

be followed by the words "without limitation"; (f) references to the introductory paragraph, recitals, articles, sections (or clauses or subdivisions of sections), exhibits, appendices, annexes or schedules are to those of this Agreement unless otherwise indicated; (g) references to agreements and other contractual instruments shall be deemed to include all subsequent amendments and other modifications to such instruments, but only to the extent that such amendments and other modifications are permitted or not prohibited by the terms of this Agreement; (h) article and section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose; and (i) unless otherwise indicated, references to Persons include their respective permitted successors and assigns.

ARTICLE II

LETTER OF CREDIT; REIMBURSEMENT; LIQUIDITY ADVANCES; TERM LOANS

Section 2.1 Application for Letter of Credit. Each of the Corporation and the County hereby applies to the Bank for, and authorizes and instructs the Bank to issue for the County's account, the Letter of Credit and to make Liquidity Advances and Term Loans. The Bank agrees that it will pay all Drawings under the Letter of Credit from its own funds.

Section 2.2 Conditions Precedent to Issuance of the Letter of Credit. Upon satisfaction of each and every condition listed below, the Bank hereby agrees to issue the Letter of Credit:

(a) Counterparts of this Agreement and the Fee Letter shall have been duly executed and delivered by the Corporation, the County and the Bank;

(b) the Bank shall have received true, correct and complete copies of the Related Documents. With respect to the Remarketing Agreement, there shall be included all amendments and supplements thereto, if any, that have been executed and delivered by the parties thereto since initial delivery of the Bonds and the County will certify to the Bank that each of said Related Documents, as the same may have been amended and supplemented to the Date of Issuance, is in full force and effect on and as of the Date of Issuance;

(c) the Bank shall have received counterparts of a Bond Insurance cancellation agreement in form and substance satisfactory to the Bank (the "Bond Insurance Cancellation Agreement") executed and delivered by the Corporation, the Bond Insurer and the Bank and consented to by the Bank in its capacity as swap counterparty;

(d) the Bank shall have received evidence that the purchase price of the Bonds tendered on the Date of Issuance has been provided (i) by the Prior Bank pursuant to the Prior Agreement or (ii) from the proceeds of the remarketing of the Bonds on the Date of Issuance and that, as of the effectiveness of this Agreement, none of the Bonds is owned by or is under the control of the Prior Bank, the Remarketing Agent or the County or Corporation;

(e) the Bank shall have received the opinion of Nixon Peabody LLP, as to the enforceability of this Agreement and the Fee Letter and such other matters as the Bank may reasonably request, which opinion shall be dated the Date of Issuance and shall be addressed to the Bank;

(f) the Bank shall have received a copy of the approving opinion of Nixon Peabody LLP dated as of December 10, 2008 and a reliance letter addressed to the Bank and dated the Date of Issuance with respect to such approving opinion;

(g) the Bank shall have received the opinion of counsel to the County and the Corporation addressing such matters as the Bank may reasonably request, which opinion shall be dated the Date of Issuance and shall be addressed to the Bank;

(h) the Bank shall have received, on or prior to the Date of Issuance, a copy of the resolutions of the County authorizing the execution, delivery and performance of this Agreement and the County Related Documents, certified by the Clerk of the Board of Supervisors of the County, which certification shall include a statement to the effect that such resolutions are in full force and effect on the Date of Issuance and have not been amended;

(i) the Bank shall have received, on or prior to the Date of Issuance, a certificate of the Clerk of the Board of Supervisors of the County certifying the names and true signatures of the officials of the County authorized to sign this Agreement, the Fee Letter and the other documents to be delivered by the County hereunder;

(j) the Bank shall have received, on or prior to the Date of Issuance, the articles of incorporation and bylaws of the Corporation, together with all amendments thereto, certified as to accuracy and completeness by the Secretary or Assistant Secretary of the Corporation, and a good standing certificate in respect of the Corporation issued by the California Secretary of State and dated a date not more than ten Business Days prior to the Date of Issuance;

(k) the Bank shall have received, on or prior to the Date of Issuance, a copy of the resolutions of the Corporation authorizing the execution, delivery and performance of this Agreement, the Fee Letter and the other documents to be delivered by the Corporation hereunder and the other Corporation Related Documents, certified by the Secretary or Assistant Secretary of the Corporation, which certification shall include a statement to the effect that such resolutions are in full force and effect on the Date of Issuance and have not been amended;

(l) the Bank shall have received a certificate of the Secretary or Assistant Secretary of the Corporation certifying the names and true signatures of the officials of the Corporation authorized to sign this Agreement, the Fee Letter and the other documents to be delivered by the Corporation hereunder;

(m) a copy of the Remarketing Memorandum shall have been delivered by the Corporation, or the County on behalf of the Corporation, to the Bank;

(n) an opinion of counsel to the Bank dated the Date of Issuance and (i) addressed to the County, the Corporation, the Trustee and the Remarketing Agent (and upon which the applicable rating agencies may rely) to the effect that (A) the Bank is a national banking association validly existing under the laws of the United States of America, and is presently authorized to transact business in the United States of America and (B) the Letter of Credit has been duly executed and delivered by the Bank and constitutes a valid and binding obligation of the Bank enforceable against the Bank in accordance with its terms, except as the

enforceability thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally as such laws would apply in the event of the bankruptcy, insolvency, liquidation or reorganization of, or other similar occurrence with respect to, the Bank or in the event of any moratorium or similar occurrence affecting the Bank and (ii) addressed to the County, the Corporation and the Remarketing Agent to the effect that the descriptions of this Agreement and the Letter of Credit set forth in the Remarketing Memorandum are accurate in all material respects;

(o) the following statements shall be true and correct on the Date of Issuance in the sole determination of the Bank, and the Bank shall have received a certificate signed by the Authorized Officer, dated the Date of Issuance, stating that:

(i) the representations and warranties of the Corporation and the County contained in this Agreement, the Corporation Related Documents and the County Related Documents and each certificate furnished or delivered by the Corporation and the County to the Bank pursuant hereto or thereto are true and correct on and as of the Date of Issuance as though made on and as of such date;

(ii) no "default" or "event of default" under any Corporation Related Document or County Related Document and no Default or Event of Default has occurred and is continuing or would result from the issuance of the Letter of Credit or the making of any Liquidity Advance or Term Loan;

(iii) the Bonds have been assigned, and the Bank shall have received rating letters indicating, ratings of "[AA-/A-1+]" by S&P and "[Aa3/P-1]" by Moody's;

(iv) except as set forth in the Remarketing Memorandum, there has been no material adverse change in the financial position, results of operation or prospects of the County since June 30, 2012;

(p) no law, regulation, ruling or other action of any Governmental Authority shall be in effect and no change in the interpretation or administration thereof shall have occurred, the effect of which would be to prevent the Bank from fulfilling its obligations under this Agreement or the Letter of Credit or to prevent the County, the Corporation, the Trustee or the Remarketing Agent from fulfilling their respective obligations hereunder and under the Related Documents to which each such entity is a party;

(q) receipt by the Bank of evidence that Citigroup Global Markets Inc. is serving as the Remarketing Agent and that U.S. Bank National Association is serving as Trustee, in each case, as of the Date of Issuance;

(r) receipt by the Bank of a certificate of an authorized signatory of Citigroup Global Markets Inc. to the effect that Citigroup Global Markets Inc. is obligated to remarket the Bonds at rates up to and including the maximum rate permitted under the Indenture without regard to the rate of interest borne by Bank Bonds (or which would be borne by Bank Bonds were such Bonds to be purchased by the Bank with the proceeds of a Drawing); [IF THE REMARKETING AGENT IS UNWILLING TO DELIVER THIS CERTIFICATE, AN AMENDMENT OF THE REMARKETING AGREEMENT WILL BE NEEDED]

(s) receipt by the Bank of one or more CLTA title insurance policies or other appropriate forms of title policy that insure the Corporation's leasehold title to the Leased Premises and the County's leasehold interest in the Leased Premises, subject to customary endorsements, in an aggregate amount not less than the principal amount of the Bonds and subject to only such liens as are reasonably satisfactory to the Bank;

(t) receipt by the Bank of a certificate from the County that the insurance required by the Facilities Lease to be in effect is in full force and effect on the Date of Issuance;

(u) receipt by the Bank of a certificate of an Authorized Officer as to the current annual fair rental value of the Leased Premises, which certificate shall be reasonably satisfactory to the Bank;

(v) receipt by the Bank of a CUSIP number for the Bank Bonds; and

(w) receipt by the Bank, on or prior to the Date of Issuance, of such other documents, instruments, approvals (and, if requested by the Bank, certified duplicates of executed copies thereof) or opinions as the Bank may reasonably request.

Section 2.3 Request to Extend Availability Period. Not less than one hundred twenty (120) days nor more than one hundred fifty (150) days prior to the then current Stated Expiration Date, the County may, by written notice to the Bank (with a copy to the Bond Insurer), request that the Stated Expiration Date be extended. Following its receipt of such a request, the Bank, in its sole and absolute discretion (and after such due diligence (if any) as the Bank shall undertake), shall notify the County and the Trustee of its decision with respect to such request within 60 days of such receipt, together with any conditions thereto (including, without limitation, change in pricing), it being understood and agreed that the failure of the Bank to notify the County of any decision within such 60-day period shall be deemed to be a rejection of such request and the Bank shall not incur any liability or responsibility whatsoever to any Person by reason of its failure so to notify the County or as a result of its rejection of such request. If the Bank, in its sole discretion, elects to extend the Stated Expiration Date then in effect, the Bank shall deliver to the Trustee an amendment to the Letter of Credit designating the date to which the Stated Expiration Date is being extended. Such extension of the Stated Expiration Date shall be effective upon the Trustee's receipt of such amendment to the Letter of Credit, and thereafter all references in this Agreement to the Stated Expiration Date shall be deemed to be references to the date designated as such in the most recent amendment to the Letter of Credit delivered to the Trustee. Any date to which the Stated Expiration Date has been extended in accordance with this Section 2.3 may be extended in like manner.

Section 2.4 Liquidity Advances; Term Loans.

(a) Unless the commitment of the Bank to make Liquidity Advances hereunder shall have terminated in accordance with Section 8.2(b)(i), if the Bank shall honor payment of a Liquidity Drawing and such payment is not reimbursed by 3:00 p.m. (Los Angeles time) on the day such payment is made and the conditions of Section 2.4(b) are satisfied on such day, such payment shall constitute, and the Bank shall be deemed to have extended, a Liquidity Advance to the County on such day and in the amount of such Liquidity Drawing (each such

Liquidity Advance, a "Liquidity Advance" and, collectively, the "Liquidity Advances"), which Liquidity Advance shall be payable solely from Base Rental and Trust Amounts. Subject to the abatement provisions set forth in the Facilities Lease and the fair rental value limitations set forth in Section 2.4(c) and the Facilities Lease, unless an unreimbursed Liquidity Advance becomes a Term Loan in accordance with Section 2.4(b), the County promises to pay to the Bank the unpaid principal of each Liquidity Advance no later than the Liquidity Advance Maturity Date therefor. The County also promises to pay to the Bank interest on each Liquidity Advance from the date of incurrence thereof to and including the date such Liquidity Advance is paid in full, at a rate per annum equal to the Liquidity Rate from time to time in effect, payable on the first Business Day of each month, on each date on which such Liquidity Advance is prepaid, on each date on which the Bank Bonds purchased with the proceeds of the Liquidity Drawing evidenced by such Liquidity Advance are remarketed and, unless such unreimbursed Liquidity Advance becomes a Term Loan in accordance with Section 2.4(b), on the Liquidity Advance Maturity Date therefor.

(b) Notwithstanding Section 401(m) of the Indenture, in the event that (i) at 12:00 A.M. on the Liquidity Advance Maturity Date for a Liquidity Advance or (ii) at the time a Liquidity Drawing is honored by the Bank in the case of a Liquidity Drawing that results in the termination of the Letter of Credit, (A) the representations and warranties of the County contained in contained in Article V hereof are correct, (B) no Event of Default has occurred and is continuing, (C) the commitment of the Bank to make Term Loans hereunder shall not have terminated in accordance with Section 8.2(b)(i) and (D) such Liquidity Advance or Liquidity Drawing remains unpaid, the unpaid principal amount of such Liquidity Advance or the amount of the Liquidity Drawing shall be converted into, and the Bank shall be deemed to have extended to the County, a term loan at such time (each such term loan being referred to herein as a "Term Loan") and the Liquidity Advance shall be deemed paid. Subject to the abatement provisions set forth in the Facilities Lease and the fair rental value limitations set forth in Section 2.4(c) and the Facilities Lease, so long as no acceleration of Term Loans has occurred pursuant to Section 8.2(b)(ii), the principal of each Term Loan shall be repaid, in approximately equal semi-annual installments, commencing on the Term Loan Amortization Start Date and shall be repaid on each subsequent Term Loan Amortization Payment Date thereafter, with the last such payment being due and payable on the Term Loan Amortization End Date. The County also promises to pay to the Bank interest on the principal of each unreimbursed Term Loan from the Term Loan Commencement Date therefor until the date such Term Loan is paid in full, at a rate per annum equal to the Term Loan Rate from time to time in effect, payable on the first Business Day of each month and on each Term Loan Amortization End Date therefor.

(c) Subject to the abatement provisions and fair rental value limitations of the Facilities Lease, following the making or deemed making of a Term Loan and for so long thereafter as any such Term Loan shall remain unpaid, the County and the Corporation shall increase the Base Rental payable under the Facilities Lease so that Base Rental for each period shall equal the lesser of (i) the sum of the Fair Rental Value and the Cumulative Excess Base Rental Amount for such period and (ii) the Obligations due in such period together with all other amounts in respect of Bonds that are required to be paid in such period pursuant to the Indenture and any other agreement.

(d) The County and the Corporation agree, at the Bank's written request, to redetermine or cause to be redetermined, the Fair Rental Value at any time and from time to time

during any period in which a Term Loan is outstanding, provided that the County and the Corporation shall not be required to redetermine the Fair Rental Value more than once during any twelve (12) month period. Such redetermination shall be by any method that the Bank may reasonably request, including an appraisal conducted by an appraiser licensed as a "certified general" appraiser by the California Office of Real Estate Appraisers and shall be at the sole expense of the County. Absent a written request of the Bank to redetermine the Fair Rental Value during any period in which a Term Loan is outstanding, neither the County nor the Corporation shall redetermine the Fair Rental Value without the Bank's prior written consent; provided, however, that nothing contained in this Section 2.4(d) shall prevent the County or the Corporation from redetermining the Fair Rental Value in connection with determining the insured value of the Project or in connection with abatement of Base Rental resulting from damage to, or loss of, the Project or a portion thereof. In the event that any such redetermination shall establish that the current Fair Rental Value is greater than the Fair Rental Value previously determined, then the Fair Rental Value shall be increased by the amount of such excess. If the aggregate amount of Facilities Lease Obligations due in any rental period shall exceed the sum of the Fair Rental Value plus Cumulative Excess Base Rental Amount for such rental period, then each Facilities Lease Obligation shall be reduced pro rata based upon the amount of such Facilities Lease Obligation due in such period. Obligations which remain unpaid as a result of any such reduction are hereinafter referred to as "Deferred Obligations". Deferred Obligations shall be deferred until such time as the sum of the Fair Rental Value plus the Cumulative Excess Base Rental Amount for a rental period exceeds the aggregate amount of all Facilities Lease Obligations due in such rental period, whereupon excess rental value shall be applied to reduce Deferred Obligations. The County and the Corporation agree to extend the term of the Facilities Lease in accordance with the terms thereof if, on the stated expiration thereof, Obligations remain owing to the Bank.

(e) If for any reason a Liquidity Advance has not been paid (or deemed paid) in full by the applicable Liquidity Advance Maturity Date or a Term Loan has not been paid in full by the applicable Term Loan Amortization End Date, the County and the Corporation shall as soon as practicable thereafter use its best efforts to cause the Bonds to be converted to bear interest at a fixed interest rate to maturity.

(f) Nothing contained in this Section 2.4 shall result in, or be construed to require, an acceleration of Rental Payments under the Facilities Lease and nothing contained in this Section 2.4 is intended to abrogate abatement of Base Rental in accordance with the terms of the Facilities Lease.

Section 2.5 Prepayments.

(a) The Corporation, the County, the Trustee or the Bond Insurer on any Business Day, upon at least two Business Days' notice to the Bank, may prepay the outstanding amount of any Liquidity Advance or Term Loan, in whole or in part in amounts aggregating \$25,000 and multiples of \$5,000 in excess thereof, with accrued interest to the date of such prepayment on the amount prepaid. In the event the County partially prepays a Term Loan, such prepayment shall be applied to remaining semiannual principal payments in reverse chronological order.

(b) Upon the remarketing of Bank Bonds, the County shall cause the Trustee to deliver to the Bank all proceeds thereof. If any Differential Interest Amount exists with respect to Bank Bonds upon the remarketing thereof, the County shall deliver such Differential Interest Amount to the Trustee on the date such Bank Bonds are to be remarketed. If the Bank receives proceeds from the remarketing of Bank Bonds together with any Differential Interest Amount owing thereon, the Bank shall (i) apply such proceeds and Differential Interest Amount (with interest being paid before principal) to the payment of the principal of, and interest on, the Liquidity Advance or Term Loan, as the case may be, resulting from the Liquidity Drawing the proceeds of which were used to purchase such Bank Bonds and (ii) reinstate the Letter of Credit in accordance with its terms.

Section 2.6 Reimbursement of Drawings. Except as otherwise provided in Section 2.4, the County or the Trustee on behalf of the County shall pay the Bank as reimbursement for each Drawing honored by the Bank a sum equal to the full amount of such Drawing no later than 1:00 p.m. (Los Angeles time) on the date such Drawing is honored.

Section 2.7 Evidence of Obligations. The Bank shall maintain in accordance with its usual practice an account or accounts evidencing the reimbursement obligations of the County resulting from each Drawing made from time to time under the Letter of Credit, the making of Liquidity Advances and Term Loans and the amounts of principal and interest payable and paid from time to time hereunder. Such account or accounts shall be made available to the County during regular business hours upon the reasonable request of the County to the Bank. In any legal action or proceeding in respect of this Agreement, the entries made in such account or accounts shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations of the County therein recorded.

Section 2.8 Security. Subject to the application in accordance with the terms of the Indenture of Base Rental and amounts on deposit in the Credit Facility Payment Account and the Credit Facility Revenue Account (each as used in the Indenture) (collectively, "Trust Amounts"), the Corporation and the County hereby irrevocably grant a lien on and a security interest in, and pledges, Base Rental and Trust Amounts to the Bank (for the benefit of the Bank and any Affiliate of the Bank to whom any Obligation is at any time owed), which lien on, security interest in and pledge of Base Rental and Trust Amounts is on parity with the pledge of Base Rental and Trust Amounts set forth in the Indenture, to secure the timely payment of all Obligations and to secure the performance and observance of all of the covenants, agreements and conditions contained in this Agreement and the Related Documents to which the Bank or any Affiliate thereof is a party. This lien on and security interest in and pledge of Base Rental and Trust Amounts shall constitute a valid pledge of and charge and lien upon Base Rental and Trust Amounts, shall immediately attach and be effective, binding, and enforceable against the Corporation and the County, its respective successors, purchasers of any Base Rental and Trust Amounts; creditors, and all others asserting rights therein to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the lien on, security interest in and pledge of Base Rental and Trust Amounts and without the need for any physical delivery, recordation, filing or further act.

Section 2.9 Limited Recourse Obligations. The Obligations shall not be payable from any income, receipts or revenues of the Corporation and the County other than Base Rental and

Trust Amounts, nor shall the Obligations constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the property or upon any of the income, receipts, or revenues of the Corporation and the County, except Base Rental and Trust Amounts. In the event Base Rental and Trust Amounts are insufficient to pay all Obligations in full, the County will, subject to compliance with applicable debt limitations, consider seeking and utilizing, but shall not be obligated to seek or utilize, additional sources of funds and properties legally available to it in order to reimburse the Bank in full for all unpaid Obligations.

Section 2.10 Bank Bonds.

(a) Bonds purchased by the Bank, or by the Trustee on behalf of the Bank with the proceeds of a Liquidity Drawing shall constitute Bank Bonds and shall, from the date of such purchase and while they are Bank Bonds, bear interest at the Liquidity Rate and/or the Term Loan Rate and have other characteristics of Bonds set forth in the Indenture. Upon purchasing Bank Bonds, the Bank shall be entitled to and, where necessary, shall be deemed assigned all rights and privileges accorded Owners, except to the extent such rights and privileges conflict with this Agreement, in which case the terms of this Agreement shall prevail and govern. Upon purchasing Bank Bonds, the Bank shall be recognized by the Corporation, the County and the Trustee as the true and lawful owner of such Bank Bonds, free from any claims, liens, security interests, equitable interests and other interests of the County, except as such interests might exist under the terms of the Bank Bonds with respect to all Owners.

(b) So long as the Bonds are issued in book-entry form and held by the Trustee as custodian of DTC as part of DTC's fast automated transfer program ("FAST Eligible Bonds"), concurrent with the Trustee's receipt of the purchase price (or portion thereof) for each purchase of Bonds by the Bank hereunder, the Trustee shall, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, make a direct registration electronic book-entry (A) crediting the DTC account designated by the Bank as its account in which to hold Bank Bonds purchased by it (the "Bank Book-Entry Account") by the principal amount of the Bonds purchased hereunder by the Bank using the Bank Bond CUSIP Number; and (B) debiting the book-entry account of DTC for the Bonds (the "DTC Book-Entry Account"), thereby reducing the principal balance of the global certificate representing the Bonds by the principal amount of the Bonds purchased hereunder by the Bank. So long as the Bonds are FAST Eligible Bonds, upon a remarketing of Bank Bonds in accordance with the terms of the Indenture and upon the Trustee's receipt from the Remarketing Agent and/or the County of the proceeds of such remarketing, the Trustee shall, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, make a direct registration electronic book-entry in its records (A) debiting the Bank Book-Entry Account by the principal amount of the Bonds so remarketed; and (B) crediting the DTC Book-Entry Account thereby increasing the principal balance of the global certificate representing the Bonds by the principal amount of the Bonds so remarketed. The Trustee acknowledges that it is familiar with the procedures and requirements set forth in the notice from DTC, dated April 4, 2008, respecting "Variable Rate Demand Obligations ("VRDO") Failed Remarketings and Issuance of Bank Bonds", as amended by DTC Notice number B3488-08, dated May 15, 2008 (as amended, the "DTC Notice") which, as of the date hereof, must be followed in the event that any of the Bonds that are tendered for purchase become Bank Bonds. The Trustee agrees that, if any of the Bonds become Bank Bonds and if the DTC Notice is in effect at such time, at the expense of the

County, the Trustee will follow the DTC procedures set forth in the DTC Notice, including the withdrawal from DTC of any Bonds that have become Bank Bonds and the simultaneous deposit with DTC of the Bank Bonds, as identified by the Bank Bond CUSIP Number, to be held in the Bank Book-Entry Account. The Bank agrees that it shall not request the Trustee to, and the Trustee shall not be required to, deviate from the DTC procedures set forth in the DTC Notice, to the extent that the DTC Notice is in effect. To the extent that, following any amendment of the DTC Notice, the procedures and requirements therein should become inconsistent with any aspect of the provisions in this subsection (b), the Trustee, the County and the Bank shall promptly negotiate in good faith and agree upon amendments of this subsection (b) so as to eliminate such inconsistency.

(c) If the Bonds are no longer FAST Eligible Bonds, concurrent with the Trustee's receipt of the purchase price for each purchase of Bonds by the Bank hereunder, the Trustee shall register each Bank Bond in the name of the Bank and shall cause the Trustee to hold each Bank Bond as the agent, bailee and custodian (in such capacity, the "Custodian") of the Bank for the exclusive benefit of the Bank. The Custodian acknowledges and agrees that it is acting and will act with respect to Bank Bonds at the direction of the Bank for the exclusive benefit of the Bank and that the Custodian is not and shall not at any time be subject in any manner or to any extent to the direction or control of the County, the Corporation or any other Person with respect to Bank Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions delivered to the Custodian from time to time pursuant hereto by the Bank. Under no circumstances shall the County permit the Custodian to deliver possession of Bank Bonds to, or cause Bank Bonds to be registered in the name of, the County, the Corporation, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of this Agreement and the Indenture or otherwise upon the written instructions of the Bank (as long as such instructions are not inconsistent with the Indenture). If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Bank Bonds, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank. Upon the remarketing of any Bank Bonds and the Trustee's receipt from the Remarketing Agent and/or the County of the proceeds of such remarketing, the Custodian shall release Bank Bonds in a principal amount equal to the principal amount of Bonds so remarketed to the Remarketing Agent or the County, as the case may be, in accordance with the terms of the Indenture. The Custodian shall be entitled to rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were grossly negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct. Except as provided above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Bank Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance or take any other action with respect to Bank Bonds, or any interest therein, or any proceeds thereof. The Custodian shall deliver to the Bank at the Bank's request such information as may be in the possession of the Custodian with respect to Bank Bonds. If the Custodian is holding Bank

Bonds, the Custodian shall, at its own expense, to maintain and keep in full force and effect: fidelity insurance; theft of documents insurance; forgery insurance; and errors and omissions insurance (which may be maintained by self-insurance). All such insurance shall be in amounts, with standard coverage and subject to deductibles that are customary for insurance typically maintained by a bank or other financial institution acting as custodian.

ARTICLE III PAYMENT TERMS

Section 3.1 Bank Rights to Payments. The Corporation, or the County, on behalf of the Corporation, shall pay to the Bank the fees, expenses and payments described in the Fee Letter at the times and in the amounts specified in the Fee Letter. Any references to fees, expenses and payments owed to the Bank hereunder without specific reference to the Fee Letter shall be read so as to include the Fee Letter, which is hereby incorporated by reference as if set forth in its entirety.

Section 3.2 Increased Costs and Reduced Return.

(a) If the Bank determines that any Change in Law affecting the Bank or its Parent regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the capital or liquidity of the Bank or its Parent as a consequence of this Agreement, the Fee Letter or the Letter of Credit to a level below that which the Bank or its Parent would have achieved but for such Change in Law (taking into consideration the Bank's policies and the policies of the Parent with respect to capital adequacy), then from time to time, within forty-five (45) days after written demand by the Bank, the County shall pay to the Bank or its Parent, such additional amount or amounts as will compensate the Bank or its Parent for such reduction in the rate of return on the capital or liquidity of the Bank or its Parent.

(b) If any Change in Law:

(i) Shall subject the Bank to any tax, duty, assessment or other charge with respect to the Letter of Credit or the commitment of the Bank to make Liquidity Advances and/or Term Loans, or shall change the basis of taxation of payments to the Bank of reimbursements of Drawings and payments of Liquidity Advances and/or Term Loans or in respect of any other amounts due under this Agreement or the Fee Letter (except for changes in the rate of tax on the overall net income of the Bank); or

(ii) Shall impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, the Bank or shall impose on the Bank or on the United States market for letters of credit any other condition affecting its obligation to issue or maintain the Letter of Credit or the Bank's commitment to make Liquidity Advances and/or Term Loans or in respect of Liquidity Advances and/or Term Loans made by the Bank;

and the result of any of the foregoing is to increase the cost to the Bank of making or maintaining the Letter of Credit or the Bank's commitment to make Liquidity Advances and/or Term Loans or Liquidity Advances and/or Term Loans made by the Bank or to reduce the amount of any sum

received or receivable by the Bank under this Agreement, the Fee Letter or the Letter of Credit, within forty-five (45) days after written demand by the Bank, the County agrees to pay or cause to be paid to the Bank such additional amount or amounts as will compensate the Bank for such increased cost or reduction.

(c) Failure or delay on the part of the Bank or any Participant to demand compensation pursuant to this Section shall not constitute a waiver of the Bank's or such Participant's right to demand such compensation. Notwithstanding anything contained in this Section, the County shall have no liability to the Bank or any Participant or the Bank's or such Participant's parent or holding company for any increased costs, increased capital or reduction in rate of return to the extent incurred by or imposed on the Bank or any Participant or the Bank's or such Participant's parent or holding company more than one hundred eighty (180) days prior to the date the above-described written demand is given to the County with respect thereto (the "Cut-Off Date"), except where such increased costs, increased capital or reduction in rate of return apply to the Bank or Participant or the Bank's or such Participant's parent or holding company retroactively to a date prior to the Cut-Off Date. Each demand for compensation pursuant to this Section shall be accompanied by a certificate of the Bank or such Participant in reasonable detail setting forth the computation of such compensation (including the reason therefor), which certificate shall be conclusive, absent manifest error, as against all other Persons, including the County and the Corporation. In determining any compensation pursuant to this Section, the Bank or such Participant may use reasonable averaging and attribution methods, reasonable estimates, assumptions, allocations and the like that the Bank or such Participant in good faith determines to be appropriate.

(d) The agreements in this Section shall survive the termination of the Letter of Credit and repayment of all of the Obligations.

Section 3.3 Overdue Payments; Default Pricing; Excess Interest.

(a) Overdue principal and overdue interest in respect of each Drawing, each Liquidity Advance, Term Loan and any other overdue amount payable by the County hereunder shall bear interest at a per annum rate equal to the Default Rate. During the continuance of an Event of Default, each Drawing, each Liquidity Advance, Term Loan and any other amount payable by the County hereunder shall bear interest at a rate per annum equal to the Default Rate. Interest shall be calculated on the basis of a year consisting of 365/366 days and actual days elapsed. Interest payable at the Default Rate shall be payable upon demand.

(b) Interest not paid when due pursuant to Section 3.3(a) above, shall, to the extent permitted by law, be compounded on a monthly basis and added to principal.

(c) If the rate of interest payable hereunder shall exceed the Maximum Rate for any period for which interest is payable, then, subject to Section 2.4(c), (i) interest at the Maximum Rate shall be due and payable with respect to such interest period and (ii) interest at the rate equal to the difference between (A) the rate of interest calculated in accordance with the terms hereof and (B) the Maximum Rate (the "Excess Interest"), shall be deferred until such date as the rate of interest calculated in accordance with the terms hereof ceases to exceed the Maximum Rate, at which time the County shall pay to the Bank, with respect to amounts then

payable to the Bank that are required to accrue interest hereunder, such portion of the deferred Excess Interest as will cause the rate of interest then paid to the Bank to equal the Maximum Rate, which payments of deferred Excess Interest shall continue to apply to such unpaid amounts hereunder until all deferred Excess Interest is fully paid to the Bank. Upon the termination of the Letter of Credit and this Agreement, in consideration for the limitation of the rate of interest otherwise payable hereunder, the County shall pay to the Bank a fee equal to the amount of all unpaid deferred Excess Interest.

Section 3.4 Payments.

(a) Method and Place of Payment. Except as otherwise specifically provided herein, all amounts payable under this Agreement shall be made to the Bank not later than 1:00 p.m. Los Angeles time on the date when due and shall be made in Dollars in immediately available funds. Whenever any payment to be made hereunder shall be stated to be due on a day which is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall be payable at the applicable rate during such extension. Amounts received later than 1:00 p.m. Los Angeles time on a Business Day but before the Bank's close of business on such Business Day shall be deemed received on or before 1:00 p.m. Los Angeles time on the next Business Day.

(b) Net Payments. All payments made by the Corporation, or the County on behalf of the Corporation, hereunder and under the Fee Letter shall be made without setoff, counterclaim or other defense. All such payments will be made free and clear of, and without deduction or withholding for, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature now or hereafter imposed by any jurisdiction or by any political subdivision or taxing authority thereof or therein (but excluding, except as provided below, any tax imposed on or measured by the overall net income of the Bank pursuant to the laws of the jurisdiction (or any political subdivision or taxing authority thereof or therein) under which the Bank is organized) and all interest, penalties or similar liabilities with respect thereto (collectively, "Taxes"). If the County shall be required by any law, rule or regulation to deduct any Taxes from or in respect of any sum payable under this Agreement or any Related Document to the Bank, (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section), the Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the County shall make such deductions, (iii) the County shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable laws, rules and regulations and (iv) within forty-five (45) days after the date of such payment, the County shall furnish to the Bank the original or a certified copy of a receipt evidencing payment thereof. The County will to the maximum extent permitted by applicable law indemnify and hold harmless the Bank, and reimburse the Bank upon its written request, for the amount of any Taxes so levied or imposed and paid by the Bank. The agreements in this subsection shall survive the termination of the Letter of Credit and repayment of all of the Obligations.

ARTICLE IV
NATURE OF OBLIGATIONS; INDEMNITY

Section 4.1 Obligations of the County and the Corporation. The obligations of the County and the Corporation under this Agreement shall be primary, absolute, independent, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement, including without limitation the following circumstances:

(a) Any lack of validity or enforceability of the Letter of Credit, the Related Documents or any other agreement or instrument relating to any of the above;

(b) Any amendment or waiver of, or any consent to or departure from, any provision of any of the Related Documents, except for any waiver or consent granted by the Bank;

(c) The existence of any claim, setoff, defense or other rights that the County or the Corporation may have at any time against the Trustee, any beneficiary or transferee of the Letter of Credit (or any Person for whom the Trustee, any such beneficiary or any such transferee may be acting), the Bank or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transaction;

(d) Any breach of contract or other dispute between the Corporation, the County and the Trustee, any beneficiary or transferee of the Letter of Credit (or any Person for whom the Trustee, any such beneficiary or any such transferee may be acting), any Owner, the Bank or any other Person;

(e) Any demand, statement or any other document presented under the Letter of Credit or hereunder proving to have been forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever;

(f) Payment by the Bank under the Letter of Credit against presentation of a draft or certificate which does not comply strictly with the terms of the Letter of Credit;

(g) Any non-application or misapplication by the Trustee, any paying agent or the tender agent or otherwise of the proceeds of any Drawing; or

(h) The failure by the Bank to honor any Drawing under the Letter of Credit or to make any payment demanded under the Letter of Credit on the grounds that the demand for such payment does not conform strictly to the terms and conditions of the Letter of Credit.

Section 4.2 Indemnification.

(a) To the maximum extent permitted by applicable law, the County agrees to indemnify, save and hold harmless each Bank-Related Person from and against: (i) any and all claims, demands, actions or causes of action that (x) are asserted against any Bank-Related Person by any Person relating directly or indirectly to a claim, demand, action or cause of action that such Person asserts or may assert against the Corporation or the County or any of their elected or appointed officials, directors, officers or employees or any plant, property or

equipment of the County or the Corporation; and/or (y) may at any time (including at any time following repayment of the Obligations) be asserted or imposed against any Bank-Related Person arising out of or relating to this Agreement or any Related Agreement, the use or contemplated use of the proceeds of any Drawing, any Liquidity Advance, any Term Loan or the relationship of the County, the Corporation and the Bank under this Agreement or any Related Document; (ii) any investigative, administrative or judicial proceeding by any Governmental Authority arising out of or related to a claim, demand, action or cause of action described in subsection (i) above; and (iii) any and all liabilities (including liabilities under indemnities), losses, costs or expenses (including attorney costs) that any Bank-Related Person suffers or incurs as a result of the assertion of any foregoing claim, demand, action, cause of action or proceeding, or as a result of the preparation of any defense in connection with any foregoing claim, demand, action, cause of action or proceeding, in all cases, and whether or not a Bank-Related Person is a party to such claim, demand, action, cause of action or proceeding; provided that no Bank-Related Person shall be entitled to indemnification for any claim determined by a final decision of a court of competent jurisdiction to have been caused by such Bank-Related Person's own gross negligence or willful misconduct or for any loss asserted against it by another Bank-Related Person. The agreements in this subsection shall survive the termination of the Letter of Credit and repayment of all of the Obligations.

(b) To the maximum extent permitted by applicable law, the County shall also indemnify and hold harmless the Bank from any transfer taxes, documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement and the Related Documents or the issuance of the Letter of Credit. The agreements in this subsection shall survive the termination of the Letter of Credit and repayment of all of the Obligations.

Section 4.3 Obligations and Liability of the Bank.

(a) Except as provided in this Agreement, the Bank shall not be obligated to issue any further credits, to cure any defaults under any Related Document or otherwise, or in any other manner to extend any financial consideration or accommodation to the County or the Corporation.

(b) The Bank shall not be deemed to have waived or released any of its rights or remedies (whether specified in or arising under this Agreement or otherwise available to it by law or agreement) unless the Bank shall have signed a written waiver or release. Delay or failure to act on the Bank's part shall not constitute a waiver of or otherwise preclude enforcement of any of their rights and remedies. All of the Bank's rights and remedies shall be cumulative and may be exercised separately or concurrently. The Bank need not resort to any particular right or remedy before exercising or enforcing any other, and the Bank's resort to any right or remedy shall not preclude the exercise or enforcement of any other right or remedy.

(c) Neither the Bank nor any of its officers, directors, employees or agents shall be liable for or responsible for any acts or omissions of the Trustee, any transferee of the Letter of Credit, the Remarketing Agent, any paying agent or tender agent for the Bonds with respect to its use of the Letter of Credit and the application of proceeds drawn thereunder.

Neither the Bank nor any of its officers, directors, employees or agents shall be liable or responsible for:

(i) The use that may be made of the Letter of Credit or for any acts or omissions of the Trustee or any transferee of the Letter of Credit in connection therewith;

(ii) The form, validity, sufficiency, accuracy or genuineness of documents, or of any endorsements thereon, even if such documents should prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged, so long as the Bank was not grossly negligent or guilty of willful misconduct as determined by a court of competent jurisdiction;

(iii) Payment by the Bank against presentation of documents that do not comply strictly with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit;

(iv) The validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign the Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;

(v) Errors, omissions, interruptions or delays in transmission or delivery of any messages by telex, mail, cable, telegraph, facsimile or otherwise, whether or not they have been in cipher, including any Drawings under the Letter of Credit;

(vi) Errors in interpretation of technical terms; or

(vii) Any consequences arising from causes beyond the control of the Bank, including, without limitation, any Government Acts;

provided that, notwithstanding anything in the preceding clauses (i) through (vii) to the contrary, the County and the Corporation shall have a claim against the Bank, and the Bank shall be liable to the County and the Corporation, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the County and/or the Corporation that the County and/or the Corporation, as the case may be, proves were caused by (A) the Bank's failure to pay under the Letter of Credit after the presentation to it by the Trustee of a sight draft and certificate strictly complying with the terms and conditions of the Letter of Credit or (B) the Bank's willful or grossly negligent payment under the Letter of Credit as determined by a court of competent jurisdiction.

In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

ARTICLE V REPRESENTATIONS AND WARRANTIES OF COUNTY

The County represents and warrants as follows:

Section 5.1 Existence and Power. The County is a political subdivision of the State organized, and existing under and by virtue of the constitution and laws of the State, and is possessed of full powers to own and lease (as lessor and lessee) real and personal property, to conduct its business as presently conducted and to enter into contracts such as this Agreement and the County Related Documents, which powers have been validly exercised in connection with the transactions effected by this Agreement and the County Related Documents.

Section 5.2 Authorization; Contravention; Approvals. The execution, delivery and performance by the County of this Agreement and the County Related Documents and the other documents contemplated hereby and thereby are within the powers of the County, have been duly authorized by all necessary actions and (i) do not contravene any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction binding on or affecting the County and (ii) except as provided in or contemplated by this Agreement and the County Related Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of the County. The County is not in violation of or in default in any material respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award that would prevent or is reasonably likely to prevent the County from performing its obligations under this Agreement or/the County Related Documents. The County is not in violation of or in default in any material respect under any indenture, agreement, lease, instrument or other contractual restriction or the County Related Documents that would prevent or is reasonably likely to prevent the County from performing its obligations under this Agreement or/the County Related Documents. No Default or Event of Default has occurred and is continuing. All orders, consents and other authorizations or approvals of all Governmental Authorities and all other Persons have been obtained (and no additional authorization, approval or other action by, and no notice to or filing or registration with, any Governmental Authority is required to be made or obtained by the County) for the due execution, delivery and performance by the County of this Agreement and the County Related Documents.

Section 5.3 Enforceability. This Agreement and the County Related Documents are legally valid and binding obligations of the County enforceable against the County in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally; (ii) general principles of equity; and (iii) the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against counties in the State.

Section 5.4 Litigation. Except as disclosed in the Remarketing Memorandum, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, regulatory body, administrative tribunal or arbitrator pending or, to the best knowledge of the County, threatened, against or directly involving the County, affecting the existence of the County, the title of any officials to their respective offices, the Leased Premises or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any County Related Document, or in any way contesting or affecting the validity or enforceability of the Bonds, this Agreement, any County Related Document or contesting the tax-exempt status of the Bonds, or contesting in any way the completeness or accuracy of the Remarketing Memorandum or any supplements or amendments thereto, or contesting the powers of the County or any

authority for the issuance of the Bonds, the execution and delivery of this Agreement or the County Related Documents, nor, to the best, knowledge of the County, is there any basis therefor, which, if determined adversely to the County (i) would adversely affect the validity or enforceability of, or the authority or ability of the County to perform its obligations under, this Agreement or any County Related Documents, (ii) would, in the reasonable opinion of the County, have a material adverse effect on the business, financial position or results of operations of the County or (iii) would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of such interest from State personal income taxes.

Section 5.5 Financial Information.

(a) The audited financial statements of the County included in the 2012 CAFR, true and correct copies of which have heretofore been delivered or made available to the Bank, fairly present, in conformity with generally accepted accounting principles the financial position of the County and its results of operations and changes in financial position at the dates and for the periods indicated.

(b) Except as set forth in the Remarketing Memorandum, since June 30, 2012, there has been no material adverse change in the business, financial position or results of operations of the County.

(c) Except (i) as reflected in the financial statements included in the 2012 CAFR, (ii) as set forth in the Remarketing Memorandum and (iii) for the County's obligations set forth in this Agreement and the County Related Documents, there are as of the date hereof no liabilities or obligations with respect to the County of any nature whatsoever (whether absolute, accrued, contingent or otherwise and whether or not due) which individually or in the aggregate would be material to the County. The County does not know of any basis for the assertion against the County of any liability or obligation of any nature whatsoever that is not fully reflected in the financial statements included in the 2012 CAFR which, in the aggregate, could be material to the County.

Section 5.6 Disclosure. No written information furnished by the County to the Bank in connection with this Agreement (except information which has been superseded by subsequent information provided by the County and except for financial statements of the County) includes any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made in such information and all other written information delivered by the County, when taken together and in light of the circumstances in which they were made, not misleading in any material respect. Except for information contained in the Remarketing Memorandum under the headings ["THE LETTER OF CREDIT AND THE REIMBURSEMENT AGREEMENT"], ["THE BANK"] and ["BOND INSURANCE"], as to which no representation is made, the Remarketing Memorandum is, and any supplement or amendment to the Remarketing Memorandum shall be, accurate in all materials respects for the purpose for which its use is, was or shall be, authorized; and except for information contained in the Remarketing Memorandum under the previously mentioned captions, as to which no representation is made, the Remarketing Memorandum does not, and any such supplement or amendment will not, contain any untrue statement of a material fact or omit to state any material

fact necessary to make the statements made therein, in the light of the circumstances under which they are or were made, not misleading.

Section 5.7 Compliance With Laws. Except as disclosed in the Remarketing Memorandum, the County is in compliance with all applicable laws, including all consents, licenses, permits, orders, decrees, approvals, authorizations, registrations and filings required by any Governmental Authority having proper jurisdiction over the County, the noncompliance with which could reasonably be expected to have a material adverse effect on the assets, financial condition, the Leased Premises, business or operations of the County or its ability of the County to perform its obligations under the County Related Documents.

Section 5.8 Environmental Matters. The County has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, in each case relating to the Leased Premises, which non-compliance or remedial action could have a material adverse effect on the assets, financial condition, the Leased Premises, business or operations of the County or its ability of the County to perform its obligations under the County Related Documents.

Section 5.9 Regulations U and X. The County is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System); and no proceeds of any Bonds or Drawings will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

Section 5.10 Tax-Exempt Status. The County has not taken any action or omitted to take any action, and knows of no action taken or omitted to be taken by any other Person, which action, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes or the exemption of such interest from State personal income taxes.

Section 5.11 Security. The Indenture creates a valid security interest in the funds and accounts created under the Indenture and the moneys, including, without limitation, Base Rental on deposit therein, as security for the punctual payment of the interest and principal due with respect to the Bonds and all Obligations. All action necessary to create a first and exclusive lien on such funds and accounts and on moneys on deposit therein, including Base Rental, have been duly and validly taken. Once appropriated for a rental period, Rental Payments for such rental period are payable by the County from its general fund.

Section 5.12 Rental Payments. The Assignment Agreement validly assigns to the Trustee all of the rights of the Corporation to receive Base Rental as security for (a) the punctual payment of interest and principal due with respect to the Bonds and (b) to reimburse any Credit Facility Provider (as defined in the Indenture) for payment in respect of the punctual payment of interest and principal due with respect to the Bonds. All actions necessary to create a first and exclusive right to Base Rental have been duly and validly taken.

Section 5.13 Fair Rental Value. The total principal component of Base Rental due under the Facilities Lease and the total amount due with respect to all bonds, certificates of participation or any other obligation supported by or based on the fair rental value of the Leased Premises do not exceed the current or projected fair rental value of the Leased Premises and the total principal and interest due with respect to the Bonds and the Obligations do not exceed the total Base Rental due under the Facilities Lease.

Section 5.14 Title. The County has good and insurable fee title to the Leased Premises. Each item of Leased Premises is an essential asset of the County necessary to serve the needs of the County. The County believes that at all times while any Rental Payments or any obligation of the County hereunder remains unpaid, each item of the Leased Premises will remain an essential asset of the County.

Section 5.15 Constitutional Matters. There is no amendment, or, to the best knowledge of the County, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation which has passed either house of the State legislature or is under consideration by any conference or similar committee, or any published judicial or administrative decision interpreting any of the foregoing, and no action has been passed the Board of Supervisors of the County, the effect of which could reasonably be expected to materially adversely affect the Leased Premises, the Bonds, any holder thereof in its capacity as such, this Agreement, the Rental Payments or the ability of the County to make Rental Payments.

Section 5.16 No Sovereign Immunity. The County is subject to civil and commercial law in respect of its obligations under this Agreement and the County Related Documents. The County does not enjoy any right of immunity in respect of such obligations on the grounds of immunity (sovereign or otherwise) from jurisdiction in any court or from setoff or any legal process.

Section 5.17 No Usury. The obligations of the County under this Agreement are not subject to any law, rule or regulation of the State prescribing a maximum rate of interest.

Section 5.18 Solvency. The County is able to pay its debts and satisfy its liabilities as they come due, is solvent and has not made any assignment for the benefit of creditors.

Section 5.19 Incorporation of Representations and Warranties by Reference. The County hereby makes every representation and warranty made by it in any County Related Document, which representations and warranties, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated herein by this reference with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to any such County Related Document and no termination or replacement of any such County Related Document shall be effective to amend, terminate or replace such representations and warranties or defined terms as incorporated by reference therein without the prior written consent of the Bank.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CORPORATION

The Corporation represents, warrants and covenants as follows:

Section 6.1 Existence and Power. The Corporation is a nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State, and is possessed of full powers to own and lease (as lessor and lessee) real and personal property, to conduct its business as presently conducted and to enter into contracts such as this Agreement and the Corporation Related Documents, which powers have been validly exercised in connection with the transactions effected by this Agreement and the Corporation Related Documents.

Section 6.2 Authorization; Contravention; Approvals. The execution, delivery and performance by the Corporation of this Agreement and the Corporation Related Documents and the other documents contemplated hereby and thereby are within the powers of the Corporation, have been duly authorized by all necessary actions and (i) do not contravene the articles of incorporation or bylaws of the Corporation or any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction binding on or affecting the Corporation and (ii) except as provided in or contemplated by this Agreement and the Corporation Related Documents, do not result in or require the creation of any Lien, security interest or other charge or encumbrance upon or with respect to any asset of the Corporation. The Corporation is not in violation of or in default in any respect under any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award or any indenture, agreement, lease, instrument or other contractual restriction or the Corporation Related Documents. All orders, consents and other authorizations or approvals of all Governmental Authorities and all other Persons have been obtained (and no additional authorization, approval or other action by, and no notice to or filing or registration with, any Governmental Authority is required to be made or obtained by the Corporation) for the due execution, delivery and performance by the Corporation of this Agreement and the Corporation Related Documents.

Section 6.3 Enforceability. This Agreement and the Corporation Related Documents, and other documents contemplated hereby and thereby to which the Corporation is a party or by which it is bound are legally valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by general principles of equity.

Section 6.4 Litigation. Except as disclosed in the Remarketing Memorandum, there are no actions, suits, proceedings, inquiries or investigations, at law or in equity, before any court, regulatory body, administrative tribunal or arbitrator pending or, to the best knowledge of the Corporation, threatened, against or directly involving the Corporation, affecting the existence of the Corporation, the title of any officials to their respective offices, the Leased Premises or affecting or seeking to prohibit, restrain or enjoin the execution or delivery of this Agreement or any Corporation Related Document, or in any way contesting or affecting the validity or enforceability of the Bonds, this Agreement, any Corporation Related Document or contesting

the tax-exempt status of the Bonds, or contesting in any way the completeness or accuracy of the Remarketing Memorandum or any supplements or amendments thereto, or contesting the powers of the Corporation or any authority for the issuance of the Bonds, the execution and delivery of this Agreement or the Corporation Related Documents, nor, to the best, knowledge of the Corporation, is there any basis therefor, which, if determined adversely to the Corporation would adversely affect the validity or enforceability of, or the authority or ability of the Corporation to perform its obligations under, this Agreement or any Corporation Related Documents.

Section 6.5 Rental Payments. The Assignment Agreement validly assigns to the Trustee all of the rights of the Corporation to receive Base Rental as security for (a) the punctual payment of interest and principal due with respect to the Bonds and (b) to reimburse any Credit Facility Provider (as defined in the Indenture) for payment in respect of the punctual payment of interest and principal due with respect to the Bonds. All actions necessary to create a first and exclusive right to Base Rental have been duly and validly taken. The Corporation acknowledges and agrees that all payments (including principal and interest) due hereunder in respect of Bank Bonds, Liquidity Advances and Term Loans shall be payable from Base Rental and all other Obligations shall constitute costs and expenses of the Corporation payable as Additional Rental.

Section 6.6 No Sovereign Immunity. The Corporation is subject to civil and commercial law in respect of its obligations under this Agreement and the Corporation Related Documents. The Corporation does not enjoy any right of immunity in respect of such obligations on the grounds of immunity (sovereign or otherwise) from jurisdiction in any court or from setoff or any legal process. To the extent that the Corporation has, or hereafter may acquire under any applicable law, any right to immunity from set-off or legal proceedings, on the grounds of governmental immunity, the Corporation hereby irrevocably waives, to the full extent permitted by law, such rights to immunity for itself in respect of any contract claims arising under or related to this Agreement or any Corporation Related Document. It is specifically understood and agreed that nothing contained in this Agreement shall be construed as an express or implied waiver by the Corporation of its governmental immunity or the governmental immunity of the State with respect to actions which lie in tort or could lie in tort.

Section 6.7 Books and Records; Inspections. The Corporation will keep proper books of record and account in which full and correct entries shall be made of assets and liabilities, financial transactions and business of the Corporation in conformity with generally accepted accounting principles. The Corporation will upon reasonable notice permit any Person designated by the Bank in writing to examine the books and financial records, if any, of the Corporation and make copies thereof or extracts therefrom.

Section 6.8 Maintain Existence. The Corporation will preserve and maintain its existence, rights and franchises as a nonprofit public benefit corporation duly organized and existing under the laws of the State and will not merge or combine with any other Person.

Section 6.9 Compliance with Laws. The Corporation will comply with the requirements of all laws, rules, regulations and orders of any Governmental Authority having jurisdiction over the Corporation, noncompliance with which would materially adversely affect the ability of the Corporation to perform its obligations under this Agreement and the Corporation Related Documents.

Section 6.10 Compliance with Agreements. The Corporation will observe and perform all of its obligations under this Agreement and the Corporation Related Documents.

Section 6.11 Encumbrances. The Corporation will not create, or permit the creation of, any encumbrance against or affecting Rental Payments.

Section 6.12 Termination of Agreements. The Corporation will not, so long as any of the Obligations hereunder or the Bank Bonds remain unpaid, terminate (or attempt to terminate) the Bond Insurance Policy, the Assignment Agreement, the Site Lease, the Facilities Lease or the Indenture.

Section 6.13 Remedies Under the Facilities Lease. The Corporation will not seek, and will not permit the Trustee, to exercise any remedies under the Facilities Lease, including termination of the Facilities Lease, without the prior written consent of the Bank and the Bond Insurer.

Section 6.14 Abandonment. The Corporation will not consent to the abandonment, vacation or closure of the Leased Premises by the County or any significant portion thereof.

Section 6.15 Substitution; Transfer. The Corporation will not substitute (or agree to the substitution by the County of) other land or facilities for the Leased Premises or any portion thereof or release or transfer (or agree to the release or transfer by the County of) any portion of the Leased Premises, in each case, without the prior written consent of the Bank and the Bond Insurer.

Section 6.16 Incorporation of Representations, Warranties and Covenants by Reference. The Corporation hereby makes every representation, warranty and covenant made by it in any Corporation Related Document, which representations, warranties and covenants, as well as the defined terms contained therein that are necessary for a correct interpretation thereof, are incorporated herein by this reference with the same effect as if each and every such provision and defined term were set forth herein in its entirety. No amendment to such representations, warranties, covenants or defined terms made pursuant to any such Corporation Related Document and no termination or replacement of any such Corporation Related Document shall be effective to amend, terminate or replace such representations, warranties and covenants or defined terms as incorporated by reference therein without the prior written consent of the Bank.

ARTICLE VII COVENANTS

Until the Letter of Credit has terminated on accordance with its terms and all Obligations of the County shall have been paid and performed in full, unless the Bank shall otherwise consent in writing, the County and the Corporation, to the extent applicable, agree that:

Section 7.1 Reports and Other Information. The County will furnish, or cause to be furnished, at the County's expense to the Bank:

(a) As soon as possible and in any event within five (5) Business Days after the occurrence of any Event of Default, a statement of the Authorized Officer setting forth details of such Event of Default and the action that the County proposes to take with respect thereto;

(b) As soon as available and in any event within 270 days after the end of each Fiscal Year of the County (commencing with the Fiscal Year ended June 30, 2013), a copy of the comprehensive annual financial report of the County for such year. Each comprehensive annual financial report of the County delivered pursuant to this Section 7.1(b) shall include a statement of net assets of the County as at the end of the applicable Fiscal Year, a balance sheet of governmental funds of the County as at the end of the applicable Fiscal Year, a statement of activities for the applicable Fiscal Year and a statement of revenues, expenditures and changes in fund balances of governmental funds for the applicable Fiscal Year, all in reasonable detail and reported on by a firm of nationally recognized independent certified public accountants, and the report of such firm of independent certified public accountants shall state, without qualification, that such financial statements present fairly the financial position of the County and its governmental funds as of the end of the applicable Fiscal Year, the results of operations, and the changes in fund balances of the County for the applicable Fiscal Year then ended in conformity with generally accepted accounting principles;

(c) Simultaneously with the delivery of each set of financial statements referred to in clause (b) above, a certificate of an Authorized Officer stating whether there exists on the date of such certificate any Event of Default or Default and, if any Event of Default or Default then exists, setting forth the details thereof and the action that the County is taking or proposes to take with respect thereto;

(d) As soon as practicable and in any event within ten (10) Business Days after the County obtains actual knowledge of: (i) any litigation, arbitration or governmental proceeding pending against the County that challenges the County's ability to perform its obligations under this Agreement and/or the County Related Documents; (ii) any change in law or the interpretation thereof, which change materially adversely affects the County's ability to perform its obligations under this Agreement and/or the County Related Documents; (iii) any other event or condition causing a material adverse change in the County's ability to perform its obligations under this Agreement and/or the County Related Documents; or (iv) the destruction of any Leased Premises or any material damage to any such property that is not fully covered by casualty insurance, in each case a statement of the Authorized Officer of the County setting forth details describing the same and the steps being taken with thereto;

(e) As soon as available, and in any event within ten (10) Business Days following the adoption of the annual budget by the County, a certificate of an Authorized Officer confirming that the annual budget of the County has been duly adopted by the County and that such budget includes amounts estimated to be sufficient to pay all Rental Payments under the Facilities Lease during the next Fiscal Year;

(f) Promptly following its receipt thereof, a copy of any non-routine notice, certification, demand or other non-routine writing or communication from the Trustee or the Remarketing Agent or the Bond Insurer under or in connection with the Bonds or any of the other Related Documents;

(g) Promptly, notice of any event or circumstance which could permit the abatement in Base Rental due under the Facilities Lease;

(h) As soon as practicable, notice of any change in, or the withdrawal or suspension of, any Rating;

(i) As soon as available, copies of correspondence sent by the Securities and Exchange Commission or the Internal Revenue Service regarding the Bonds or any other general fund Debt of the County which could reasonably be expected to have an adverse effect upon the performance of the Obligations of the County under this Agreement or the County Related Documents;

(j) As soon as practicable but, in any event, within ten (10) Business Days after the adoption thereof any amendment, supplement or other modification to the Indenture, any County Related Documents and the Remarketing Memorandum, together with a copy of each such amendment, supplement or modification;

(k) From time to time, such additional information (including, without limitation, management letters) regarding the financial position, results of operations, business or prospects of the County as the Bank may reasonably request.

As and to the extent that the requirements described above can be satisfied by the posting of same on EMMA, the County and the Corporation shall be deemed to have satisfied the reporting requirements set forth above as long as posting occurs within the applicable time frame described above. The County shall use best efforts to notify the Bank of each such posting; provided, however, that the failure of the County to so notify the Bank shall not result in an Event of Default.

Section 7.2 Books and Records; Inspections. The County will keep proper books of record and account in which full and correct entries shall be made of assets and liabilities, financial transactions and business of the County in conformity with generally accepted accounting principles. Unless required or permitted to do so by applicable law or generally accepted accounting principles, the County shall not modify or amend its accounting standards from those employed by the County on the Date of Issuance. The County will upon reasonable notice permit any Person designated by the Bank in writing to visit any of the properties of the County, including the Leased Premises, and to examine the books and financial records of the County and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the County with the principal officers of the County all at such reasonable times and as often as the Bank may reasonably request.

Section 7.3 Maintain Existence. The County will preserve and maintain its existence, rights and franchises as a county duly organized and existing under the laws of the State and will not merge, combine or consolidate with any other Person.

Section 7.4 Compliance with Laws. The County will comply with the requirements of all laws, rules, regulations and orders of any Governmental Authority having jurisdiction over the County, noncompliance with which would materially adversely affect the ability of the County to perform its obligations under this Agreement and the County Related Documents.

Section 7.5 Taxes and Liabilities. The County shall pay all its indebtedness and obligations promptly and in accordance with their terms and pay and discharge or cause to be paid and discharged promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income and profits, or upon any of its property, or upon any part thereof, before the same shall become in default, except those indebtednesses, obligations, taxes, assessments or governmental charges or levies which the County shall in good faith contest by proper legal proceedings if the County shall in all such cases have set aside on its books adequate reserves with respect thereto.

Section 7.6 Compliance with Agreements. The County will observe and perform all of its obligations under this Agreement and the County Related Documents.

Section 7.7 Investments. The County shall at all times comply with the provisions of Sections 5922(d), 53601 and 53635 of the California Government Code and its investment policy.

Section 7.8 Maintenance of Leased Premises. The County will maintain, preserve and keep the Leased Premises in good repair, working order and condition (ordinary wear and tear excepted) and will from time to time make all needful and proper repairs, renewals, replacements, additions and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained.

Section 7.9 Insurance. The County will, and will cause the Corporation to, insure and keep insured the Leased Premises in accordance with the terms of the Facilities Lease.

Section 7.10 Environmental Laws. The County will, and will cause the Corporation to, comply in all material respects with the requirements of all federal, state and local environmental and health and safety laws, rules, regulations and orders applicable to or pertaining to the Leased Premises.

Section 7.11 Appropriation. The County covenants to take such action as may be necessary to include all Base Rental due under the Facilities Lease in its annual budgets and to make necessary annual appropriations for all Base Rental in accordance with the Facilities Lease. In addition, the County covenants to take such action as may be necessary to amend or supplement the budget appropriations for payments under the Facilities Lease and hereunder at any time and from time to time during any fiscal year in the event that the actual Base Rental paid in any fiscal year exceeds the pro rata portion of the appropriations then contained in the County's budget. The covenants on the part of the County contained herein shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in the Facilities Lease and in this Section 7.9 agreed to be carried out and performed by the County.

Section 7.12 Encumbrances. The County will not, and shall not permit the Corporation to, create, or permit the creation of, any encumbrance against or affecting the Base Rental other

than as set forth in the Indenture. The County shall defend and keep the Leased Premises free and clear of all Liens other than those permitted by the Facilities Lease.

Section 7.13 Rent Abatement. Except as provided in the Facilities Lease, the County will not seek or assert a claim for rent abatement under the terms of the Facilities Lease.

Section 7.14 Termination of Agreements. The County will not, and shall not permit the Corporation to, so long as any of the Obligations hereunder or the Bank Bonds remain unpaid, terminate the Site Lease, the Facilities Lease or the Indenture.

Section 7.15 Completion of Project; Abandonment. The County will not abandon, vacate or close the Leased Premises or any significant portion thereof.

Section 7.16 Substitution; Transfer. The County will not, and shall not permit the Corporation to, substitute other land or facilities for the Leased Premises or any portion thereof or transfer the Leased Premises, in each case, in each case, without the prior written consent of the Bank and the Bond Insurer.

Section 7.17 County Related Documents. The County will not amend, supplement or otherwise modify, or agree to the amendment, modification or termination of, any of the County Related Documents if such action could reasonably be expected to materially adversely affect the County's ability to perform its obligations under this Agreement and the County Related Documents or materially adversely affect the business, financial position or results of operations of the County.

Section 7.18 Additional Series of Bonds. The County will not, and shall not permit the Corporation to, enter into any supplement to the Facilities Lease that creates an additional series of Bonds without the prior written consent of the Bank unless such supplement is entered into solely in connection with the execution and delivery of Refunding Bonds.

Section 7.19 Swap Termination Payments. The County shall not enter into, and shall not permit the Corporation to enter into, any interest rate swap agreement or other interest rate hedging arrangement with respect to Outstanding Bonds or Refunding Bonds the termination payments of which are payable from Base Rental on parity with, or senior to, the principal and interest components of the Bonds or the principal of and interest on any Liquidity Advance or Term Loan.

Section 7.20 Restriction on Incorporation of Favorable Provisions in Other Bank Agreements. The County shall use its best efforts not to enter into any Bank Agreement or any amendment, modification or supplement thereto that contains a Most Favored Nations Provision. Notwithstanding the preceding sentence, should the County enter into a Bank Agreement which includes a Most Favored Nations Provision, this Agreement shall automatically be deemed to include a Most Favored Nations Provision as nearly identical as the context reasonably allows to the Most Favored Nations Provision in such Bank Agreement, which deemed inclusion shall occur immediately prior to the execution and delivery of such Bank Agreement. The County shall not enter into any Bank Agreement or any amendment, modification or supplement thereto which contains a "term-out" or "bullet" payment provision or mandatory redemption schedule that requires the payment or redemption of Debt of the County (i) in less than four (4) years, (ii)

in installments more frequent than semi-annual installments and/or (iii) in a single payment or in installment payments other than equal installments of principal or level payments of principal and interest over the amortization period ("Improved Payment Terms") without first offering to amend this Agreement to provide for Improved Payment Terms and, if the consent of any Person other than the Bank is required in order to amend this Agreement to include Improved Payment Terms, securing the consent of such Person.

Section 7.21 Trustee and Remarketing Agent. The County will not, and shall not permit the Corporation to, appoint or consent to the appointment of a successor Trustee without the prior written consent of the Bank, which consent will not be unreasonably withheld. If a new Trustee is appointed, the County shall cause the new Trustee to acknowledge in writing its acceptance of its duties and obligations under Section 2.10 hereof. The County will not permit the Remarketing Agent to remarket any Bonds (i) if an Event of Default shall have occurred and be continuing and the Bank shall have instructed the County not to permit the remarketing of such Bonds, or (ii) at a price less than the principal amount thereof plus accrued interest, if any, thereon to the respective dates of remarketing. The County shall not remove the Remarketing Agent or appoint any successor thereto without the prior written consent of the Bank. If the Remarketing Agent fails to make efforts as required under the Remarketing Agreement to perform its duties under, and in accordance with the terms of, the Remarketing Agreement or if the Remarketing Agent fails to remarket Bank Bonds for thirty (30) consecutive calendar days, the County shall, at the written direction of the Bank, remove or cause the Corporation to remove the Remarketing Agent. If the Remarketing Agent is removed or resigns, the County shall, and shall cause the Corporation to, appoint a successor thereto in accordance with the terms of the Indenture and with the prior written consent of the Bank. Such appointment shall be made as soon as practicable and, in the case of resignation, no later than the resignation effective date. The County shall not, and shall not permit the Corporation to, enter into any Remarketing Agreement unless such Remarketing Agreement contains the following: (i) an agreement on the part of the Remarketing Agent to use its best efforts to remarket Bonds, including Bank Bonds, at rates up to and including the Maximum Rate; and (ii) a provision that requires that the Remarketing Agent's resignation shall not become effective until thirty (30) day's following the Remarketing Agent's delivery of written notice to the County, the Corporation and the Bank and, if the County and the Corporation have not appointed a successor Remarketing Agent by the end of such thirty (30) day notice period but continues to pay remarketing fees to the Remarketing Agent, the Remarketing Agent's resignation shall not become effective until the earlier of (A) the date on which a successor Remarketing Agent is appointed and (B) thirty (30) days from the expiration of such initial thirty (30) day notice period. Without limiting the preceding sentence, the County will not, and will not permit the Corporation to, enter into any successor Remarketing Agreement without the prior written consent of the Bank, which consent shall not be unreasonably withheld, unless such successor Remarketing Agreement contains provisions that are substantially the same as those contained in, and affords protection to the rights and interests of the Bank that is substantially the same as that afforded by, the predecessor Remarketing Agreement.

Section 7.22 Alternate Letter of Credit. The Corporation and the County agree that any termination of the Letter of Credit in whole or in part as a result of the provision of an Alternate Letter of Credit, the prepayment or defeasance of the Bonds or conversion of the interest rate mode of the Bonds to a mode not supported by the Letter of Credit will require, as a condition

thereto, that the Corporation and the County (or, in the case of the substitution of the Letter of Credit with an Alternate Letter of Credit, the issuer of the Alternate Letter of Credit) will provide funds on the date of such termination, which funds will be sufficient to pay in full at the time of termination of the Letter of Credit all Obligations due to the Bank hereunder.

Section 7.23 Best Efforts. Notwithstanding Section 401(m) of the Indenture, in the event (a) the Corporation and the County do not request an extension of the Availability Period prior to the then current Stated Expiration Date; or (b) the Bank denies or fails to respond to a request to extend the Availability Period; the Corporation and the County shall use their best efforts to secure an Alternate Letter of Credit for the Bonds, convert the Bonds to a mode of interest that does not require credit enhancement, prepay the Bonds or defease the Bonds, in any case prior to the expiration of the Letter of Credit.

Section 7.24 Return of Letter of Credit. The County shall, upon the occurrence of the Termination Date, cause the Trustee to surrender forthwith the Letter of Credit to the Bank for cancellation.

Section 7.25 Optional Redemption. The County will not, and will not permit the Corporation or Trustee to, mail a redemption notice in respect of a Bond that is to be optionally redeemed from the proceeds of a Drawing unless (i) all funds required to reimburse the Bank for such Drawing are on deposit with the Trustee on the mailing date, (ii) the Bank is satisfied that funds required to reimburse the Bank for such Drawing will be on deposit with the Trustee on the date such Drawing is to be made, (iii) such Bond is to be redeemed with the proceeds of Refunding Bonds for which the County shall have a firm commitment to purchase from an underwriter or other purchaser, or (iv) the optional redemption of such Bond is expressly conditioned on moneys sufficient to pay the redemption price thereof being available on the redemption date in the Redemption Account under the Indenture, and the notice of such redemption includes such condition, all as provided in Section 608 of the Indenture. In addition, the County will not permit, nor cause the optional prepayment of, any Bond (other than Bank Bonds) prior to the prepayment of Bank Bonds and paying all amounts then due and payable to the Bank hereunder and under the Indenture.

Section 7.26 Remarketing Memorandum. The County shall not change any reference to the Bank in the Remarketing Memorandum without the Bank's prior written consent thereto.

Section 7.27 Use of Proceeds; Regulation U and X. The County will use the proceeds of the Bonds solely as provided for in the Indenture. The County shall ensure that the proceeds of Drawings are used solely to pay the principal and interest components, the prepayment price and the purchase price of the Bonds provided that the Bonds are not insured or guaranteed by a financial guaranty. The County will not permit any proceeds from any Drawing to be used for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System).

Section 7.28 Ranking of Obligations. The County shall not take any action that would result in the Obligations not ranking at least *pari passu* in right of payment with all obligations of the Corporation and the County to the other creditors that are payable from general fund revenues.

Section 7.29 Maintenance of Tax-Exempt Status of the Bonds. The County will not take any action or omit to take any action which, if taken or omitted, would adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation or the exemption of such interest from State personal income taxes.

Section 7.30 No Sovereign Immunity. To the extent that the County has, or hereafter may acquire under any applicable law, any right to immunity from set-off or legal proceedings, on the grounds of governmental immunity, the County hereby irrevocably waives, to the full extent permitted by law, such rights to immunity for itself in respect of any contract claims arising under or related to this Agreement or any County Related Document. It is specifically understood and agreed that nothing contained in this Agreement shall be construed as an express or implied waiver by the County of its governmental immunity or the governmental immunity of the State with respect to actions which lie in tort or could lie in tort.

Section 7.31 Incorporation of Covenants by Reference. The County, by this reference, hereby incorporates into this Agreement those covenants and agreements made by it in the County Related Documents, as such covenants and agreements exist on the date hereof, as if such covenants and agreements were set forth herein in their entirety together with all defined terms and interpretative provisions necessary for a complete understanding thereof (such material covenants, agreements and defined and interpretative terms, the "Underlying Provisions"; the Underlying Provisions as so incorporated, the "Incorporated Provisions"). The Incorporated Provisions shall be deemed to be made for the benefit of the Bank and shall be enforceable against the County by the Bank. No amendment to such Underlying Provisions (or the defined terms relating thereto) made pursuant to the Related Documents, which could reasonably be expected to have a material adverse effect on the ability of the County to timely perform its obligations hereunder or under the County Related Documents shall be effective to amend such incorporated covenants without the prior written consent of the Bank. The Incorporated Provisions shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall the Incorporated Provisions be a limitation on the express covenants contained herein. In the event of a conflict between the covenants and agreements set forth in this Article VII (other than the Incorporated Provisions) and the Incorporated Provisions, the covenants and agreements set forth in the other provisions of Article VII shall prevail.

Section 7.32 Further Assurances. The County agrees to do such further acts and things and to execute and deliver to the Bank such additional assignments, agreements, powers and instruments as the Bank may reasonably require or reasonably deem advisable to carry into effect the purposes of this Agreement or to better assure and confirm to the Bank its rights, powers and remedies hereunder and under the County Related Documents.

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.1 Events of Default. The occurrence and continuance of one or more of the following events shall constitute an event of default hereunder ("Event of Default"):

(a) The Corporation, the County and the Bond Insurer shall fail to pay when due (i) the amount of any Drawing; (ii) the principal of or interest on any Liquidity Advance or Term Loan; or (iii) any other amount payable hereunder, and such default shall continue unremedied for five (5) Business Days; or

(b) The County shall (i) default in the due performance or observance by it of any Incorporated Provision or any term, covenant or agreement contained in Sections 7.1(a), 7.3, 7.11, 7.12, 7.13, 7.14, 7.15, 7.16, 7.17, 7.18, 7.19, 7.20, 7.21, 7.22, 7.26, 7.27 or 7.28; (ii) default in the due performance or observance by it of any other term, covenant or agreement contained in Sections 7.1(b), 7.1(c), 7.1(d), 7.1(e), 7.1(g) or 7.1(h); and such default shall continue unremedied for a period of five (5) Business Days; or (iii) default in the due performance or observance by it of any other term, covenant or agreement hereunder (other than those referred to in Section 8.1(a), 8.1(b)(i) and 8.1(b)(ii)) and such default shall continue unremedied for a period of thirty (30) days after written notice to the County by the Bank; or

(c) The Corporation shall (i) default in the due performance or observance by it of any term, covenant or agreement contained in Sections 6.8, 6.11, 6.12, 6.13, 6.14 or 6.15; or (ii) default in the due performance or observance by it of any other term, covenant or agreement hereunder (other than those referred to in Section 8.1(c)(i)) and such default shall continue unremedied for a period of thirty (30) days after written notice to the Corporation by the Bank; or

(d) Any representation, warranty, certification or statement made or deemed made by the County or the Corporation in this Agreement, any Related Document or in any certificate, financial statement or other document delivered pursuant to this Agreement shall prove when made or deemed made, in the reasonable judgment of the Bank, to have been inaccurate and misleading in any material respect; or

(e) The County shall (i) default in any payment of any Debt or lease obligation payable from the County's general fund beyond the period of grace (not to exceed thirty (30) days), if any, provided in the instrument or agreement under which such Debt or lease obligation was created, or (ii) default in the observance or performance of any agreement or condition relating to any Debt or lease obligation payable from the County's general fund contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of any Debt or lease obligation payable from the County's general fund (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such Debt or lease obligation payable from the County's general fund to become due prior to its stated maturity; or (iii) any Debt or lease obligation payable from the County's general fund shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof other than as a result of the voluntary refunding thereof by the County; or

(f) The County or the Corporation shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of itself or any

substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally, or in the reasonable judgment of the Bank be unable, to pay its debts as they become due, or shall take any action to authorize any of the foregoing; or

(g) An involuntary case or other proceeding shall be commenced against the County or the Corporation seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property and such case or proceeding is not controverted within thirty (30) days and dismissed within sixty (60) days; or an order for relief shall be entered against the County or the Corporation under the federal bankruptcy laws as now or hereafter in effect; or

(h) Any material provision of this Agreement or any of the Related Documents shall cease to be valid and binding, or the County or the Corporation shall contest any such provision, or the County, the Corporation or any agent or trustee on behalf of the County or the Corporation shall deny that such entity has any or further liability under this Agreement or any of the Related Documents to which such entity is a party; or

(i) A moratorium shall have been declared or announced by a Governmental Authority (whether or not in writing) with respect to any Debt of the County payable from the County's general fund; or

(j) Dissolution or termination of the existence of the County or the Corporation; or

(k) One or more final, non-appealable judgments or orders for the payment of money in excess of \$10,000,000 in the aggregate and for which insurance proceeds shall not be available shall be rendered against the County and such judgment(s) or order(s) shall not be stayed, bonded, vacated, discharged or satisfied for a period of ninety (90) days; or

(l) Any of the funds or accounts established pursuant to the Indenture or any funds or accounts on deposit, or otherwise to the credit of, such funds or accounts shall become subject to any stay, writ, judgment, warrant of attachment, execution or similar process by any of the creditors of the County or the Corporation and such stay, writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or stayed within forty-five (45) days after its issue or levy; or

(m) Any pledge or security interest created by this Agreement or any Related Document to secure any amount due by the County under this Agreement or with respect to the Bonds shall fail to be fully enforceable with the priority required hereunder or thereunder; or

(n) Any event which materially and adversely affects the financial condition of the County or the ability of the County to observe and perform its obligations under this Agreement and the County Related Documents shall have occurred and be continuing; or

(o) (i) The withdrawal or suspension for credit-related reasons by any Rating Agency of a Rating; or (ii) the downgrade by any Rating Agency of a Rating to a level below "BBB-" (or its equivalent) in the case of Fitch, "Baa3" (or its equivalent) in the case of Moody's or "BBB-" (or its equivalent) in the case of S&P; or

(p) There shall have been rendered a determination that interest on any of the Bonds is includable in the gross income of the Owners thereof for federal income tax purposes, as a result of the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service, whether or not such decree, judgment or action is appealable or deemed to be final under applicable procedural law, or delivery to the County, the Bank and the Trustee of an opinion of nationally recognized bond counsel selected by the Bank and reasonably acceptable to the County and the Trustee to the effect that the interest borne by the Bonds is includable in the gross income of the recipients thereof generally for federal income tax purposes; or

(q) An "event of default" (or similar event) shall have occurred under any of the Related Documents.

Section 8.2 Rights and Remedies Upon Event of Default. Upon the occurrence of an Event of Default hereunder the Bank, in its sole discretion, may do any, none or all of the following:

(a) Deliver a written notice to the Trustee requiring the Trustee to cause a mandatory purchase of all Outstanding Bonds pursuant to the Indenture and in connection therewith instructing the Trustee to submit a final Drawing under the Letter of Credit to pay the purchase price of such Bonds upon their mandatory purchase; or

(b) The Bank may by written notice to the Corporation and the County take any or all of the following actions, without prejudice to the rights of the Bank to enforce its claims against the Corporation and the County (provided, that, if an Event of Default specified in Section 8.1(f) or 8.1(g) shall occur, the result which would occur upon the giving of written notice by the Bank to the Corporation and the County as specified in clauses (i) and (ii) below shall occur automatically without the giving of any such notice): (i) declare the commitment of the Bank to make Liquidity Advances and Term Loans terminated, whereupon such commitment shall forthwith terminate immediately; and (ii) declare the principal of and any accrued interest in respect of all Liquidity Advances, Term Loans and all other Obligations (other than the payment of the principal of and interest on Bank Bonds) owing hereunder to be, whereupon the same shall become, forthwith due and payable without presentment, demand or protest of any kind, all of which are hereby waived by the County; or

(c) The Bank may, but shall not be obligated to, take such action as may be necessary to cure such Event of Default on behalf of and for the account of the Corporation and the County; or

(d) Exercise any rights and remedies available to the Bank at law, equity or under any Related Document.

Nothing contained in this Section 8.2 shall result in, or be construed to require, an acceleration of Rental Payments under the Facilities Lease and nothing contained in this Section 8.2 is intended to abrogate abatement of Rental Payments made in accordance with the terms of the Facilities Lease. Nothing contained in Section 8.2(b) shall abrogate the obligation of the Bank to honor Drawings presented in accordance with the terms of the Letter of Credit prior to the termination of the Letter of Credit in accordance with its terms; provided, further that so long as no Bond Insurer Event of Default has occurred, the Bank shall not accelerate any payment hereunder without the written consent of the Bond Insurer.

It is understood that, upon the occurrence of an Event of Default, the Bank may exercise its rights with respect to remedies available to it under the Indenture or any of the other Related Documents, all without limiting or restricting the Bank's ability, at a later date, to exercise its rights with respect to any remaining revenues for payment of any remaining indebtedness of the County to the Bank; provided that so long as no Bond Insurer Event of Default has occurred the Bank agrees that it shall take no action with respect to the security interest granted hereunder without the prior written consent of the Bond Insurer. It is understood that the Bond Insurer is only obligated under the Bond Insurance Policy to pay regularly scheduled principal and interest on the Bonds and any Bank Bonds, regardless of the occurrence of an Event of Default. Payments made in respect of Bank Bonds by the Bond Insurer shall be credited to interest and principal due on the Bank Bonds as if such payments were made by the Corporation, or the County on behalf of the Corporation, but such payment by the Bond Insurer shall not extinguish the obligation of the Corporation or the County to reimburse the Bond Insurer therefor.

Section 8.3 Rights and Remedies Upon Bond Insurer Event of Default. Upon the occurrence of a Bond Insurer Event of Default the Bank, in its sole discretion, may exercise any rights and remedies available to the Bank under the Bond Insurance Cancellation Agreement.

ARTICLE IX MISCELLANEOUS

Section 9.1 Notices.

(a) Except as otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing, mailed by registered or certified mail, with return receipt requested, delivered by a nationally recognized overnight courier, telecopied or hand delivered. All such notices and other communications shall be effective (i) if given by mail, 3 days after the date of deposit in the mails, postage prepaid, addressed as specified in this Section, (ii) if given by facsimile, when sent to the facsimile number set forth below (or such other number as may be provided to each of the other parties listed in this Section in writing) and when confirmed by telephone or (iii) if given by other means, when delivered to the address specified herein:

If to the County, to it at:

County of Riverside
County Administration Center
4080 Lemon Street, 4th Floor

Riverside, CA 92501-36512
Attention: County Executive Officer
Facsimile: (951) 955-1105
Telephone: (951) 955-1127

If to the Corporation, to it at:

County of Riverside Asset Leasing Corporation
County Administration Center
4080 Lemon Street, 4th Floor
Riverside, CA 92501-36512
Attention: Assistant Secretary
Facsimile: (951) 955-1105
Telephone: (951) 955-1127

If to the Trustee, to it at:

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Corporate Trust Services
Facsimile: (213) 615-6199
Telephone: (213) 615-6005

If to the Remarketing Agent, to it at:

Citigroup Global Markets Inc.
[390 Greenwich Street, 2nd Floor
New York, New York 10013
Attention: Manager, Short-Term Finance Group]

If to the Bank with respect to credit matters, to:

Wells Fargo Bank, National Association
Government and Institutional Banking
707 Wilshire Blvd., 11th Floor
Los Angeles, California 90017
MAC E2818-114
Attention: Lynn Love
Facsimile: (213) 614-3555
Telephone: (213) 614-2235
Email: lovely@wellsfargo.com [ADDRESS]

If to the Bank with respect to Drawings under
the Letter of Credit, to:

Wells Fargo Bank, National Association
U.S. Trade Services, Standby Letter of Credit Office

MAC A0195-212
One Front Street, 21st Floor
San Francisco, California 94111
Attention: FOR THE URGENT ATTENTION OF THE STANDBY LETTER
OF CREDIT OFFICE
Facsimile: (415) 296-8905
Telephone: (800) 798-2815

With a copy to:

Wells Fargo Bank, National Association
Government and Institutional Banking
707 Wilshire Blvd., 11th Floor
Los Angeles, California 90017
MAC E2818-114
Facsimile: (213) 614-3555
Telephone: (213) 614-4207
gwendolyn.eteaki@wellsfargo.com

or at such other address as shall be designated by such party in a written notice to the other party hereto.

(b) This Agreement may be transmitted and/or signed by facsimile. The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually signed originals and shall be binding on the County, the Corporation and the Bank.

(c) Electronic mail and hyperlinks to internet websites that do not require passwords may be used only to distribute routine notices, such as financial statements and other information, and to distribute documents for execution by the parties thereto, and may not be used for any other purpose unless delivery by such means is promptly followed by hand delivery, delivery by courier or delivery by facsimile.

Section 9.2 Governing Law; Venue.

(a) PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW (OR ANY SUCCESSOR STATUTE THERETO), THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK AND APPLICABLE FEDERAL LAW; PROVIDED, HOWEVER, THE OBLIGATIONS OF THE COUNTY HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA AND APPLICABLE FEDERAL LAW WITHOUT REGARD TO CHOICE OF LAW RULES.

(b) Any and all disputes or legal actions or proceedings arising out of, under and/or pertaining to this Agreement, the Letter of Credit or any document related hereto or thereto shall be brought in the courts of the State located in the City of Riverside or the United

States of America District Court for the Central District of California and, by execution and delivery of this Agreement, the parties hereto consent to and hereby accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of the aforesaid courts. To the maximum extent permitted by law, the parties hereto hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which they may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions. Each party agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. All mailings under this Section 9.2 shall be by certified mail, return receipt requested.

(c) Each party irrevocably consents to the service of any and all process in any such suit, action or proceeding by mailing or delivering copies of such process to such party at its address provided in Section 9.1. Nothing in this Section 9.2 shall affect the right of a party to serve legal process on the other party in any other manner permitted by law.

Section 9.3 Waiver of Jury Trial; Judicial Reference.

(a) With respect to any suit, actions or proceedings relating to this Agreement, the Fee Letter or Bank Bonds, to the fullest extent permitted by applicable law, the Corporation, the County and the Bank each waives any right it may have to trial by jury. The Corporation and the County further warrants and represents that such waiver has been intentionally, knowingly and voluntarily made, following consultation with its legal counsel. If and to the extent that the foregoing waiver of the right to a jury trial is unenforceable for any reason in such forum, the Corporation, the County and the Bank each hereby consent to the adjudication of any and all claims pursuant to judicial reference as provided in California Code of Civil Procedure Section 638, and the judicial referee shall be empowered to hear and determine any and all issues in such reference whether fact or law. The Corporation, the County and the Bank each represent that it has reviewed this waiver and consent and it knowingly and voluntarily waives its jury trial rights and consents to judicial reference following the opportunity to consult with legal counsel of its choice on such matters. In the event of litigation, a copy of this agreement may be filed as a written consent to a trial by the court or to judicial reference under California Code of Civil Procedure Section 638 as provided herein.

(b) The Corporation and the County each waives, to the extent not prohibited by law, any right it may have to claim or recover from the Bank in any legal action or proceeding any special, exemplary, punitive or consequential damages.

(c) The Bank hereby recognizes that the procedural requirements applicable to commencing an action against the Corporation and the County differ from requirements applicable to nongovernmental entities.

Section 9.4 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the County, the Corporation and the Bank and their respective successors and assigns, except that neither the County nor the Corporation may assign or otherwise transfer any

of its rights or obligations under this Agreement without the prior written consent of the Bank. Except as provided subsections (b) and (c) below and except during the continuance of an Event of Default, the Bank may not assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the County.

(b) The Bank may at any time assign to one or more banks or other institutions (each an "Assignee") all, or a proportionate part of all, of its rights (but not its obligations) under this Agreement and the Letter of Credit. The Bank may at any time grant to one or more banks or other institutions (each a "Participant") participating interests in the Drawings under the Letter of Credit and the reimbursement obligations, Liquidity Advances and Term Loans arising therefrom. In the event of any such grant by the Bank of a participating interest to a Participant, whether or not upon notice to the County, the Bank shall remain responsible for the performance of its obligations hereunder and under the Letter of Credit, and the County shall continue to deal solely and directly with the Bank in connection with the Bank's rights and obligations under this Agreement and the Letter of Credit. Any agreement pursuant to which the Bank may grant such a participating interest shall provide that the Bank shall retain the sole right and responsibility to enforce the obligations of the County hereunder and under the Related Documents, including, without limitation, the right to approve any amendment, modification or waiver of any provision of this Agreement or any Related Document; provided that such participation agreement may provide that, without first obtaining the consent of the Participant thereunder, the Bank will not agree to any modification, amendment or waiver of this Agreement or the Indenture which (i) increases or decreases the stated amount of the Letter of Credit, (ii) reduces the principal of or interest on any unreimbursed Drawing, Liquidity Advance or Term Loan owing to the Bank, (iii) postpones or changes the date fixed for any payment of principal of or interest on any unreimbursed Drawing, Liquidity Advance or Term Loan or fees owing to the Bank, (iv) decreases the formula by which the fees for the Letter of Credit are calculated or (v) releases the Lien of the Trustee over the Rental Payments. The County and the Corporation each agrees that each Participant shall be entitled to the benefits of Sections 3.3, 3.5(b) and 4.2 hereof with respect to its participating interest, provided that no Participant or other transferee of any Bank's rights shall be entitled to receive any greater payment than the Bank would have been entitled to receive with respect to the rights participated or transferred.

(c) The Bank may at any time assign all or any portion of its rights under this Agreement and the Letter of Credit to a Federal Reserve Bank. No such assignment by the Bank shall release the Bank from its obligations hereunder or under the Letter of Credit.

Section 9.5 Severability of Provisions. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

Section 9.6 Amendments; Waivers. None of the provisions of this Agreement may be amended, changed, waived, discharged or terminated except by an instrument in writing signed and duly executed by the parties.

Section 9.7 Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which

counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute one and the same Agreement.

Section 9.8 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties hereto and supersedes any and all prior agreements and understandings, oral or written, relating to the subject matter hereof.

Section 9.9 Headings; Table of Contents. Article and Section headings in this Agreement and the Table of Contents are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 9.10 Bond Insurer Notices. So long as no Bond Insurer Event of Default has occurred, the Corporation, the County and the Bank shall provide the Bond Insurer with a copy of all notices delivered to either party. Any provision of this Agreement requiring the consent of the Bond Insurer shall cease to apply upon the occurrence of a Bond Insurer Event of Default.

Section 9.11 USA PATRIOT Act. The Bank hereby notifies the Corporation and the County that, pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107 56 signed into law October 26, 2001) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the County and the Corporation, which information includes the name and address of the County and the Corporation and other information that will allow the Bank to identify the County and the Corporation in accordance with the Patriot Act. The Corporation and the County each hereby agrees that it shall promptly provide such information upon request by the Bank.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each party hereto has caused this Agreement to be duly executed and delivered by its respective officer thereunto duly authorized as of the date first written above.

COUNTY OF RIVERSIDE ASSET LEASING
CORPORATION

By _____
Title:

COUNTY OF RIVERSIDE

By _____
Title:

WELLS FARGO BANK, NATIONAL
ASSOCIATION

By _____
Title:

FOR PURPOSES OF SECTION 2.10:
ACKNOWLEDGED AND AGREED

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and as Custodian

By _____
Title: Authorized Signatory

EXHIBIT A
FORM OF LETTER OF CREDIT
[TO COME FROM THE BANK]

IRREVOCABLE LETTER OF CREDIT

December __, 2013

Letter of Credit No. _____

U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, CA 90071

Ladies and Gentlemen:

We hereby establish in your favor at the request and for the account of the County of Riverside our irrevocable letter of credit in the amount of U.S. \$[80,243,781 ([Eighty Million Two Hundred Forty Three Thousand Seven Hundred Eighty One] Dollars) in connection with the Bonds (as defined below) available with ourselves by sight payment against presentation of one or more signed and dated demands addressed by you to Wells Fargo Bank, National Association, U.S. Trade Services, Standby Letter of Credit Office, MAC A0195-212, One Front Street, 21st Floor, San Francisco, California 94111 (the "Presentation Office"), each in the form of Annex A (an "A Drawing"), Annex B (a "B Drawing"), Annex C (a "C Drawing"), or Annex D (a "D Drawing") hereto (with all instructions in brackets therein being complied with). Each such demand must be presented to us (1) in its signed and dated original form at the Presentation Office (as hereinafter defined), or (2) by facsimile transmission of such signed and dated original form to our facsimile number specified after our signature on this Letter of Credit (the "Wells Fargo Fax Number").

Each such presentation must be made to the Presentation Office on a Business Day (a day on which the Presentation Office is open to conduct its letter of credit business) at or before 5:00 p.m. local time at the Presentation Office.

This Letter of Credit expires at the Presentation Office on December [], 2016 or, if such date is not a Business Day, then on the first (1st) succeeding Business Day thereafter (the "Expiration Date").

The amount of any demand presented hereunder will be the amount inserted in numbered Paragraph 4 of said demand. By honoring any such demand we make no representation as to the correctness of the amount demanded.

We hereby agree with you that each demand presented hereunder in full compliance with the terms hereof will be duly honored by our payment to you of the amount of such demand, in immediately available funds of Wells Fargo Bank, National Association:

- (i) not later than 10:00 a.m., local time at the Presentation Office, on the Business Day following the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us at or before noon, local time at the Presentation Office, or
- (ii) not later than 10:00 a.m., local time at the Presentation Office, on the second Business Day following the Business Day on which such demand is presented to us as aforesaid, if such presentation is made to us after noon, local time at the Presentation Office.

Notwithstanding the foregoing, any demand presented hereunder, in full compliance with the terms hereof, for a C Drawing will be duly honored (i) not later than 12:30 p.m., local time at the Presentation Office, on the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us at or before 8:00 a.m., local time at the Presentation Office, and (ii) not later than 11:00 a.m., local time at the Presentation Office, on the Business Day following the Business Day on which such demand is presented to us as aforesaid if such presentation is made to us after 8:00 a.m., local time at the Presentation Office.

If the remittance instructions included with any demand presented under this Letter of Credit require that payment is to be made by transfer to an account with us or with another bank, we and/or such other bank may rely solely on the account number specified in such instructions even if the account is in the name of a person or entity different from the intended payee.

With respect to any demand that is honored hereunder, the total amount of this Letter of Credit shall be reduced as follows:

- (A) With respect to each A Drawing paid by us, the total amount of this Letter of Credit shall be reduced by the amount of such A Drawing with respect to all demands presented to us after the time we receive such A Drawing; provided, however, that the amount of such A Drawing shall be automatically reinstated

on the eighth (8th) Business Day following the date such A Drawing is honored by us, unless (i) you shall have received notice from us sent to you at your above address by express courier or registered mail, or by facsimile transmission to your fax number _____ (the "Beneficiary Fax Number"), no later than seven (7) Business Days after such A Drawing is honored by us, that there shall be no such reinstatement, or (ii) such eighth (8th) Business Day falls after the Expiration Date;

- (B) With respect to each B Drawing paid by us, the total amount of this Letter of Credit shall be reduced with respect to all demands presented to us after the time we receive such B Drawing by the sum of (1) the amount inserted as principal in paragraph 5(A) of the B Drawing plus (2) the greater of (a) the amount inserted as interest in paragraph 5(B) of the B Drawing and (b) interest on the amount inserted as principal in paragraph 5(A) of the B Drawing calculated for [52] days at the rate of twelve percent per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent), and no part of such sum shall be reinstated;
- (C) With respect to each C Drawing paid by us, the total amount of this Letter of Credit shall be reduced with respect to all demands presented to us after the time we receive such C Drawing by the sum of (1) the amount inserted as principal in paragraph 5(A) of the C Drawing plus (2) the greater of (a) the amount inserted as interest in paragraph 5(B) of the C Drawing and (b) interest on the amount inserted as principal in paragraph 5(A) of the C Drawing calculated for [52] days at the rate of twelve percent per annum based on a year of 365 days (with any fraction of a cent being rounded upward to the nearest whole cent); provided, however, that if the Bonds (as defined below) related to such C Drawing are remarketed and the remarketing proceeds are paid to us prior to the Expiration Date, then on the day we receive such remarketing proceeds the amount of this Letter of Credit shall be reinstated by an amount which equals the sum of (i) the amount paid to us from such remarketing proceeds and (ii) interest on such amount calculated for the same number of days, at the same interest rate, and on the basis of a year of the same number of days as is specified in (2)(b) of this paragraph (C) (with any fraction of a cent being rounded upward to the nearest whole cent), with such reinstatement and its amount being promptly advised to you; provided, however, that in no event will the total amount of all C Drawing reinstatements exceed the total amount of all Letter of Credit reductions made pursuant to this paragraph (C).

Upon presentation to us of a D Drawing in compliance with the terms of this Letter of Credit, no further demand whatsoever may be presented hereunder.

No A Drawing which we honor shall be for an amount more than U.S. \$[1,348,781].

It is a condition of this Letter of Credit that the amount available for drawing under this Letter of Credit shall be decreased automatically without amendment upon our receipt of each reduction authorization in the form of Annex E to this Letter of Credit (with all instructions therein in brackets being complied with) sent to us (1) in its signed and dated original form at the Presentation Office, or (2) by facsimile transmission of such signed and dated original form to the Wells Fargo Fax Number.

This Letter of Credit is subject to, and engages us in accordance with the terms of, the International Standby Practices (1998 Revision), Publication No. 590 of the International Chamber of Commerce (the "ISP" or "Governing Rules") and as to matters not addressed by the ISP shall be governed by and construed in accordance with the laws of the State of California, including, without limitation, the Uniform Commercial Code as in effect in such state, and applicable U.S. Federal law, except to the extent such laws are inconsistent with the provisions of the ISP or this Letter of Credit.

This Letter of Credit is transferable and may be transferred more than once, but in each case only in the amount of the full unutilized balance hereof to any single transferee who you shall have advised us pursuant to Annex F has succeeded U.S. Bank National Association or a successor trustee as Trustee under the Indenture of Trust, dated as of December 1, 2008, as supplemented from time to time (the "Indenture"), among the County of Riverside Asset Leasing Corporation (the "Issuer"), the County of Riverside and U.S. Bank National Association, as Trustee, pursuant to which U.S. \$78,895,000 aggregate principal amount of the Issuer's Variable Rate Demand Leasehold Revenue Refunding Bonds Series 2008A (Southwest Justice Center Refunding) (the "Bonds") were issued. Transfers may be effected only through ourselves and only upon presentation to us at the Presentation Office of a duly signed and dated instrument of transfer in the form attached hereto as Annex F (with all instructions therein in brackets complied with). Any transfer of this Letter of Credit as aforesaid must be endorsed by us on the reverse hereof and may not change the place for presentation of demands to a place other than the Presentation Office.

All payments hereunder shall be made from our own funds.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Bonds and the Indenture), except the Governing Rules to the extent that they are not inconsistent with or made inapplicable by this Letter of Credit; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except the Governing Rules.

WELLS FARGO BANK, NATIONAL ASSOCIATION

San Francisco Standby Letter of Credit Office

Telephone No.: 1-800-798-2815

Facsimile No.: (415) 296-8905

By: _____
[Authorized Signature]

DRAWING FOR INTEREST ON AN ORDINARY INTEREST PAYMENT DATE

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. _____ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

- (1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.
- (2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT, ON AN INTEREST PAYMENT DATE (AS DEFINED IN THE INDENTURE), OF UNPAID INTEREST ON THE BONDS.
- (3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS].

- (4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS \$**[INSERT AMOUNT]**.
- (5) IF THIS DEMAND IS RECEIVED AT THE PRESENTATION OFFICE BY YOU AT OR BEFORE NOON, LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

**DRAWING FOR PRINCIPAL AND INTEREST UPON AN OPTIONAL OR
MANDATORY REDEMPTION OF LESS THAN ALL THE BONDS**

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY] (THE "**TRUSTEE**") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "**BANK**") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. _____ (THE "**LETTER OF CREDIT**"; THE TERMS THE "**BONDS**", "**BUSINESS DAY**", THE "**INDENTURE**", AND THE "**PRESENTATION OFFICE**" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

- (1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.
- (2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND THE UNPAID INTEREST ON, REDEEMED BONDS UPON AN OPTIONAL AND/OR MANDATORY REDEMPTION OF LESS THAN ALL OF THE BONDS CURRENTLY OUTSTANDING.
- (3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS].

- (4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS **[\$[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW].**
- (5) THE AMOUNT HEREBY DEMANDED IS EQUAL TO THE SUM OF (A) **[\$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE PRINCIPAL OF THE REDEEMED BONDS AND (B) **[\$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE REDEEMED BONDS.
- (6) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE NOON, LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10.00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

**DRAWING FOR PRINCIPAL AND INTEREST ON BONDS WHICH THE
REMARKETING AGENT CANNOT REMARKET**

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY] (THE "TRUSTEE") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. _____ (THE "LETTER OF CREDIT"; THE TERMS THE "BONDS", "BUSINESS DAY", THE "INDENTURE", AND THE "PRESENTATION OFFICE" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

- (1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.
- (2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE PRINCIPAL AMOUNT OF, AND INTEREST DUE ON, THOSE BONDS WHICH THE REMARKETING AGENT (AS DEFINED IN THE INDENTURE) HAS BEEN UNABLE TO REMARKET WITHIN THE TIME LIMITS ESTABLISHED IN THE INDENTURE.
- (3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS]

- (4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS **[\$[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS INSERTED IN PARAGRAPH 5 BELOW]**.
- (5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) **[\$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF PRINCIPAL OF THE BONDS AND (B) **[\$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF INTEREST DUE ON THE BONDS.
- (6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED.
- (7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE 8:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 12:30 P.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON SAID BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER 8:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 11:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE BUSINESS DAY FOLLOWING SAID BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

**DRAWING FOR TOTAL UNPAID PRINCIPAL AND INTEREST ON ALL BONDS UPON
THEIR STATED MATURITY, MANDATORY TENDER, OR REDEMPTION**

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY] (THE "**TRUSTEE**") HEREBY CERTIFIES TO WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "**BANK**") WITH REFERENCE TO IRREVOCABLE LETTER OF CREDIT NO. _____ (THE "**LETTER OF CREDIT**"; THE TERMS THE "**BONDS**", "**BUSINESS DAY**", THE "**INDENTURE**", AND THE "**PRESENTATION OFFICE**" USED HEREIN SHALL HAVE THEIR RESPECTIVE MEANINGS SET FORTH IN THE LETTER OF CREDIT) THAT:

- (1) THE TRUSTEE IS THE TRUSTEE OR A SUCCESSOR TRUSTEE UNDER THE INDENTURE.
- (2) THE TRUSTEE IS MAKING A DEMAND UNDER THE LETTER OF CREDIT FOR PAYMENT OF THE TOTAL UNPAID PRINCIPAL OF, AND UNPAID INTEREST ON, ALL OF THE BONDS WHICH ARE CURRENTLY OUTSTANDING UPON (A) THE STATED MATURITY OF ALL SUCH BONDS, (B) THE MANDATORY TENDER OF ALL SUCH BONDS, OR (C) THE REDEMPTION OF ALL SUCH BONDS.
- (3) THE AMOUNT OF THIS DEMAND FOR PAYMENT WAS COMPUTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE BONDS AND THE INDENTURE AND IS DEMANDED IN ACCORDANCE WITH THE INDENTURE, WHICH AMOUNT PLEASE REMIT TO THE UNDERSIGNED AS FOLLOWS:

[INSERT REMITTANCE INSTRUCTIONS].

- (4) THE AMOUNT HEREBY DEMANDED UNDER THE LETTER OF CREDIT IS **[\$[INSERT AMOUNT WHICH IS THE SUM OF THE TWO AMOUNTS SET FORTH IN PARAGRAPH 5, BELOW].**
- (5) THE AMOUNT OF THIS DEMAND IS EQUAL TO THE SUM OF (A) **[\$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID PRINCIPAL OF THE OUTSTANDING BONDS AND (B) **[\$[INSERT AMOUNT]** BEING DRAWN WITH RESPECT TO THE PAYMENT OF THE UNPAID INTEREST ON THE OUTSTANDING BONDS.
- (6) THE TRUSTEE HAS CONTACTED OR ATTEMPTED TO CONTACT BY TELEPHONE AN OFFICER OF THE BANK AT THE PRESENTATION OFFICE REGARDING THE AMOUNT OF THIS DEMAND AND THE DATE AND TIME BY WHICH PAYMENT IS DEMANDED.
- (7) IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AT OR BEFORE NOON, LOCAL TIME AT THE PRESENTATION OFFICE ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE NEXT BUSINESS DAY. IF THIS DEMAND IS RECEIVED BY YOU AT THE PRESENTATION OFFICE AFTER NOON, LOCAL TIME AT THE PRESENTATION OFFICE, ON A BUSINESS DAY, YOU MUST MAKE PAYMENT ON THIS DEMAND AT OR BEFORE 10:00 A.M., LOCAL TIME AT THE PRESENTATION OFFICE, ON THE SECOND BUSINESS DAY FOLLOWING SUCH BUSINESS DAY.

[INSERT NAME OF BENEFICIARY]

[INSERT SIGNATURE AND DATE]

LETTER OF CREDIT REDUCTION AUTHORIZATION

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT NAME OF BENEFICIARY], WITH REFERENCE TO LETTER OF CREDIT NO. _____ ISSUED BY WELLS FARGO BANK, NATIONAL ASSOCIATION (THE "BANK"), HEREBY UNCONDITIONALLY AND IRREVOCABLY REQUESTS THAT THE BANK DECREASE THE AMOUNT AVAILABLE FOR DRAWING UNDER THE LETTER OF CREDIT BY \$**[INSERT AMOUNT]**.

[FOR SIGNED REDUCTION AUTHORIZATIONS ONLY]

[INSERT NAME OF BENEFICIARY]

By: [INSERT SIGNATURE]

TITLE: [INSERT TITLE]

DATE: [INSERT DATE]

TRANSFER OF LETTER OF CREDIT

WELLS FARGO BANK, NATIONAL ASSOCIATION
U.S. TRADE SERVICES, STANDBY LETTER OF CREDIT OFFICE
MAC A0195-212, ONE FRONT STREET, 21ST FLOOR
SAN FRANCISCO, CALIFORNIA 94111

FOR THE URGENT ATTENTION OF THE STANDBY LETTER OF CREDIT OFFICE

[INSERT DATE]

Subject: Your Letter of Credit No. _____

Ladies and Gentlemen:

For value received, we hereby irrevocably transfer all of our rights under the above-captioned Letter of Credit, as heretofore and hereafter amended, extended, increased or reduced to:

[Name of Transferee]

[Address of Transferee]

By this transfer, all of our rights in the Letter of Credit are transferred to the transferee, and the transferee shall have sole rights as beneficiary under the Letter of Credit, including sole rights relating to any amendments, whether increases or extensions or other amendments, and whether now existing or hereafter made. You are hereby irrevocably instructed to advise future amendment(s) of the Letter of Credit to the transferee without our consent or notice to us.

The original Letter of Credit is returned with all amendments to this date. Please notify the transferee in such form as you deem advisable of this transfer and of the terms and conditions to this Letter of Credit, including amendments as transferred.

You are hereby advised that the transferee named above has succeeded _____ or a successor trustee, as Trustee under the Indenture of Trust, dated as of December 1, 2008, as supplemented from time to time (the "Indenture"), among the County of Riverside Asset Leasing Corporation (the "Issuer"), the County of Riverside and U.S. Bank National Association, as Trustee, pursuant to which U.S. \$78,895,000 aggregate principal amount of the Issuer's Variable Rate Demand Leasehold Revenue Refunding Bonds Series 2008A (Southwest Justice Center Refunding) (the "Bonds") were issued.

Very truly yours,

[Insert Name of Transferor]

By: _____
[Insert Name and Title]

By its signature below, the undersigned transferee acknowledges that it has duly succeeded **[Insert Name of First Letter of Credit Beneficiary]** or a successor trustee as Trustee under the Indenture.

[Insert Name of Transferee]

By: _____
[Insert Name and Title]

Telephone: **[Insert Telephone Number]**

December __, 2013

County of Riverside Asset Leasing Corporation
County of Riverside
U.S. Bank National Association
Citigroup Global Markets Inc.

Re: County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds Series 2008A (Southwest Justice Center Refunding)

Ladies and Gentlemen:

We have acted as counsel to Wells Fargo Bank, National Association (the "Bank") in connection with the execution, delivery and issuance of its irrevocable letter of credit number _____ (the "Letter of Credit"), which Letter of Credit provides credit and liquidity support for the above referenced bonds (the "Bonds").

In so acting, we have examined an executed copy of the Letter of Credit. In addition we have examined such documents, records, instruments, certificates of corporate officers and representatives, certificates of public officials and such matters of law as we have deemed necessary or appropriate to enable us to render the opinions expressed below. In such examinations, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity with originals of all documents submitted to us as copies thereof. We have relied, to the extent we deemed such reliance proper, on certificates of corporate officers and public officials with respect to the accuracy of factual matters contained therein which were not independently established. Further, we have assumed the accuracy of the representations, warranties and covenants contained in such documents, records, instruments, communications and certificates.

Based upon the foregoing assumptions and the qualifications and reservations set forth herein, we are of the opinion that under the laws of the State of California and, where applicable, the laws of the United States of America:

1. The Bank is a national banking association validly existing under the laws of the United States of America, and is presently authorized to transact business in the United States of America.
2. The Letter of Credit has been duly executed and delivered by the Bank and constitutes a valid and binding obligation of the Bank enforceable against the Bank in accordance with

December __, 2013

Page 2

its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally as such laws would apply in the event of the bankruptcy, insolvency, liquidation or reorganization of, or other similar occurrence with respect to, the Bank or in the event of any moratorium or similar occurrence affecting the Bank.

We express no opinion herein as to whether (i) a court in the exercise of its equitable powers may temporarily restrain payment of a drawing under the Letter of Credit, or (ii) any payment of principal of, premium, if any, or interest on the Bonds may constitute an avoidable transfer under any provision of Title 11 of the United States Code.

We are members of the Bar of the State of California. Our opinion in numbered paragraph 1 is rendered only in respect of the laws of the United States of America and our opinion in numbered paragraph 2 is rendered only in respect of the laws of the State of California.

We are rendering this opinion to you solely for your benefit. This opinion may not be used or relied upon by or published or communicated to any other party for any purpose whatsoever without our prior written approval in each instance, provided that a copy of this opinion may be delivered by you to any rating agency that is rating the Bonds who may rely upon this opinion as if it were addressed to them. Notwithstanding the preceding sentence, this opinion (or a copy of this opinion) may be included in the closing transcript for the remarketing of the Bonds.

Very truly yours,

McGuireWoods LLP

NWR:amv

\$ _____
ALVORD UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2012 Election, Series A
(GO Reauthorization Bonds™)

BOND PURCHASE AGREEMENT

_____, 2013

Board Education
Alvord Unified School District
10365 Keller Avenue
Riverside, CA 92505

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

Ladies and Gentlemen:

The undersigned, _____, as underwriter (the "Underwriter"), offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the Alvord Unified School District (the "District") and with the County of Riverside (the "County"), acting through its Treasurer-Tax Collector (the "Treasurer"), which, upon your acceptance hereof, will be binding upon the District, the County and the Underwriter. By execution of this Purchase Agreement, the District, the County and the Underwriter acknowledge the terms hereof and recognize that they will be bound by certain of the provisions hereof, and to the extent binding thereupon, acknowledge and agree to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the District and the County, and delivery of such acceptance to us at or prior to 11:59 p.m., California time, on the date hereof.

Section 1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of \$_____ aggregate principal amount of the District's General Obligation Bonds, 2012 Election, Series A (GO Reauthorization Bonds™) (the "Bonds"). The Underwriter shall purchase the Bonds at a price of \$_____ (which is equal to the principal amount of the Bonds of \$_____, plus net original issue premium of \$_____, less Underwriter's discount of \$_____, and less \$_____ to be used by the Underwriter to pay costs of issuance for the

Bonds, as provided in Section 13 hereof). If, after payment of all costs of issuance, the amount paid by the Underwriter for costs of issuance is less than \$_____, the Underwriter shall cause such excess be transferred to Riverside County for deposit in the Debt Service Fund for the Bonds. The Underwriter will wire directly to _____ (the "Bond Insurer"), from the amount withheld for payment of costs of issuance, an amount equal to \$_____, constituting the premium for an insurance policy (the "Policy") issued by the Bond Insurer with respect to the Bonds.

The District and the County acknowledge and agree that:

(a) the purchase and sale of the Bonds under this Purchase Agreement is an arm's-length commercial transaction among the District, the County and the Underwriter;

(b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and not as the agent or fiduciary of the District or the County;

(c) the Underwriter has not assumed a fiduciary responsibility in favor of the District or the County with respect to: (i) the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the District or the County on other matters); or (ii) any other obligation to the District or the County except the obligations expressly set forth in this Purchase Agreement; and

(d) the District and the County have consulted their own legal, financial and other advisors to the extent each has deemed appropriate in connection with this transaction.

The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB").

Section 2. The Bonds. The Bonds shall bear or accrete interest at the rates, shall mature on the dates and in the years, and shall be subject to redemption, as shown on Appendix A hereto which is incorporated herein by reference, and shall otherwise be as described in the Official Statement (defined herein), and shall be issued and secured pursuant to the provisions of the Resolution of the District adopted on October 3, 2013 (the "District Resolution"), the Resolution of the Board of Supervisors of the County adopted on November 5, 2013 (the "County Resolution," and together with the District Resolution, the "Resolutions") and certain provisions of the California Government Code and the California Education Code, including Section 53506 et seq. of the Government Code (the "Act"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Official Statement or, if not defined in the Official Statement, in the County Resolution.

The scheduled payment of principal and Maturity Value, and interest on, the Bonds when due will be guaranteed under the Policy to be issued concurrently with the delivery of the Bonds by the Bond Insurer.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolutions. The Bonds shall be in book-entry form, shall bear CUSIP numbers, and 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 Bonds shall initially be in authorized denominations of \$5,000 principal amount or Maturity Value, as applicable, or any integral multiple thereof.

The District will apply the net proceeds of the Bonds for the purposes of (a) providing for the defeasance of the District's outstanding 2010 Bond Anticipation Notes, and (b) financing educational projects approved by District voters at the November 6, 2012 election, including costs of issuance relating thereto.

Section 3. Use of Documents. The District and the County hereby authorize the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement (defined herein) and the Official Statement, the Resolutions, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriter in connection with the transactions contemplated by this Purchase Agreement. The District and the County do not object to distribution of the Official Statement in electronic form.

Section 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 to be set forth on the inside cover page of the Official Statement and as set forth on Appendix 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 on the Bonds set forth in Appendix A. The Bonds may be offered and sold to certain dealers and others at prices lower than such initial public offering prices.

Section 5. Review of Official Statement. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated _____, 2013 (the "Preliminary Official Statement"). The District represents that it has duly authorized and caused the preparation and delivery of the Preliminary Official Statement, and it has deemed the Preliminary Official Statement to be final, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s), redemption provisions and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), and consents to and ratifies the use and distribution by the

Underwriter of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriter.

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.

The Underwriter hereby represents that it will provide, consistent with the requirements of MSRB Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases any Bonds during the underwriting period (as such term is defined in MSRB Rule G-11), and deliver a copy of the Official Statement to the MSRB in electronic format as prescribed by the MSRB on or before the Closing Date, and that it will otherwise comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and G-36 and the Rule.

Section 6. Closing. At 8:00 a.m., California time, on _____, 2013 or at such other time or on such other date as shall have been mutually agreed upon by the District, the County and the Underwriter (the "Closing"), the County, on behalf of the District, will deliver to the Underwriter, through the facilities of DTC utilizing DTC's FAST delivery system, or at such other place as the District, the County and the Underwriter may otherwise mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Jones Hall, A Professional Law Corporation ("Bond Counsel"), in San Francisco, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to or upon the order of the County, on behalf of the District.

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

(a) **Due Organization.** The District is a unified school district duly organized and validly existing under the laws of the State of California (the "State"), with full legal right, power and authority to (i) issue the Bonds pursuant to the Act; (ii) enter into, execute and deliver this Purchase Agreement and the Continuing Disclosure Certificate appended to the Official Statement (the "Continuing Disclosure Certificate"); and (iii) adopt the District Resolution (the District Resolution, this Purchase Agreement, and the Continuing Disclosure Certificate are collectively referred to herein as the "District Documents").

(b) **Due Authorization.** (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to perform its obligations under each of the District Documents, and to carry out and

effectuate the transactions contemplated by the District Documents; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds and the District Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement and the Official Statement.

(c) **Consents.** No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, 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) **Internal Revenue Code.** The District has complied, and will comply, with the requirements of the Internal Revenue Code of 1986, as amended, with respect to the Bonds.

(e) **No Conflicts.** To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of the District Documents and the Bonds, and the compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(f) **Litigation.** As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the District to such offices; or (ii) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of any of the Bonds, or the application of the proceeds of the sale of the Bonds, or the collection or levy of taxes contemplated by the Resolutions and available to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or the District Documents or contesting the powers of the District or its authority with respect to the Bonds or the District Documents or contesting in any way the completeness or accuracy of the Preliminary Official

Statement or the Official Statement; or (iii) in which a final adverse decision could (A) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the District Documents and the Official Statement, (B) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (C) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(g) **No Other Debt.** Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District directly nor any other governmental agency or other body on behalf of the District will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(h) **Interim Financial Report.** The District has not received or filed a qualified or negative certification in its most recent interim report pursuant to Section 42130 et seq. of the California Education Code.

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

(j) **Continuing Disclosure.** At or prior to the Closing, the District shall have duly authorized, executed and delivered the Continuing Disclosure Certificate. The Continuing Disclosure Certificate shall comply with the provisions of the Rule and be substantially in the form attached to the Preliminary Official Statement and Official Statement in Appendix D. Except as otherwise described in the Official Statement, the District has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure certificate or agreement under the Rule.

(k) **Official Statement Accurate and Complete.** The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the date of Closing (the "Closing Date"), the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to paragraph (g) of Section 10 of this Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the Closing Date the Official Statement as so supplemented or amended will not contain any untrue statement

of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading.

(l) **Financial Statements of District.** The financial statements of the District contained in the Preliminary Official Statement and final Official Statement fairly present the financial position and results of operations of the District as of the dates and for the periods therein set forth, and, since the date thereof, there has been no material adverse change in the financial position or results of operations of the District.

(m) **Levy of Tax.** The District hereby agrees to take any and all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds.

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

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

(b) **Due Authorization.** (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Purchase Agreement, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the Resolutions; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in the Bonds, the Resolutions and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the County except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against counties in the State; and (v) the County has duly authorized the consummation by it of all of its transactions contemplated by this Purchase Agreement.

(c) **Consents.** No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions

as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, 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.

(d) **No Conflicts.** To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Purchase Agreement, the County Resolution and the Bonds, and the compliance with the provisions hereof do not conflict with or constitute on the part of the County a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the County is a party or by which it is bound or to which it is subject.

(e) **Litigation.** As of the time of acceptance hereof, based on the advice of County Counsel, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the County, 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 of the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, or the levy on any taxes contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the Resolutions or contesting the powers of the County or its authority with respect to the Bonds, the Resolutions or this Purchase Agreement; or (iii) in which a final adverse decision could (A) materially adversely affect the operations of the County or the consummation of the transactions contemplated by this Purchase Agreement or the Resolutions, (B) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (C) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

(f) **No Other Debt.** Between the date hereof and the Closing, without the prior written consent of the Underwriter, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

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

Section 9. Representations and Agreements of the Underwriter. The Underwriter represents to and agrees with the District and the County that, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

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

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

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

(d) The Underwriter represents that it is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer.

(e) The Underwriter has reasonably determined that the District's undertaking to provide continuing disclosure with respect to the Bonds pursuant to Section 11(e)(viii) hereof is sufficient to effect compliance with the Rule.

Section 10. Covenants of the District. The District covenants and agrees with the Underwriter that:

(a) **Securities Laws.** 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 shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof.

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

(c) **Official Statement.** The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh business day following the date this 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 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. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds.

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

(e) **Filings.** The District authorizes the Underwriter to file, to the extent required by the applicable rules promulgated by the Securities and Exchange Commission or the MSRB, and the Underwriter agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including the MSRB's Electronic Municipal Market Access system); or (ii) other repositories approved from time to time by the Securities and Exchange Commission (either in addition to or in lieu of the filing referred to above). If an amended Official Statement is prepared in accordance with Section 10(g) of this Purchase Agreement during the "Primary Offering Disclosure Period" (as defined herein), and if required by an applicable Securities and Exchange Commission Rule or MSRB rule, the Underwriter also shall make the required filings of the amended Official Statement. The "Primary Offering Disclosure Period" is used as defined in MSRB Rule G-32 and shall end on the twenty-fifth day after the Closing Date.

(f) **References.** 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.

(g) **Amendments to the Official Statement.** During the period ending on the twenty-fifth day after the End of the Underwriting Period (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter; and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter, at the District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given

subsequent to the Closing, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

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

Section 11. Conditions to Closing. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District and the County contained herein and the performance by the District and the County of their respective obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Purchase Agreement are, and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) **Representations True.** The representations and warranties of the District and the County contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District and the County shall be in compliance with each of the agreements made by each of them in this Purchase Agreement.

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

(c) **Adverse Rulings.** No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District or the County, pending or threatened which has any of

the effects described in Section 7(f) and in Section 8(e) hereof or contesting in any way the completeness or accuracy of the Official Statement.

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

(i) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made or proposed to be made:

(A) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service, with the purpose or effect, directly or indirectly, of causing the inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds; or

(B) 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, or would be in violation of any provision of the federal securities laws;

(ii) legislation enacted by the legislature of the State, or a decision rendered by a court of the State, or a ruling, order or regulation (final or temporary) made by State authority, which would have the effect of changing, directly or indirectly, the State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof;

(iii) the formal declaration of war by Congress or a new major engagement in or escalation of military hostilities by order of the President of the United States, or the occurrence of any other declared national emergency or crisis that interrupts or causes disorder to the operation of the financial markets in the United States;

(iv) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;

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

(vi) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District shall have occurred;

(vii) any rating of the District's outstanding indebtedness is withdrawn or downgraded or placed on credit watch by a national rating agency;

(viii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading and, in either such event, the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(ix) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred.

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

(i) *Opinions.*

(A) *Opinion of Bond Counsel.* An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the Closing Date, addressed to the District, in substantially the form set forth in Appendix D of the Preliminary Official Statement and the Official Statement.

(B) *Supplemental Opinion of Bond Counsel.* A supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriter, dated the Closing Date and addressed to the Underwriter, to the effect that:

(1) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions "INTRODUCTION," "THE BONDS," "TAX MATTERS" and "CONTINUING DISCLOSURE," to the extent they purport to summarize certain provisions of the Bonds, the Resolutions, the Continuing Disclosure Certificate, and the form and content of Bond Counsel's approving opinion with respect to the treatment of interest on the Bonds under California and federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical data, or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, information concerning the Depository Trust Company or related to its book-entry-only system, information relating to Bond Insurer or its Policy with respect to the Bonds, or Appendices A, B, C, F, G and H of the Official Statement;

(2) assuming due authorization, execution and delivery by all the other parties thereto, the Continuing Disclosure Certificate and this Purchase Agreement have each been duly authorized, executed and delivered by the District and constitute legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State; and

(3) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolutions are exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(C) *Disclosure Counsel Opinion.* The opinion of Jones Hall, A Professional Law Corporation, dated the Closing Date and

addressed to the Underwriter and the District, substantially to the effect that based on such counsel's participation in conferences with representatives of the Underwriter, the District and others, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District that during the course of its engagement as Disclosure Counsel no information 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 Preliminary Official Statement as of its date and the Official Statement as of its date and as of the date of Closing (except for any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, Appendices A, B, C, F and G, any information about DTC or its book-entry-only system included therein, or any information about the Bond Insurer or the Policy, 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.

(D) *Underwriter's Counsel Opinion.* An opinion, dated the Closing Date and addressed to the Underwriter, of _____, counsel for the Underwriter, to the effect that:

(1) the Bonds are exempt securities under the Securities Act of 1933, as amended, and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the Securities Act of 1933, as amended, and the Resolutions need not be qualified under the Trust Indenture Act of 1939, as amended;

(2) the Continuing Disclosure Certificate satisfies Section (b)(5)(i) of the Rule; and

(3) based upon its participation in the preparation of the Preliminary Official Statement and Official Statement as counsel for the Underwriter and its participation at conferences at which the Preliminary Official Statement and Official Statement were discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement as of its date and the Official Statement as

of its date and as of the Closing Date 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 under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement, the information contained in Appendices A, B, C, D, F and G thereto, any information about the Bond Insurer or the Bond Insurance Policy, and the information regarding The Depository Trust Company and its book-entry system, in each case as to which no view need be expressed).

(ii) *Reliance Letter.* A reliance letter from Bond Counsel to the effect that the Underwriter and the County can rely upon the approving opinion described in Section 11(e)(i)(A) above.

(iii) *Certificates.* A certificate signed by appropriate officials of the District to the effect that (A) the official executing this Purchase Agreement is authorized to execute this Purchase Agreement; (B) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the Closing Date; (C) the District has complied with all the terms of the District Documents to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect; (D) such District officials have reviewed the Preliminary Official Statement and the Official Statement and on such basis certify that the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and as of the Closing Date, does not contain any untrue statement of a material fact or omit to state a material statement required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; and (E) the Bonds being delivered on the Closing Date to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution.

(iv) *Tax Certificate.* A nonarbitrage (tax) certificate of the District in form satisfactory to Bond Counsel.

(v) *Rating.* Evidence satisfactory to the Underwriter that the Bonds have been rated “___” by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) based on the delivery of the Policy, together with an underlying rating of “___” by S&P, and that each such rating has not been revoked or downgraded.

(vi) *District Resolutions.* A certificate, together with fully executed copies of the District Resolution and the resolution of the District requesting cancellation of a portion of its previously authorized general obligation bonds under Measure D in an amount equal to the principal

amount of Bonds being issued (the "Cancellation Resolution"), of the Secretary to or the Clerk of the District's Board of Trustees to the effect that:

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

(B) the District Resolution and the Cancellation Resolution were duly adopted and have not been modified, amended, rescinded or revoked and are in full force and effect on the Closing Date.

(vii) *Official Statement.* A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with the Rule.

(viii) *Continuing Disclosure Certificate.* An executed copy of the Continuing Disclosure Certificate, substantially in the form presented in the Official Statement as Appendix E thereto.

(ix) *Tax Rate and Bonding Capacity Certificates.* A certificate signed by a District official setting forth a projection evidencing that tax rates are projected not to exceed \$60 per \$100,000 of assessed value during the term of the Bonds, and a certificate signed by a County official confirming the assessed valuations used to determine that the District is in compliance with applicable bonding capacity limitations;

(x) *Paying Agency Agreement.* An executed copy of the Paying Agency Agreement by and between the District and U.S. Bank National Association, as paying agent (the "Paying Agent");

(xi) *County Resolution.* A certificate, together with a fully executed copy of the County Resolution, of the Clerk of the County's Board of Supervisors to the effect that such copy is a true and correct copy of the County Resolution, and the County Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the Closing Date.

(xii) *County Certificate.* A certificate signed by an appropriate official of the County to the effect that (A) the official executing this Purchase Agreement is authorized to execute this Purchase Agreement; (B) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing; (C) the County has complied with all the terms of the Resolutions and this 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; (D) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the

descriptions thereof contained in the Resolutions; and (E) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to his or her knowledge, threatened against the County contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by the County on behalf of the District or the due adoption of the Resolutions.

(xiii) *Bond Insurer Documents.* A copy of the Policy, together with supporting opinions and certifications as shall be deemed advisable by Bond Counsel and as may be reasonably requested by the Underwriter.

(xiv) *Other Documents.* Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence: (A) compliance by the District, the County and the Underwriter with their respective legal requirements; (B) the truth and accuracy, as of the time of Closing, of the representations of the District and the County herein contained and of the Official Statement; and (C) the due performance or satisfaction by the District and the County at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District and the County.

(f) **Termination.** Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the County on behalf of the District to the Underwriter as provided in Section 6 hereof, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District, the County and the Underwriter under Section 15 hereof.

If the District or the County shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District and the County 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 District and the County 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 in its sole discretion.

Section 12. Conditions to Obligations of the District and the County. The performance by the District and the County of their respective obligations is conditioned upon (a) the performance by the Underwriter of its obligations hereunder, and (b) receipt by the District, the County and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District and the County.

Section 13. Expenses. Except as herein described, the Underwriter shall pay the following expenses, up to \$ _____: (a) the cost of the preparation and reproduction of the Resolutions; (b) the fees and disbursements of Bond Counsel and Disclosure Counsel; (c) the cost of the preparation, printing and delivery of the Bonds; (d) the fees, if any, for Bond ratings, including all necessary travel expenses; (e) the cost of the printing and distribution of the Preliminary Official Statement and Official Statement; (f) the fees and disbursements of the financial advisor to the District; (g) the initial fees of the Paying Agent; (h) the premium for the Policy; and (i) all other fees and expenses incident to the issuance and sale of the Bonds. The balance of any costs of issuance not paid by the Underwriter shall be paid by the District. In the event that following payment of the expenses set forth above, there is any portion of such amount remaining with the Underwriter, the Underwriter shall transfer such excess to Riverside County for deposit in the Debt Service Fund for the Bonds. At the time that all costs of issuance are paid, the Underwriter shall provide the District with a complete accounting of such payments and any amounts remaining after all payments have been made. In accordance with Section 1 herein, the District hereby directs the Underwriter to pay directly to the Bond Insurer the premium for the Policy.

Except as otherwise provided above, the Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the fees of Underwriter's Counsel, the California Debt and Investment Advisory Commission fee, travel and other out-of-pocket expenses (except those expressly provided above), without limitation.

Section 14. Notices. Any notice or other communication to be given under this 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 District, to the Superintendent, at the address set forth on the first page hereof, if to the County, to the Treasurer, at the address set forth on the first page hereof, or if to the Underwriter, to _____.

Section 15. Parties in Interest; Survival of Representations and Warranties. This Purchase Agreement when accepted by the District and the County in writing as heretofore specified shall constitute the entire agreement among the District, the County and the Underwriter. This Purchase Agreement is made solely for the benefit of the District, the County and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the District and the County in this 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 Purchase Agreement. If any provision of this Purchase Agreement is, or is held or deemed to be, invalid, illegal or unenforceable for any reason, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 16. Execution in Counterparts. This 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.

Section 17. Applicable Law. This Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State applicable to contracts made and performed in such State.

Very truly yours,

_____, as Underwriter

By _____
Vice President

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

ALVORD UNIFIED SCHOOL DISTRICT

By _____
Title _____

ACCEPTED at _____ p.m. Pacific Time
this _____ day of _____, 2013

RIVERSIDE COUNTY, CALIFORNIA

By _____
Treasurer-Tax Collector

ACCEPTED at _____ p.m. Pacific Time
This 14th day of May, 2013

Approved as to form:
COUNTY COUNSEL

By: _____

Deputy County Counsel

APPENDIX A

**INTEREST RATES, REOFFERING YIELDS, MATURITIES, AND
REDEMPTION PROVISIONS**

\$ _____
ALVORD UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2012 Election, Series A
(GO Reauthorization Bonds™)

\$ _____ Serial Current Interest Bonds

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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\$ _____ Serial Capital Appreciation Bonds

<u>Maturity (August 1)</u>	<u>Denominational Amount</u>	<u>Accretion Rate</u>	<u>Yield to Maturity</u>	<u>Maturity Value</u>
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Redemption Provisions

Optional Redemption

Current Interest Bonds. The Current Interest Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be

designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20____, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Capital Appreciation Bonds. The Capital Appreciation Bonds are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20____, or on any date thereafter, at a price equal to 100% of the Accreted Value thereof, without premium.

Convertible Capital Appreciation Bonds. The Convertible Capital Appreciation Bonds maturing on August 1, 20____ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20____, or on any date thereafter, at a price equal to 100% of the Conversion Value thereof, without premium, together with accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption

Current Interest Term Bonds. The Current Interest Bonds maturing on August 1, 20____ and August 1, 20____ (the “**Term Bonds**”), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the respective schedules set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium.

Term Bonds Maturing August 1, 20____

Redemption Date (August 1)	Sinking Fund Redemption
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Term Bonds Maturing August 1, 20____

Redemption Date (August 1)	Sinking Fund Redemption
-------------------------------	----------------------------

If any such Current Interest Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

OFFICIAL NOTICE OF SALE

Not To Exceed \$79,000,000

ALVORD UNIFIED SCHOOL DISTRICT

(Riverside County, California)

GENERAL OBLIGATION BONDS

2012 ELECTION, SERIES A
(GO Reauthorization Bonds™)

NOTICE IS HEREBY GIVEN by the Board of Supervisors of the County of Riverside (the "County"), that bids will be received by a representative of the County for the purchase of not to exceed \$79,000,000 principal amount and denominational amount of bonds of the Alvord Unified School District (the "District"), designated the "Alvord Unified School District (Riverside County, California) General Obligation Bonds 2012 Election, Series A (GO Reauthorization Bonds™)" (the "Bonds"). Bids will be received in electronic form via BiDCOMP™/Parity® ("Parity") on

TUESDAY, NOVEMBER 21, 2013

or, at the option of the District, on successive days thereafter until acceptance of a bid, in either case at 10:00 a.m. Pacific Time. The County reserves the right to postpone or change the sale date upon 24 hours notice as described below. The Bonds will be issued by the County in the name and on behalf of the District, under the provisions of a Resolution adopted by the Board of Trustees of the District on October 3, 2013, and a Resolution adopted by the Board of Supervisors of the County on November 5, 2013 (collectively, the "Bond Resolution"), and under the laws of the State of California. The Bonds are more particularly described in the proposed form of the Bond Resolution on file with the District and the County (which is incorporated herein by reference) and copies thereof will be furnished to the bidder upon request.

Important Note: The winning bidder will be required to pay, from underwriter's gross spread, certain costs of issuance of the Bonds. See "TERMS OF SALE - Payment of Issuance Costs" herein. In addition, the District has designated a minimum purchase price at which the Bonds are to be sold. See "TERMS OF SALE - Form of Bid: Minimum Purchase Price" herein.

DESCRIPTION OF THE BONDS

PURPOSE: The proceeds of the Bonds will be applied by the District for the purpose of financing the acquisition and construction of educational facilities to be used for the educational purposes of the District, in accordance with the ballot proposition under which the issuance of the Bonds has been authorized.

ISSUE; BOOK-ENTRY FORM: The Bonds will be issued in the form of Current Interest Bonds and Capital Appreciation Bonds, in the aggregate principal amount and denominational amount of not to exceed \$79,000,000 in the form of fully registered Bonds without coupons. The Bonds will be dated as of as of their original delivery. The Bonds will be issued in a book entry only system with no physical distribution of the

Bonds made to the public. The Depository Trust Company, New York, New York ("DTC"), will act as depository for the Bonds which will be immobilized in its custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC, on behalf of the participants in the DTC system and the subsequent beneficial owners of the Bonds.

MATURITIES: The Bonds will mature, or be subject to mandatory sinking fund redemption, on August 1 in each of the years, and in the amounts, as set forth in the following tables. The final principal amount of the Bonds, and the final amount of each maturity of the Bonds, is subject to increase or reduction as described below under the heading "Adjustment of Principal Amounts". *Each bidder must specify in its bid whether, for any particular year, the Bonds will mature or, alternately, be subject to mandatory sinking fund redemption in such year.*

CURRENT INTEREST BONDS

Maturity Date (August 1)	Principal Amount	Maturity Date (August 1)	Principal Amount
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CAPITAL APPRECIATION BONDS

Maturity Date (August 1)	Maturity Value (Estimated)
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PAYMENT PROVISIONS: Interest on the Current Interest Bonds will be payable on February 1, 2014, and on February 1 and August 1 in each year thereafter (the "Interest Payment Dates"), to the registered owners by check or draft of U.S. Bank National Association, as Paying Agent (the "Paying Agent") or, in the case of the owner of Current

Interest Bonds in an aggregate principal amount of at least \$1,000,000 and in the case of the owner of Capital Appreciation Bonds in an aggregate maturity value of at least \$1,000,000, at the written request of such owner by wire transfer.

Interest on the Capital Appreciation Bonds will compound on February 1, 2014, and on February 1 and August 1 in each year thereafter (the "Compounding Dates"), and will be payable solely at maturity or upon redemption. The Maturity Value of a Capital Appreciation Bond will consist of the original principal amount thereof together with interest compounded thereon to the maturity date of the Capital Appreciation Bond, calculated at the yield on the Capital Appreciation Bond. The Accreted Value of a Capital Appreciation Bond as of any Compounding Date will be equal to the total amount of principal thereof and interest payable thereon as of the Compounding Date, calculated at the yield on such Capital Appreciation Bond. The Accreted Value of any Capital Appreciation Bond as of any date other than a Compounding Date will be the sum of (a) the Accreted Value as of the immediately preceding Compounding Date plus (b) interest on the Accreted Value determined under the preceding clause (a), computed to the date as of which the calculation is being made at the yield to maturity set forth on such Capital Appreciation Bond, computed on the basis of a 360-day year of twelve 30-day months.

The principal amount of the Current Interest Bonds, and the Maturity Value and Accreted Value of any Capital Appreciation Bond, and the premium thereon in the case of a Bond called for redemption, will be paid upon presentation and surrender thereof at the office of the Paying Agent in St. Paul, Minnesota or, in the case of the owner of Bonds in an aggregate principal amount or Maturity Value of at least \$1,000,000, at the written request of such owner by wire transfer. Both the principal of and interest and premium (if any) on the Bonds are payable in lawful money of the United States of America.

OPTIONAL REDEMPTION: Bonds maturing on or before August 1, 20__, are not subject to redemption prior to their respective stated maturities. Bonds maturing on or after August 1, 20__, are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, and on any date thereafter, at a redemption price equal to 100% of the principal amount of Current Interest Bonds (or Accreted Value of Capital Appreciation Bonds) to be redeemed together with accrued interest thereon to the date fixed for redemption, without premium.

SINKING FUND REDEMPTION: Any bidder may, at its option, specify that one or more maturities of the Bonds will consist of term Bonds which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder. If the bid of the successful bidder specifies that any maturity of Bonds will be term Bonds, such term Bonds will be subject to mandatory sinking fund redemption on August 1 in each year so designated in the bid, in the respective amounts for such years as set forth above under the heading "MATURITIES", at a redemption price equal to the principal amount thereof (in the case of Current Interest Bonds) or the Accreted Value thereof (in the case of Capital Appreciation Bonds) to be redeemed together with accrued interest to the redemption date, without premium.

SECURITY: The Bonds are general obligations of the District, and the District will direct the appropriate officials of the County to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon without limitation as to rate or amount.

TAX-EXEMPT STATUS: In the opinion of Jones Hall, A Professional Law Corporation, bond counsel to the District, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal individual and corporate alternative minimum taxes, although it is included in certain income and earnings in computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. Bidders are referred to the Preliminary Official Statement for a description of the proposed opinion of Bond Counsel. If prior to the delivery of the Bonds either (a) the interest on other obligations of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse effect upon owners of the Bonds as such, the successful bidder for the Bonds may, at its option, prior to the tender of the Bonds, be relieved of its obligation under the contract to purchase the Bonds, and in such case the deposit accompanying its proposal will be returned.

LEGAL OPINION: The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, approving the validity of the Bonds, will be furnished to the purchaser of the Bonds without cost. A copy of the legal opinion will be appended to each Bond.

FURTHER INFORMATION: A copy of the preliminary Official Statement describing the Bonds, and any other information concerning the proposed financing, will be furnished upon request to the financial advisor to the District (the "Financial Advisor"), as Follows: Dale Scott & Co., 650 California Street, 8th Floor, San Francisco, California 94108, tel: (415) 956-1030. Such information is also available on the website of the Financial Advisor at <http://www.dalescott.com/what-we-do-2/upcoming-financings/>.

MUNICIPAL BOND INSURANCE; BIDDER'S OPTION: The District has applied to certain bond insurance companies for a commitment to issue a policy insuring the payment when due of principal of and interest on the Bonds. If such a commitment is obtained prior to the sale date, the District will cause notice thereof to be published on the website of the Financial Advisor and through Parity. Information concerning the availability of municipal bond insurance may be also obtained by contacting the financial advisor to the District, Dale Scott & Co., 650 California Street, 8th Floor, San Francisco, California 94108, telephone: (415) 956-1030. If the District obtains a commitment for municipal bond insurance, each bidder has the option to elect whether such insurance will be issued. If the winning bidder elects to obtain any policy of municipal bond insurance, the premium for such insurance and the costs of any related ratings will be paid by the bidder, and neither the County nor the District will have any responsibility for payment of such premium and costs.

CERTIFICATE REGARDING MUNICIPAL BOND INSURANCE: If the winning bidder elects to obtain a policy of municipal bond insurance for the Bonds, the bidder will be required to execute and deliver to the District a certificate, in form and substance

acceptable to bond counsel, stating that (a) the present value of the fees for the municipal bond insurance policy is less than the present value of expected interest savings as a result of the insurance, determined by using the yield of the Bonds as the discount rate in computing present value; and (b) based on the experience of the purchaser in assisting issuers to obtain municipal bond insurance, the fees for the bond insurance policy do not exceed a reasonable arm's length charge for transfer of the credit risk represented by the insurance and do not include any payment for any direct or indirect services other than the transfer of credit risk.

TERMS OF SALE

RIGHT TO CANCEL, POSTPONE OR RESCHEDULE SALE: The County and the District reserve the right to cancel, postpone or reschedule the sale of the Bonds upon notice published on the website of the Financial Advisor and through the TM3 system, not less than 24 hours before the time for receipt of bids. If the sale is postponed, bids will be received at the above place at such date and hour as set forth in the notice. Failure of any bidder to receive such notice or any other form of notice of canceled, postponed or rescheduled sale will not affect the legality or validity of any sale.

SUBMISSION OF BIDS: Bids will be received electronically as described below, provided that such electronic bid and the good faith deposit (described below), must be received no later than the date and time set for receipt of bids. *All bids must be accompanied by a good faith deposit as more fully described below.*

ELECTRONIC BIDS: The County and the District will accept bids in electronic form through the Parity electronic bidding system. Each bidder submitting an electronic bid agrees by doing so that it is solely responsible for all arrangements with Parity and that Parity is not acting as an agent of the District. Instructions and forms for submitting electronic bids must be obtained from Parity, and the County and the District assume no responsibility for ensuring or verifying bidder compliance with Parity's procedures. The County and the District will be entitled to assume that any bid received via Parity has been made by a duly authorized agent of the bidder.

Neither the District, the County, the Financial Advisor nor Bond Counsel has any responsibility for proper functioning of the Parity system, for any error contained in any bid submitted electronically, or for failure of any bid to be transmitted, received or opened at the official time for receipt of bids. The official time for receipt of bids will be determined by the County and the District at the place of bid opening, and the County and the District will not be required to accept the time kept by Parity as the official time. The County and the District assume no responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete, or not received.

FORM OF BID; MINIMUM PURCHASE PRICE: Each proposal must be for not less than all of the Bonds hereby offered for sale. The purchase price to be paid for the Bonds shall not be less than the par value thereof. No bid will be entertained which fails to provide the minimum purchase price specified in this paragraph.

PAYMENT OF ISSUANCE COSTS: The successful bidder will be required to pay \$_____ of the costs of issuing the Bonds from underwriter's gross compensation at the time of delivery of the Bonds. This amount should not be added to the price paid

for the Bonds. Payment of this amount is not optional and is in addition to any premium for a policy of municipal bond insurance and is also in addition to the premium specified in the previous paragraph. Therefore, bidders should include payment of such costs in calculating their bids. Such amount will be deposited with U.S. Bank National Association, as custodian, under a Costs of Issuance Custodian Agreement and will be disbursed by said custodian upon requisitions of the District.

DESIGNATION OF INTEREST RATES: Each bidder must specify the rate or rates of interest which the Current Interest Bonds will bear, and at which interest on the Capital Appreciation Bonds will accrete. The maximum rate bid on any Bonds may not exceed 8% per annum. A bidder will be permitted to bid different rates of interest for each maturity of Bonds, but:

- each interest rate specified must be in a multiple of 1/20% or 1/8%;
- no Bond may bear or accrete interest at more than one rate;
- interest on each Bond will be computed from the date of original delivery to its stated maturity at the interest rate specified in the proposal; and
- all Bonds maturing at any one time must bear or accrete at the same rate of interest.

DETERMINATION OF BEST BID: The Bonds will be awarded to the responsible bidder whose bid produces the lowest true interest rate on the Bonds. The true interest rate specified in any bid will be that rate which, when used in computing the present worth of all payments of principal and interest to be paid on all Bonds from the date of original delivery (which is assumed to be December 12, 2013) to their respective maturity dates or mandatory sinking fund redemption dates, produces an amount equal to the purchase price specified in such bid. For purposes of computing the true interest rate represented by any proposal, the purchase price specified in such proposal shall be equal to the par amount of the Bonds plus any premium specified in such proposal, and the true interest rate shall be calculated by the use of a semiannual interval of compounding interest based on the Interest Payment Dates for the Bonds.

ADJUSTMENT OF PRINCIPAL MATURITIES: The District reserves the right to increase or decrease the principal amount of any maturity of the Current Interest Bonds (or, in the case of the term Current Interest Bonds, the principal amount thereof which is subject to mandatory sinking fund redemption on August 1 in any year), and the denominational amount of the Capital Appreciation Bonds, by not more than 10% of the principal amount of Bond maturing in a particular year. The District will give notice of any such adjustment to the successful bidder as soon as practicable following the notification of award. No such adjustment will alter the basis upon which the best bid is determined.

RIGHT OF REJECTION: The County reserves the right, in its discretion, to reject any and all bids and to the extent not prohibited by law to waive any irregularity or informality in any bid.

PROMPT AWARD: The Board of Supervisors of the County has authorized its officers to accept the best responsible bid for the purchase of the Bonds in the name and on behalf of the District, by notice to the successful bidder. Such officers have further been authorized, in their discretion, to reject any and all bids and waive any irregularity or informality in any bid. The sale of the Bonds will be awarded, or all bids rejected, not later than 24 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder; provided, that the award may be made after the expiration of the specified time if the bidder has not given to the County notice in writing of the withdrawal of its proposal.

PLACE OF DELIVERY; CANCELLATION FOR LATE DELIVERY: It is expected that the Bonds will be delivered to DTC for the account of the successful bidder within 21 days from the date of sale thereof. The successful bidder has the right, at the successful bidder's option, to cancel the contract of purchase if the Bonds are not tendered for delivery within 60 days from the date of the sale thereof, and in such event the successful bidder shall be entitled to the return of the deposit accompanying its bid.

GOOD FAITH DEPOSIT: The winning bidder shall wire a good faith deposit (the "Deposit") in the amount of \$_____ to the Riverside County Treasurer-Tax Collector within 24 hours following the notification of award. No interest on the Deposit will accrue to the purchaser. The amount of the Deposit will be applied as a credit towards the payment of the purchase price by the winning bidder. If after the award of the Bonds, the winning bidder fails to complete its purchase on the terms stated in its proposal, the full amount of the good faith deposit will be retained by the County on behalf of the District.

PAYMENT OF PURCHASE PRICE: The successful bidder will be required to pay the purchase price of the Bonds, less the good faith deposit made under the preceding paragraph, in funds which are immediately available to the Riverside County Treasurer-Tax Collector. Such payment shall be made on the date of original delivery of the Bonds by the District to DTC.

STATEMENT OF TRUE INTEREST RATE AND DENOMINATIONAL AMOUNT: Each bidder is requested, but not required, to state in its proposal (a) the percentage true interest rate represented by its proposal, determined as described above, which will be considered as informative only and not binding on either the bidder or the County, and (g) the aggregate denominational amounts for each maturity of the Capital Appreciation Bonds, which shall be considered as informative only and not binding on either the bidder, the County or the District.

CERTIFICATION OF REOFFERING PRICE: The winning bidder will be required, as a condition to the delivery of the Bonds by the District, to deliver to the County and the District a certificate identifying the prices at which it reasonably expects to initially offer each maturity of the Bonds to the general public (the "Initial Offering Prices") as of the date of purchase of the Bonds (the "Sale Date"). The winning bidder will also be required, on or prior to the date of issue of the Bonds, to actually offer 100% of each maturity of the Bonds to the general public in a bona fide public offering for prices equal to or less than the Initial Offering Prices. As of the date of issue of the Bonds, the winning bidder be required execute a certificate to be prepared by Bond Counsel which states: (a) the reoffering prices of the Bonds, (b) that, as of the Sale Date, taking into account market conditions, the winning bidder had no reason to believe any of the

Bonds would be initially sold to the general public at prices greater than the Initial Offering Prices, (c) that, as of the Sale Date, at least 10% of each maturity of the Bonds was initially sold to the general public for the respective Initial Offering Prices, other than specifically identified maturities of the Bonds, and (d) that, in the opinion of the winning bidder, the Initial Offering Prices do not exceed the fair market value of said maturities of the Bonds to the general public as of the Sale Date.

NO LITIGATION: There is no litigation pending concerning the validity of the Bonds, the corporate existence of the District, or the entitlement of the District officers to their respective offices, and the purchaser will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the Bonds.

CUSIP NUMBERS: It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error with respect thereto will constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the Bonds in accordance with the terms hereof. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the District, except that the CUSIP Service Bureau charge for the assignment of said numbers will be the responsibility of and shall be paid for by the purchaser.

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION FEES: All fees payable to the California Debt and Investment Advisory Commission in connection with the issuance of the Bonds are the sole responsibility of the purchaser of the Bonds.

OFFICIAL STATEMENT: The District has approved a Preliminary Official Statement relating to the Bonds. Copies of such Preliminary Official Statement will be distributed to any bidder, upon request, prior to the sale in a form "deemed final" by the District for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). Within seven business days from the sale date, the District will deliver to the purchaser copies of the final Official Statement, executed by an authorized representative of the District and dated the date of delivery thereof to the purchaser, in sufficient number to allow the purchaser to comply with paragraph (b)(4) of the Rule and to satisfy the Municipal Securities Rulemaking Board (the "MSRB") Rule G-32 or any other rules adopted by the MSRB, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and such other amendments or supplements as are approved by the District (the "Final Official Statement"). The purchaser agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Final Official Statement. The District will furnish to the successful bidder, at no charge, not more than 125 copies of the Official Statement for use in connection with any resale of the Bonds.

CERTIFICATE REGARDING OFFICIAL STATEMENT: A responsible officer of the District will certify to the original purchaser of the Certificates, as a condition of closing, that based on such officer's participation in the preparation of the Official Statement, nothing has come to his or her attention to lead him or her to believe that the Official Statement (except for certain financial statements, statistical data and other information) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

CONTINUING DISCLOSURE. In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the District has committed to undertake, under the Bond Resolution and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the preliminary Official Statement and will also be set forth in the final Official Statement. Such Continuing Disclosure Certificate will be a document required to be delivered at closing by the District, and the failure by the District to deliver such document in form and substance acceptable to Bond Counsel and the successful bidder will relieve the successful bidder of its obligation to purchase the Bonds.

GIVEN by order of the Board of Supervisors of the County of Riverside by resolution adopted November 5, 2013.

**BOARD OF EDUCATION
ALVORD UNIFIED SCHOOL DISTRICT**

RESOLUTION NO. 18

**RESOLUTION AUTHORIZING THE ISSUANCE OF GENERAL
OBLIGATION BONDS, 2012 ELECTION, SERIES A, IN THE
AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED
\$79,000,000, AND REQUESTING THE BOARD OF
SUPERVISORS OF RIVERSIDE COUNTY TO SELL SAID
BONDS ON BEHALF OF THE DISTRICT**

WHEREAS, pursuant to Proposition 39 and the Strict Accountability in Local School Construction Bond Act of 2000, being California Education Code Section 15264 and following (the "Strict Accountability Act"), on November 6, 2007, a bond election was conducted within the boundaries of the Alvord Unified School District (the "District") on the question of authorizing the issuance of general obligation bonds of the District in the aggregate principal amount of \$196,000,000 (the "Measure H Bonds"), and more than 55 percent of the voters voting on the Measure approved the passage of Measure H; and

WHEREAS, on May 26, 2010, the District issued \$51,999,393.95 original principal amount of bond anticipation notes pursuant to California Education Code Section 15150, which mature on May 1, 2015 and are payable from the proceeds of a series of Measure H Bonds, or from any other funds of the District lawfully available for such purpose (the "2010 Bond Anticipation Notes");

WHEREAS, due in part to tax rate limitations which limit the District's ability to issue additional series of Measure H Bonds, an election was duly and regularly held in the District on November 6, 2012, pursuant to Proposition 39 and the Strict Accountability Act, for the purpose of submitting Measure W (the "2012 Bond Measure") to the qualified electors of the District, authorizing the issuance of general obligation bonds in the aggregate principal amount of \$79,000,000 (the "Bonds"), being the amount of unissued Measure H Bonds, and more than 55% of the votes cast were in favor of the issuance of the Bonds; and

WHEREAS, the Board of Education of the District is authorized to provide for the issuance and sale of any series of Bonds under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, the Bond Law provides that the Bonds may be sold at public or private sale, as the District Board of Education determines, but that the negotiated sale of Bonds is limited to the sale of the Bonds pursuant to Sections 15140 or 15146 of California the Education Code (the "Education Code"); and

WHEREAS, Section 15140 of the Education Code requires that general obligation bonds of the District be offered for sale by the Board of Supervisors of the County of Riverside (the "County") as soon as possible following receipt of a resolution adopted by the Board of Education of the District; and

WHEREAS, the Board of Education of the District wishes at this time to institute proceedings for the issuance and sale of a series of Bonds in the aggregate principal amount of not to exceed \$79,000,000 for the purpose of financing projects approved pursuant to the 2012 Bond Measure, including providing for the payment of the 2010 Bond Anticipation Notes, and to request that such series of Bonds be sold by the County in accordance with the Education Code as provided herein; and

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

Section 1. Authorization and Terms of Series A Bonds. The Board of Education hereby authorizes the issuance of a series of Bonds to be designated the "Alvord Unified School District (Riverside County, California) General Obligation Bonds, 2012 Election, Series A (GO Reauthorization Bonds™)" (or such other designation as shall be approved by the Superintendent, including designation into one or more series) in the aggregate principal amount of not to exceed \$79,000,000 (the "Series A Bonds"). The Series A Bonds shall be issued under the Bond Law, this resolution and a resolution to be considered and approved by the County Board of Supervisors. The Superintendent, the Controller, or the Assistant Superintendent, Business Services of the District (each, an "Authorized Officer") are hereby authorized and directed to determine the exact principal amount of the Bonds which the Board of Supervisors is requested to issue and sell, and to determine the final form of such Bonds, whether issued as current interest bonds, capital appreciation bonds, convertible capital appreciation bonds or a combination thereof, all in compliance with State law, and to confirm such principal amount and form to the County.

Section 2. Request to County to Sell Bonds. In accordance with Section 15140 of the Education Code, the Board of Education hereby requests the Board of Supervisors of the County to sell the Series A Bonds in the name and on behalf of the District. Proceeds of the Series A Bonds shall be expended by the District for purposes which are authorized under the 2012 Bond Measure, including for the purpose of providing for the payment and redemption of the 2010 Bond Anticipation Notes.

Section 3. Approval of Board of Supervisors Resolution. The resolution of the Board of Supervisors authorizing the sale of the Series A Bonds, in substantially the form on file with the Clerk of the Board, together with any additions thereto or changes therein deemed necessary or advisable by the Board of Supervisors and an Authorized Officer (the "County Resolution"), is hereby approved. The District agrees to carry out and perform all of the obligations imposed on it under the County Resolution.

Section 4. Sale of the Series A Bonds

(a) Competitive Sale of Series A Bonds. The Board hereby authorizes the sale of the Series A Bonds by competitive public bidding in accordance with the provisions of the Official Notice of Sale for the Series A Bonds in substantially the form on file with the Clerk of the Board, together with such additions thereto and changes therein as may be approved by a Authorized Officer. The true interest cost of the Series A Bonds shall not exceed the legal limit and the successful purchaser's compensation shall not exceed 2.00% of the aggregate principal amount of the Series A Bonds sold thereunder.

Under Government Code Section 53692, the Board hereby approves and authorizes the publication by Jones Hall, A Professional Law Corporation, as Bond Counsel to the District, of a Notice of Intention to Sell Bonds in form and substance acceptable to Bond Counsel, in *The Bond Buyer* once at least five days prior to the date fixed for receipt of bids.

In the event the Series A Bonds are sold by competitive public sale, the financial adviser to the District, Dale Scott & Company, Inc. is hereby authorized and directed by the District to cause to be furnished to prospective bidders a reasonable number of copies of the Official Notice of Sale and a reasonable number of copies of the Preliminary Official Statement relating to the Series A Bonds.

The terms and conditions of the offering and the sale of the Series A Bonds, if sold by competitive public sale, shall be as specified in the Official Notice of Sale. Sale of the Series A Bonds shall be awarded by an Authorized Officer, or all bids shall be rejected, not later than 24 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder.

(b) Negotiated Sale of Series A Bonds. Notwithstanding the foregoing Section (a), in the event that the Superintendent of the District determines that it is in the best interests of the District to sell the Series A Bonds on a negotiated basis, in accordance with Section 53508.7 of the Bond Law and Section 15140 of the Education Code, the Board hereby authorizes the sale of the Series A Bonds to an underwriting firm, banking firm or other financial institution to be designated by the Superintendent upon the advice of Dale Scott & Company, as financial advisor to the District. In such event, the Series A Bonds shall be sold pursuant to the Bond Purchase Agreement in substantially the form on file with the Clerk of the Board with such changes therein, deletions therefrom and modifications thereto as a Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. The Board hereby authorizes a Authorized Officer to accept a bid from the Underwriter to purchase the Series A Bonds, provided that the true interest cost of the Series A Bonds shall not exceed the legal limit per annum and the Underwriter's discount shall not exceed 2.00% of the aggregate principal amount of the Bonds sold thereunder.

In accordance with Section 53508.9 of the Bond Law and Section 15146 of the Education Code, if the Series A Bonds are to be sold on a negotiated basis, the Board of Education has requested the County to sell the Series A Bonds in such manner for the following reasons: (a) a negotiated sale provides more flexibility to choose the time and date of the sale which is advantageous in a volatile municipal bond market, (b) the general obligation debt service profile of the District requires flexibility in structuring the issuance of the Series A Bonds, and (c) a negotiated sale will permit the time schedule for the issuance and sale of the Series A Bonds to be expedited.

Section 5. Refunding of 2010 Bond Anticipation Notes; Approval of Escrow Agreement. The 2010 Bond Anticipation Notes shall be refunded and discharged with a portion of the proceeds of the Series A Bonds in accordance with the provisions of the Escrow Agreement. The Board hereby approves the Escrow Agreement in substantially the form on file with the Clerk of the Board, together with any changes therein or modifications thereof which are approved by an Authorized Officer, and the execution thereof by a Authorized Officer shall be conclusive evidence of the approval of any such

changes or modifications. An Authorized Officer is directed to execute and deliver the final form of the Escrow Agreement on behalf of the District.

Section 6. Security for the Series A Bonds. The Series A Bonds are general obligations of the District, which are payable from *ad valorem* taxes levied upon all property within the District subject to taxation, without limitation of rate or amount, in accordance with Sections 15250 and Section 15252 of the Education Code. The District hereby requests the County to levy such *ad valorem* taxes for the payment of the Series A Bonds and the interest thereon, without limitation as to rate or amount.

Section 7. Estimated Financing Costs. The firm of Jones Hall, A Professional Law Corporation, is hereby designated to act as the District's bond counsel and disclosure counsel, and the firm of Dale Scott & Company is hereby designated to act as the District's financial advisor, in connection with the issuance and sale of the Series A Bonds. The estimated Costs of Issuance associated with the bond sale are \$440,000, which includes the financial advisor fees and expenses, bond counsel and disclosure counsel fees and expenses, costs of printing the Official Statement, rating agency fees and paying agent fees, costs of publishing the Notice of Intent, but which do not include underwriting fees (which are provided for in Section 4).

Section 8. Tax Covenants.

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the Series A Bonds are not so used as to cause the Series A Bonds to meet the private business tests of Section 141(b) of the Internal Revenue Code of 1986, as amended (the "Tax Code") or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Series A Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of original delivery of the Series A Bonds (the "Closing Date") would have caused the Series A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Series A Bonds from the gross income of the owners of the Series A Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The District shall calculate or cause to be calculated excess investment earnings with respect to the Series A Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, and shall pay the full amount of such excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, if and to the extent such Section 148(f)

is applicable to the Series A Bonds. Such payments shall be made by the District from any source of legally available funds of the District. The District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Series A Bonds, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District deems appropriate.

Section 9. Approval of Official Statement. The Board of Education hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the preliminary Official Statement describing the Series A Bonds in the form on file with the Clerk of the Board. An Authorized Officer is hereby authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Board of Education' determination that the preliminary Official Statement has been deemed nearly final within the meaning of such Rule. Distribution of the preliminary Official Statement is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Board of Education hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed in the name and on behalf of the District by an Authorized Officer.

Section 10. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate to be executed by the District and dated the Closing Date.

Section 11. Appointment of Paying Agent. The District hereby appoints U.S. Bank National Association to act as authenticating agent, transfer agent, registrar and paying agent for the Series A Bonds (the "Paying Agent"). The Paying Agent shall perform such duties as are imposed on it under the County Resolution.

Section 12. Findings. The Board of Education hereby finds and determines that all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of the Series A Bonds is within all limits prescribed by law.

Section 13. Official Actions. The President of the Board, the Superintendent, the Controller, the Assistant Superintendent, Business Services, the Clerk of the Board and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series A Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 14. Effective Date of Resolution. This Resolution shall take effect from and after the date of its passage and adoption.

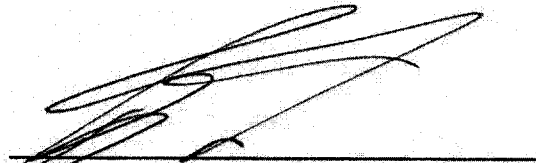
I hereby certify that the foregoing Resolution was passed and adopted by the Board of Education of the Alvord Unified School District at a regular meeting thereof duly held on October 3, 2013, by a vote of a majority of its members.


Adopted by the following votes:

AYES: 4

NOES:

ABSENT: 1



Clerk of the Board

President of the Board

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 14, 2013

NEW ISSUE - FULL BOOK-ENTRY

RATINGS: Moody's: "___"
 Standard & Poor's: "___"
 See "RATINGS" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described in this Official Statement, under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, interest on the Bonds is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. See "TAX MATTERS."

\$79,000,000*

ALVORD UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2012 Election, Series A
(GO Reauthorization Bonds™)

Dated: Date of Delivery

Due: August 1, as shown on inside cover

Authority and Purpose. The Alvord Unified School District (Riverside County, California) General Obligation Bonds, 2012 Election, Series A (the "Bonds") are being issued by the Alvord Unified School District (the "District") pursuant to the laws of the State of California, a resolution of the Board of Education of the District adopted on October 3, 2013 and a resolution adopted by the Board of Supervisors of the County of Riverside (the "County") on November 5, 2013 (collectively, the "Bond Resolution"). The Bonds are being issued to (i) provide for the payment at maturity of the District's outstanding 2010 General Obligation Bond Anticipation Notes, and (ii) finance additional educational projects approved by the District's voters at an election held in the District on November 6, 2012. See "THE BONDS – Authority for Issuance" and "THE FINANCING PLAN."

Security for the Bonds. The Bonds are general obligations of the District payable solely from *ad valorem* property taxes levied and collected by Riverside County (the "County"). The County Board of Supervisors is empowered and obligated to annually levy *ad valorem* taxes for the payment of debt service on the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). There are currently other series of general obligation bonds in the District that are similarly secured by *ad valorem* tax levies. All general obligation bonds are issued on a parity basis with one another. See "SECURITY FOR THE BONDS."

Payments. The Bonds are being issued as Current Interest Bonds (as defined herein) and Capital Appreciation Bonds (as defined herein). The Current Interest Bonds accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing February 1, 2014. The Capital Appreciation Bonds accrete interest at the accretion rates set forth on the inside cover page hereof, compounded semiannually on February 1 and August 1 of each year, commencing on February 1, 2014, until payment of the accreted value thereof at maturity or upon earlier redemption (if any). Payments of principal of, accreted value, and interest on the Bonds will be paid by U. S. Bank National Association, San Francisco, California, as the designated paying agent, registrar and transfer agent (the "Paying Agent"), to The Depository Trust Company ("DTC") for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption. The Bonds are subject to optional redemption prior to maturity as described herein. See "THE BONDS – Redemption."

Book-Entry Only. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of DTC. Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS – Description of the Bonds - Book-Entry Form" and "APPENDIX F - Book-Entry Only System."

Municipal Bond Insurance. The District has applied for municipal bond insurance with respect to the Bonds and will determine prior to the sale of the Bonds whether to purchase such insurance.

MATURITY SCHEDULE
(see inside front cover)

Cover Page. This cover page contains information for quick reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York, on or about December 12, 2013.

[UNDERWRITER - Negotiated Sale]
[SUCCESSFUL PURCHASER - Competitive Sale]

The date of this Official Statement is _____, 2013.

*Preliminary; subject to change.

MATURITY SCHEDULE*

**ALVORD UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2012 Election, Series A
(GO Reauthorization Bonds™)**

\$ _____ Current Interest Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Price	Yield	CUSIP†
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\$ _____ Denominational Amount
(\$ _____ Maturity Value)
Capital Appreciation Bonds

Maturity Date (August 1)	Initial Principal Amount	Accretion Rate	Yield to Maturity	Maturity Value	CUSIP†
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* Preliminary, subject to change.

†: Copyright 2013, American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and are provided for convenience of reference only. Neither the District nor the Underwriter assume any responsibility for the accuracy of these CUSIP data.

**ALVORD UNIFIED SCHOOL DISTRICT
RIVERSIDE COUNTY
STATE OF CALIFORNIA**

BOARD OF EDUCATION

Art Kaspereen Jr., *President*
Greg Kraft, *Vice President*
Ben Johnson II, *Clerk*
Carolyn M. Wilson, *Member*
José Luis Pérez, *Member*

DISTRICT ADMINISTRATION

Sid Salazar, *Superintendent*
Herb Calderon, *Assistant Superintendent, Business Services*

FINANCIAL ADVISOR

Dale Scott & Co., Inc.
San Francisco, California

BOND COUNSEL and DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

PAYING AGENT and ESCROW BANK

U.S. Bank National Association
Los Angeles, California

VERIFICATION AGENT

Causey, Demgen & Moore
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. The Underwriter may over allot or take other steps that stabilize or maintain the market prices of the Bonds at levels above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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\$79,000,000*
ALVORD UNIFIED SCHOOL DISTRICT
(Riverside County, California)
General Obligation Bonds
2012 Election, Series A
(GO Reauthorization Bonds™)

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the General Obligation Bonds, 2012 Election, Series A (GO Reauthorization Bonds™) captioned above (the "**Bonds**") by the Alvord Unified School District (the "**District**").

INTRODUCTION

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District was formally established in 1960 as a unified successor district tracing its original formation history to 1896. The District currently encompasses an area of approximately 26 square miles in Riverside County (the "**County**"), and includes territory located both within and around the cities of Riverside and Corona. The District provides public education services for grades K-12, and continuing education and adult education programs. The District has an estimated enrollment of 19,575 for the 2013-14 school year, and currently operates 14 elementary schools, four middle schools, four high schools and one continuation high school.

For more information regarding the District and its finances, see Appendix A and Appendix B attached hereto. See also Appendix C hereto for demographic and other statistical information regarding the County.

Purposes. The Bonds are being issued to (i) provide for the payment at maturity of the District's outstanding 2010 General Obligation Bond Anticipation Notes and (ii) finance additional educational projects approved by the District's voters at an election held in the District on November 6, 2012 (the "**2012 Bond Election**"). See "THE FINANCING PLAN" herein.

Authority for Issuance of the Bonds. The Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 of the Government Code, a resolution adopted by the Board of Education of the District (the "**Board**") on October 3, 2013 and a resolution adopted by the Board of Supervisors of the County on November 5, 2013 (together, the "**Bond Resolution**"). See "THE BONDS - Authority for Issuance" herein.

*Preliminary; subject to change.

Payment and Registration of the Bonds. The Bonds are being issued as current interest bonds bearing current interest (“**Current Interest Bonds**”) and as capital appreciation bonds which accrete and compound interest until final maturity thereof (the “**Capital Appreciation Bonds**”). The Bonds will be dated their date of original issuance and delivery (the “**Dated Date**”) and will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 principal amount or Maturity Value (as defined herein), as applicable, or any integral multiple thereof, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“**DTC**”), and will be available under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described below. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See “THE BONDS” and “APPENDIX F –Book-Entry Only System.” See “THE BONDS” and “APPENDIX F –Book-Entry Only System.”

Redemption. The Bonds are subject to optional redemption prior to their maturity as described in “THE BONDS - Redemption.”

Security and Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the accreted value of the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See “SECURITY FOR THE BONDS.”

The District has other series of general obligation bonds that are payable from *ad valorem* taxes levied on taxable property in the District. For a schedule of the general obligation bonds issued by the District, see “DEBT SERVICE SCHEDULES.” See also “APPENDIX B - DISTRICT GENERAL AND FINANCIAL INFORMATION - Long Term Debt.”

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available by request to the Office of the District Superintendent at Alvord Unified School District, 10365 Keller Avenue, Riverside, California 92505; telephone (951) 509-5000. The District may impose a charge for copying, mailing and handling.

END OF INTRODUCTION

THE FINANCING PLAN

2007 Bond Authorization. At the 2007 Bond Election, the District received authorization by affirmative votes of the qualified electors exceeding the required 55% to issue general obligation bonds in a principal amount not to exceed \$196,000,000 (the "**2007 Authorization**").

The District has issued the following general obligation bonds pursuant to the 2007 Authorization:

- \$60,000,000 Alvord Unified School District (Riverside, California) General Obligation Bonds, 2012 Election, Series A, dated May 1, 2008 (the "**Series A Bonds**"); and
- \$56,941,560.20 Alvord Unified School District (Riverside County, California) General Obligation Bonds, 2012 Election, Series B, dated June 15, 2011 (the "**Series B Bonds**");

In addition, on May 26, 2010, the District issued its 2010 General Obligation Bond Anticipation Notes in anticipation of the issuance of an additional series of bonds pursuant to the 2006 Authorization (the "**2010 Notes**"). The 2010 Notes are scheduled to mature on May 1, 2015, and are designated as follows:

- \$51,999,393.95 Alvord Unified School District (County of Riverside, California) 2010 General Obligation Bond Anticipation Notes, dated May 26, 2010.

2012 Bond Authorization. In order to provide for the payment of the 2010 Notes and to finance additional educational projects in the District, the Board called an election on November 6, 2012 to submit to the electors of the District the question whether a new issue of general obligation bonds of the District, in an amount equal to a portion of the unissued general obligation bonds under the 2007 Authorization, shall be issued and sold for the purpose of raising money to complete the educational projects which were authorized by the 2007 Authorization. The District received authorization by affirmative votes of the qualified electors exceeding the required 55% to issue general obligation bonds in a principal amount not to exceed \$79 million (the "**2012 Authorization**"). The Bonds will be issued pursuant to the 2012 Authorization, for the purpose of providing for the payment at maturity of the 2010 Notes, and financing additional voter-approved projects in the District.

Deposit of Bond Proceeds to Escrow Fund. A portion of the net proceeds of the Bonds will be delivered to U.S. Bank National Association, as escrow bank (the "**Escrow Agent**"), for deposit in an escrow fund (the "**Escrow Fund**") established under an Escrow Agreement, dated as of the date of delivery of the Bonds (the "**Escrow Agreement**"), by and between the District and the Escrow Agent. Immediately upon receipt of such amounts, the Escrow Agent shall deposit such amount to purchase certain securities and investments (the "**Escrowed Securities**") in an amount sufficient to pay the accreted value of the 2010 Notes on May 1, 2015.

Sufficiency of the deposits in the Escrow Fund for those purposes will be verified by Causey, Demgen & Moore, Denver, Colorado (the "**Verification Agent**"). The amounts held and invested by the Escrow Agent in the Escrow Fund are pledged solely to the payment of the

2010 Notes. Neither the funds deposited in the Escrow Fund nor the interest on the invested funds will be available for the payment of debt service with respect to the Bonds.

Additional Bond Proceeds. A portion of the Bond proceeds will be used to finance projects authorized by the 2012 Authorization. The abbreviated form of the ballot measure is as follows:

“To fund classroom/school renovation/construction including vocational education facilities, heating/air-conditioning, science labs, computer/technology access; and finance voter-approved educational projects, shall \$79,000,000 of Alvord Unified School District bonds, approved by voters in November 2007, be reauthorized through issuance of new bonds, with no increase in total authorized District debt, interest rates below legal limits, independent citizen oversight, no money for administrator salaries, and all funds spent locally and not taken by the State?”

The Bonds represent the first and final series of bonds issued pursuant to the 2012 Authorization. See “SOURCES AND USES OF FUNDS” below.

SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are as follows:

Sources of Funds

Principal Amount of Bonds

Net Original Issue Premium

Total Sources

Uses of Funds

Escrow Fund for 2010 Notes

Building Fund

Costs of Issuance*

Total Uses

**All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, Financial Advisor, verification agent, [bond insurance] and rating agencies.*