital Appreciation Bonds maturing on August 1, 20__, are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective stated accreted value amounts at the Conversion Date thereof as set forth in the following schedule, at a redemption price equal to 100% of the stated accreted value amount to be redeemed (without premium), together with interest accrued thereon from the last interest payment date for which interest has been paid to the date fixed for redemption:]

Mandatory Sinking Fund Redemption Date (August 1)	Stated Accreted Value Amounts to be Redeemed
---	--

†

† Maturity.

The stated accreted value amounts at the Conversion Date thereof to be redeemed in each year shown above will be reduced proportionately, in integral multiples of \$5,000, by any portion of such Convertible Capital Appreciation Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

1 **EXHIBIT "B"**

2
3 **FORM OF CURRENT INTEREST BOND**

4
5 **STATE OF CALIFORNIA**

COUNTY OF RIVERSIDE

6 **REGISTERED**

REGISTERED

7 **NO.**

\$

8
9
10 **ALVORD UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, 2007**

11 **ELECTION, SERIES B**

12 **(Riverside County, California)**

13
14 **INTEREST RATE:**

MATURITY DATE:

DATED AS OF:

CUSIP®:

15
16 _____ %

August 1, 20__

_____, 20__

17
18
19 **REGISTERED OWNER: CEDE & CO.**

20
21 **PRINCIPAL AMOUNT:**

22
23
24 Alvord Unified School District ("District") in Riverside County, California ("County"),
25 for value received, promises to pay to the Registered Owner named above, or registered assigns,
26 the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the
27 Principal Amount is paid or provided for at the Interest Rate stated above, on _____ 1 and
28 _____ 1 ("Bond Payment Dates"), commencing _____ 1, 20___. This Bond will bear interest

1 from the Bond Payment Date next preceding the date of authentication hereof unless it is
2 authenticated as of a day during the period from the 16th day of the month next preceding any
3 Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest
4 from such Bond Payment Date, or unless it is authenticated on or before _____ 15, 20__,
5 in which event it shall bear interest from _____, 20__. Principal and interest are payable
6 in lawful money of the United States of America, without deduction for the paying agent
7 services, to the person in whose name this Bond (or, if applicable, on one or more predecessor
8 Bonds) is registered ("Registered Owner") on the Bond Register maintained by the Paying
9 Agent, initially the Riverside County Treasurer's Office. Interest shall be calculated on the basis
10 of a 360-day year comprised of twelve 30-day months. Principal is payable upon presentation
11 and surrender of this Bond at the principal office of the Paying Agent in Los Angeles, California.
12 Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to
13 the Registered Owner of this Bond (or one or more predecessor bonds) as shown and at the
14 address appearing on the Bond Register at the close of business on the 15th day of the calendar
15 month next preceding that Bond Payment Date ("Record Date"). The Owner of an aggregate
16 Principal Amount of \$1,000,000 or more may request in writing to the Paying Agent that such
17 Registered Owner be paid interest by wire transfer to the bank within the continental United
18 States and account number on file with the Paying Agent as of the Record Date.

19
20 This Bond is one of an aggregate amount of \$_____ of Bonds issued to be used for
21 the acquisition and construction of school facilities to serve the Alvord Unified School District
22 ("District") under authority of and pursuant to the laws of the State of California, and the
23 requisite fifty-five percent (55%) favorable vote of the electors of the District obtained at an
24 election held on November 6, 2007, upon the question of issuing Bonds in the amount of
25 \$196,000,000, the resolution of the Board of Education of the District, adopted on _____, 2010
26 ("District Resolution"), and the resolution of the Riverside County Board of Supervisors,
27 adopted on _____, 2010 ("County Resolution"). This Bond and the issue of which this
28 Bond is one are payable as to both principal and interest from the proceeds of the levy of *ad*

1 *valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to
2 rate or amount. The Bonds of this issue are general obligations of the District and do not
3 constitute an obligation of the County. No part of any fund of the County is pledged or obligated
4 to the payment of the Bonds of this issue.

5
6 The Bonds of this issue comprise (i) \$ _____ principal amount of Current Interest
7 Bonds, of which this bond is a part (each, a "Current Interest Bond"), (ii) Capital Appreciation
8 Bonds of which \$ _____ represents the principal amount and \$ _____ represents the Maturity
9 Value, and (iii) Convertible Capital Appreciation Bonds, of which \$ _____ represents the
10 principal amount and \$ _____ represents the Conversion Value.

11
12 The Bonds of this issue are issuable only as fully-registered bonds in the denominations
13 of \$5,000 or any integral multiple thereof. This bond is exchangeable and transferable for Bonds
14 of other authorized denominations at the principal corporate trust office of the Paying Agent, by
15 the Registered Owner or by a person legally empowered to do so, upon presentation and
16 surrender hereof to the Paying Agent, together with a request for exchange or an assignment
17 signed by the Registered Owner or by a person legally empowered to do so, in a form
18 satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in
19 the County Resolution. Any tax or governmental charges shall be paid by the transferor. The
20 District, the County and the Paying Agent may deem and treat the Registered Owner as the
21 absolute owner of this Bond for the purpose of receiving payment of or on account of principal
22 or interest and for all other purposes, and neither the District, the County nor the Paying Agent
23 shall be affected by any notice to the contrary.

24
25 [The Current Interest Bonds maturing on or before _____ 1, 20____, are not subject to
26 redemption prior to maturity. The Current Interest Bonds maturing on or after _____ 1, 20____,
27 are subject to redemption at the option of the District, as a whole or in part by inverse order of
28 maturity and by lot within each maturity, from any source of available funds, on _____ 1,

1 20__, or on any Bond Payment Date thereafter at the following prices, expressed as a percentage
2 of the principal amount to be redeemed, plus accrued interest represented thereby to the
3 redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
_____ 1, 20__ and _____ 1, 20__	_____ %
_____ 1, 20__ and thereafter	100.0%]

11 [THE FOLLOWING TO APPEAR ON THE FACE OF TERM BONDS, IF ANY:]

13 [The Bonds maturing on _____ 1, 20__, are subject to mandatory sinking fund
14 redemption in part by lot, on September 1 of each year, commencing _____ 1, 20__, and on
15 each _____ 1 thereafter in accordance with the schedule set forth below. The Bonds so called
16 for mandatory sinking fund redemption shall be redeemed at the principal amount of such Bonds
17 to be redeemed, plus accrued but unpaid interest, without premium.

<u>Redemption Year</u>	<u>Principal Amount</u>
_____	_____
_____	_____
_____	_____]

24 If less than all of the Bonds of any one maturity shall be called for redemption, the
25 particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot by
26 the District in such manner as the District in its discretion may determine; provided, however,
27 that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some
28 multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each

1 Bond as representing that number of Bonds which is obtained by dividing the principal amount
2 of such Bond by \$5,000. If less than all of the Bonds shall be called for redemption, the
3 particular Bonds or portions thereof to be redeemed shall be called by lot in any manner which
4 the District in its discretion shall determine.

5
6 The Paying Agent shall give notice of the Redemption of the Bonds at the expense of the
7 District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be
8 redeemed; (b) the serial or registration numbers and CUSIP® numbers, if any, of the Bonds to be
9 redeemed; (c) the date of notice and the date of redemption; (d) the place or places where the
10 redemption will be made; and (e) descriptive information regarding the issue of Bonds and the
11 specific bonds redeemed, including the dated date, interest rate and stated maturity date of each.
12 Such notice shall further state that on the specified date there shall become due and payable upon
13 each Bond to be redeemed, together with interest accrued to said date, the redemption premium,
14 if any, and that from and after such date interest with respect thereto shall cease to accrue.

15
16 Notice of redemption shall be by registered or otherwise secured mail or delivery service,
17 postage prepaid, to the registered Owner of the Bonds, or if the original purchaser is a syndicate,
18 to the managing member of such syndicate, to a municipal registered securities depository and to
19 a national information service that disseminates securities redemption notices and, by first-class
20 mail, postage prepaid, to the District, the County and the respective Owners of any registered
21 Bonds designated for redemption at their addresses appearing on the Bond registration books, in
22 every case at least thirty (30) or thirty-two (32) days, as applicable, but not more than sixty (60)
23 days, prior to the redemption date; provided that neither failure to receive such notice nor any
24 defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption
25 of such Bonds, nor entitle the Owner thereof to interest beyond the date given for redemption.

26
27 Neither the District, the County nor the Paying Agent will be required (a) to issue or
28 transfer any Bond during a period beginning with the opening of business on the 15th business

1 day of the month next preceding either any Bond Payment Date or any date of selection of Bonds
2 to be redeemed and ending with the close of business on the Bond Payment Date or day on
3 which the applicable notice of redemption is given, or (b) to transfer any Bond which has been
4 selected or called for redemption in whole or in part.

5
6 The rights and obligations of the District and of the Registered Owners of the Bonds may
7 be amended at any time, and in certain cases without the consent of the Registered Owners to the
8 extent and upon the terms and conditions provided in the County Resolution.

9
10 The County Resolution contains provisions permitting the District to make provision for
11 the payment of the interest on, and the principal and premium, if any, of any of the Bonds so that
12 the Bonds shall no longer be deemed to be outstanding under the terms of the County Resolution.

13
14 Reference is made to the County Resolution for a more complete description of the
15 provisions, among others, with respect to the nature and extent of the security for the bonds of
16 this series, the rights, duties and obligations of the District, the County, the Paying Agent and the
17 Registered Owners, and the terms and conditions upon which the bonds are issued and secured.
18 The Registered Owner of this Bond assents, by acceptance hereof, to all of the provisions of the
19 County Resolution.

20
21 **IT IS CERTIFIED AND RECITED** that all acts and conditions required by the
22 Constitution and laws of the State of California to exist, to occur and to be performed or to have
23 been met precedent to and in the issuing of the Bonds in order to make them legal, valid and
24 binding general obligations of the District, have been performed and have been met in regular
25 and due form as required by law; that payment in full for the Bonds has been received; that no
26 statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the
27 Bonds; and that due provision has been made for levying and collecting *ad valorem* property
28

1 taxes on all of the taxable property within the District in an amount sufficient to pay principal
2 and interest when due.

3
4 This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any
5 security or benefit under the County Resolution until the Certificate of Authentication below has
6 been signed.

7
8 **IN WITNESS WHEREOF**, the County of Riverside, California, has caused this bond to
9 be executed on behalf of the District and in their official capacities by the manual or facsimile
10 signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax
11 Collector of the County, and to be countersigned by the manual or facsimile signature of the
12 Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be
13 affixed hereto, all as of the date stated above.

14
15 [SEAL]

RIVERSIDE COUNTY, CALIFORNIA

16
17 **-EXHIBIT-**

18 By: _____

19 Chairperson, Board of Supervisors

20
21 **-EXHIBIT-**

22 By: *Joe Kent*

23 Treasurer and Tax Collector

24 COUNTERSIGNED:

25
26 **-EXHIBIT-**

27 By: _____

28 Clerk to the Board of Supervisors

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CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the County Resolution referred to herein.

Date of Registration and Authentication: _____

U.S. BANK NATIONAL ASSOCIATION, Paying Agent, as authenticating agent

-EXHIBIT-

By: _____

Authorized Signatory

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FORM OF ASSIGNMENT

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

(print/type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint _____ attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Date: _____

-EXHIBIT-

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

-EXHIBIT-

Signature must be guaranteed by an eligible guarantor institution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any

1 Bond issued is registered in the name of Cede and Co. or such other name as requested by an
2 authorized representative of The Depository Trust Company and any payment is made to Cede &
3 Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE
4 BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has
5 an interest herein.
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[FORM OF LEGAL OPINIONS]

[Text of Opinions]

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EXHIBIT "C"

FORM OF CAPITAL APPRECIATION BOND

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

REGISTERED

REGISTERED

NO.

\$

(MATURITY VALUE)

**ALVORD UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS,
2007 ELECTION, SERIES B
(Riverside County, California)**

YIELD TO MATURITY: MATURITY DATE: DATE OF ISSUANCE: CUSIP®:

_____ % August 1, 20__ _____, 20__ _____

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

Alvord Unified School District ("District") in Riverside County, California ("County"),
for value received, promises to pay to the Registered Owner named above, or registered assigns,

1 the Maturity Value on the Maturity Date, each as stated above, which Maturity Value is
2 comprised of the Denominational Amount specified above plus interest compounded from the
3 Date of Issuance at the Yield to Maturity specified above, assuming that the sum of such
4 compounded interest and the Denominational Amount hereof increases in equal daily amounts
5 on the basis of a 360-day year consisting of twelve 30-day months (interest, together with the
6 Denominational Amount hereof, being herein called the "Accreted Value"). Accreted Value is
7 payable in lawful money of the United States of America, without deduction for the paying agent
8 services, to the person in whose name this Bond is registered ("Registered Owner") on the Bond
9 Register maintained by the Paying Agent, initially U.S. Bank National Association. Accreted
10 Value is payable upon presentation and surrender of this Bond at the principal office of the
11 Paying Agent in Riverside, California.

12
13 This Bond is one of a series of \$ _____ of Bonds issued for the acquisition and
14 construction of school facilities to serve the Alvord Unified School District ("District") under
15 authority of and pursuant to the laws of the State of California, and the requisite fifty-five
16 percent (55%) favorable vote of the electors of the District obtained at an election held on
17 November 6, 2007, upon the question of issuing bonds in the amount of \$196,000,000, the
18 resolution of the Board of Education of the District adopted on _____, 2010 ("District
19 Resolution"), and the resolution of the Riverside County Board of Supervisors adopted on
20 _____, 2010 ("County Resolution"). This Bond and the issue of which this Bond is one
21 are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on
22 all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
23 The Bonds of this issue are general obligations of the District and do not constitute an obligation
24 of the County. No part of any fund of the County is pledged or obligated to the payment of the
25 Bonds of this issue.

26
27 The Bonds of this issue comprise (i) \$ _____ principal amount of Current Interest
28 Bonds, (ii) Capital Appreciation Bonds, of which this Bond is a part, and of which \$ _____
represents the principal amount and \$ _____ represents the Maturity Value, and (iii) Convertible

1 Capital Appreciation Bonds, of which \$ _____ represents the principal amount and
2 \$ _____ represents the Conversion Value.

3
4 The Bonds of this issue are issuable only as fully-registered bonds in the denominations
5 of \$5,000 of Maturity Value or any integral multiple thereof. This Bond is exchangeable and
6 transferable for Bonds of other authorized denominations at the principal corporate trust office of
7 the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon
8 presentation and surrender hereof to the Paying Agent, together with a request for exchange or an
9 assignment signed by the Registered Owner or by a person legally empowered to do so, in a form
10 satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in
11 the County Resolution. Any tax or governmental charges shall be paid by the transferor. The
12 District, the County and the Paying Agent may deem and treat the Registered Owner as the
13 absolute Owner of this bond for the purpose of receiving payment of or on account of principal
14 or interest and for all other purposes, and neither the District, the County nor the Paying Agent
15 shall be affected by any notice to the contrary.

16
17 Neither the District, the County nor the Paying Agent will be required (a) to issue or
18 transfer any Bond during a period beginning with the opening of business on the 15th business
19 day of the month next preceding either any Bond Payment Date or any date of selection of Bonds
20 to be redeemed and ending with the close of business on the Bond Payment Date or day on
21 which the applicable notice of redemption is given, or (b) to transfer any Bond which has been
22 selected or called for redemption in whole or in part.

23
24 [The Capital Appreciation Bonds are not subject to optional redemption prior to
25 maturity.]

26
27 [Capital Appreciation Term Bonds maturing on _____ 1, 20___, are subject to mandatory
28 redemption from monies in the Debt Service Fund prior to their stated maturity date, by lot, at

1 the Accreted Value thereof without premium on each _____ 1, in the years and in an amount
2 equal to the aggregate Accreted Values set forth below:

3
4 (MANDATORY REDEMPTION TABLE)]
5

6 The rights and obligations of the District and of the Registered Owners of the Bonds may
7 be amended at any time, and in certain cases without the consent of the Registered Owners to the
8 extent and upon the terms and conditions provided in the County Resolution.

9
10 The County Resolution contains provisions permitting the District to make provision for
11 the payment of the interest on, and the principal and premium, if any, of any of the Bonds so that
12 the Bonds shall no longer be deemed to be outstanding under the terms of the County Resolution.

13
14 Reference is made to the County Resolution for a more complete description of the
15 provisions, among others, with respect to the nature and extent of the security for the Bonds of
16 this series, the rights, duties and obligations of the District, the County, the Paying Agent and the
17 Registered Owners, and the terms and conditions upon which the Bonds are issued and secured.
18 The Owner of this Bond assents, by acceptance hereof, to all of the provisions of the County
19 Resolution.

20
21 **IT IS CERTIFIED AND RECITED** that all acts and conditions required by the
22 Constitution and laws of the State of California to exist, to occur and to be performed or to have
23 been met precedent to and in the issuing of the Bonds in order to make them legal, valid and
24 binding general obligations of the District, have been performed and have been met in regular
25 and due form as required by law; that payment in full for the Bonds has been received; that no
26 statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the
27 Bonds; and that due provision has been made for levying and collecting *ad valorem* property
28

1 taxes on all of the taxable property within the District in an amount sufficient to pay principal
2 and interest when due.

3
4 This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any
5 security or benefit under the County Resolution until the Certificate of Authentication below has
6 been signed.


7
8 **IN WITNESS WHEREOF**, the County of Riverside, California, has caused this bond to
9 be executed on behalf of the District and in their official capacities by the manual or facsimile
10 signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax
11 Collector of the County, and to be countersigned by the manual or facsimile signature of the
12 Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be
13 affixed hereto, all as of the date stated above.

14
15 [SEAL]

RIVERSIDE COUNTY, CALIFORNIA

16
17 **-EXHIBIT-**

18 By: _____
19 Chairperson, Board of Supervisors

20
21 **-EXHIBIT-**
22 By:  _____
23 Treasurer and Tax Collector

24 COUNTERSIGNED:

25
26 **-EXHIBIT-**

27 By: _____
28 Clerk to the Board of Supervisors

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CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the County Resolution referred to herein.

Date of Registration and Authentication: _____

U.S. BANK NATIONAL ASSOCIATION, Paying Agent, as authenticating agent

-EXHIBIT-

By: _____

Authorized Signatory

1 **FORM OF ASSIGNMENT**

2
3 For value received, the undersigned sells, assigns and transfers unto
4

5 _____
6
7 _____
8
9 _____

10
11 (print/type name, address, zip code, tax identification or Social Security number of assignee) the
12 within Bond and do(es) irrevocably constitute and appoint _____
13 attorney, to transfer the same on the registration books of the Paying Agent, with full power of
14 substitution in the premises.
15

16 Date: _____

17 ***-EXHIBIT-***
18 _____

19 Notice: The assignor's signature to this assignment must correspond with the name as it appears
20 upon the face of the within Bond is every particular, without alteration or any change whatever.
21

22 Signature Guaranteed:

23 ***-EXHIBIT-***
24 _____

25 Signature must be guaranteed by an eligible guarantor institution.
26

27 Unless this Bond is presented by an authorized representative of The Depository Trust
28 Company to the issuer or its agent for registration of transfer, exchange or payment, and any

1 Bond issued is registered in the name of Cede and Co. or such other name as requested by an
2 authorized representative of The Depository Trust Company and any payment is made to Cede &
3 Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE
4 BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has
5 an interest herein.

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[FORM OF LEGAL OPINIONS]

[Text of Opinions]

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1 EXHIBIT "D"

2
3 FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND

4
5 STATE OF CALIFORNIA

COUNTY OF RIVERSIDE

6 REGISTERED

REGISTERED

7 NO.

\$

8 (CONVERSION VALUE)

9
10
11 ALVORD UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS,
12 2007 ELECTION, SERIES B
13 (Riverside County, California)

14
15
16
17 ACCRETION RATE INTEREST RATE
18 TO CONVERSION AFTER THE MATURITY DATED
CONVERSION DATE DATE CONVERSION DATE DATE AS OF CUSIP®
19
20 _____% _____, 20____ _____% _____ 1, 20____ _____, 2010 _____

21 REGISTERED OWNER: CEDE & CO.

22
23 PRINCIPAL AMOUNT:

24
25 CONVERSION VALUE:

26
27 Alvord Unified School District ("District") in Riverside County, California (the
28 "County"), for value received, promises to pay to the Registered Owner named above, or

1 registered assigns, the Conversion Value on the Maturity Date, each as stated above, such
2 Conversion Value comprising the principal amount and interest accreted thereon to the
3 Conversion Date. Prior to the Conversion Date, this bond will not bear current interest but will
4 accrete interest, compounded on each _____ 1 and _____ 1, commencing _____ 1,
5 _____, at the Accretion Rate specified above to the Conversion Date, assuming that in any
6 such semiannual period the sum of such compounded accreted interest and the principal amount
7 (such sum being herein called the "Accreted Value") increases in equal daily amounts on the
8 basis of a 360-day year consisting of twelve 30-day months. After the Conversion Date, the
9 District promises to pay to the Registered Owner named above, interest on the Conversion Value
10 from the Conversion Date until the Conversion Value is paid or provided for at the Interest Rate
11 stated above, on _____ 1 and _____ 1 of each year ("Bond Payment Dates"), commencing
12 _____ 1, 20___. This bond will bear such interest from the Bond Payment Date next preceding
13 the date of authentication hereof unless it is authenticated as of a day during the period from the
14 15th day of the month next preceding any Bond Payment Date to the Bond Payment date,
15 inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is
16 authenticated on or before _____ 15, 20___, in which event it will bear interest from the
17 Conversion Date. Conversion Value and interest are payable in lawful money of the United
18 States of America, without deduction for the paying agent services, to the person in whose name
19 this bond (or, if applicable, one or more predecessor bonds) is registered ("Registered Owner")
20 on the register maintained by the Paying Agent, initially the Riverside County Treasurer's
21 Office. Accreted Value and redemption premium, if any, are payable upon presentation and
22 surrender of this bond at the principal office of the Paying Agent.

23
24 This Bond is one of an aggregate amount of \$ _____ of Bonds issued to be used for
25 the acquisition and construction of school facilities to serve the Alvord Unified School District
26 ("District") under authority of and pursuant to the laws of the State of California, and the
27 requisite fifty-five percent (55%) favorable vote of the electors of the District obtained at an
28 election held on November 6, 2007, upon the question of issuing Bonds in the amount of

1 \$196,000,000, the resolution of the Board of Education of the District, adopted on _____, 2010
2 (“District Resolution”), and the resolution of the Riverside County Board of Supervisors adopted
3 on _____, 2010 (“County Resolution”). This Bond and the issue of which this Bond is one
4 are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on
5 all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
6 The Bonds of this issue are general obligations of the District and do not constitute an obligation
7 of the County. No part of any fund of the County is pledged or obligated to the payment of the
8 Bonds of this issue.

9
10 The Bonds of this issue comprise (i) \$ _____ principal amount of Current Interest
11 Bonds, (ii) Capital Appreciation Bonds of which \$ _____ represents the principal amount
12 and \$ _____ represents the Maturity Value, and (iii) Convertible Capital Appreciation
13 Bonds, of which this bond is a part, and of which \$ _____ represents the principal amount and
14 \$ _____ represents the Conversion Value.

15
16 This Bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer
17 Amount (as defined in the County Resolution) and in other authorized denominations at the
18 principal corporate trust office of the Paying Agent, by the Registered Owner or by a person
19 legally empowered to do so, upon presentation and surrender hereof to the Paying Agent,
20 together with a request for exchange or an assignment signed by the Registered Owner or by a
21 person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the
22 terms, limitations and conditions provided in the County Resolution. Any tax or governmental
23 charges shall be paid by the transferor. The District, the County and the Paying Agent may deem
24 and treat the Registered Owner as the absolute Owner of this bond for the purpose of receiving
25 payment of or on account of principal or interest and for all other purposes, and neither the
26 District, the County nor the Paying Agent shall be affected by any notice to the contrary.

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

7
8 The Convertible Capital Appreciation Bonds are subject to redemption prior to maturity.
9 *[redemption provisions provided in final Purchase Agreement]*

10
11 The rights and obligations of the District and of the Registered Owners of the Bonds may
12 be amended at any time, and in certain cases without the consent of the Registered Owners to the
13 extent and upon the terms and conditions provided in the County Resolution.

14
15 The County Resolution contains provisions permitting the District to make provision for
16 the payment of the interest on, and the principal and premium, if any, of any of the Bonds so that
17 the Bonds shall no longer be deemed to be outstanding under the terms of the County Resolution.

18
19 Reference is made to the County Resolution for a more complete description of the
20 provisions, among others, with respect to the nature and extent of the security for the Bonds of
21 this series, the rights, duties and obligations of the District, the County, the Paying Agent and the
22 Registered Owners, and the terms and conditions upon which the Bonds are issued and secured.
23 The Registered Owner of this Bond assents, by acceptance hereof, to all of the provisions of the
24 County Resolution.

25
26 **IT IS CERTIFIED AND RECITED** that all acts and conditions required by the
27 Constitution and laws of the State of California to exist, to occur and to be performed or to have
28 been met precedent to and in the issuing of the Bonds by the County in order to make them legal,

1 valid and binding general obligations of the District, have been performed and have been met in
2 regular and due form as required by law; that payment in full for the Bonds has been received;
3 and that due provision has been made for levying and collecting *ad valorem* property taxes on all
4 of the taxable property within the District in an amount sufficient to pay principal and interest
5 when due.

6
7 This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any
8 security or benefit under the County Resolution until the Certificate of Authentication below has
9 been signed.

10
11 **IN WITNESS WHEREOF**, the County of Riverside, California, has caused this bond to
12 be executed on behalf of the District and in their official capacities by the manual or facsimile
13 signatures of the Chairman of the Board of Supervisors of the County and the Treasurer and Tax
14 Collector of the County, and to be countersigned by the manual or facsimile signature of the
15 Clerk to the Board of Supervisors of the County, and has caused the seal of the County to be
16 affixed hereto, all as of the date stated above.

17
18 [SEAL]

RIVERSIDE COUNTY, CALIFORNIA

19
20 **-EXHIBIT-**

21 By: _____

22 Chairperson, Board of Supervisors

23
24
25 **-EXHIBIT-**

26 By:  _____

27 Treasurer and Tax Collector