

was amended to include an addition to the California Government Code to similarly clarify the process of lien perfection for general obligation bonds issued by cities, counties, authorities and special districts.

SB 222, applicable to general obligations bonds issued after its effective date, will remove the extra step between (a) the issuance of general obligation bonds by cities, counties, cities and counties, school districts, community college districts, authorities and special districts; and (b) the imposition of a lien on the future *ad valorem* property taxes that are the source of repayment of the general obligation bonds. By clarifying that the lien created with each general obligation bond issuance is a “statutory” lien (consistent with bankruptcy statutory law and case precedent), SB 222, while it does not prevent default, should reduce the ultimate bankruptcy risk of non-recovery on local general obligation bonds.

State Cash Management Legislation

Since 2002, the State engaged in the practice of deferring certain apportionments to school districts in order to manage the State’s cash flow. This practice included deferring certain apportionments from one fiscal year to the next. These “cross-year” deferrals were codified. In recent year, the State has paid down the deferrals. The District cannot predict whether the State will engage in the practice of deferring certain apportionments to Districts in the future.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding, see “– Proposition 98” and “– Proposition 111” above.

Future Initiatives and Legislation

Articles XIII A, XIII B, XIII C, XIII D and Propositions 26, 30, 98, 111 and 218 were each adopted pursuant to a measure qualified for the ballot pursuant to California’s constitutional initiative process. Propositions 1A and 39 were each legislatively referred constitutional amendments which were approved by the electorate and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the State Legislature. For example, during 2013, a proposal (2013-14 Assembly Bill 182) was introduced in the State Legislature and later enacted to place limitations on the ability of school districts to issue capital appreciation bonds or convertible capital appreciation bonds commencing on and after January 1, 2014. The adoption of any such initiative or enactment of legislation might place limitations on the ability of the State, the Counties, any city whose students are served by the District, the District or local districts to increase revenues or to increase appropriations.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION

The following information concerning the communities served by the District, including the cities of Indio and Coachella and the County of Riverside, ⁽¹⁾ is included only for the purpose of supplying general information thereof. The Bonds are not obligations of the County of Riverside and do not represent a lien or charge against any funds or property of the County of Riverside or of any city. The following information is provided only to give prospective investors an overview of the general economic condition of the County of Riverside and the State of California.

General

The County of Riverside (the "County") is the fourth largest county in the State of California (the "State"), encompassing approximately 7,243 square miles. It is located in the southern portion of the State and is bordered by San Bernardino County on the north, Los Angeles and Orange Counties on the west, the State of Arizona and the Colorado River on the east, and San Diego and Imperial Counties on the south. The County, incorporated in 1893, is a general law county with its seat located in the city of Riverside.

The Coachella Valley (the "Valley") runs southeast from the San Bernardino Mountains to the Salton Sea, a distance of approximately 45 miles. The Valley is roughly 15 miles wide along most of its length, bordering the San Jacinto Mountains and the Santa Rosa Mountains to the west and to the east by the Little San Bernardino Mountains. The San Andreas Fault crosses the Valley in southeast corner and along the centerline of the Little San Bernardino Mountains. Hot and dry, the Valley is an agricultural desert, growing 95% of the dates produced in the United States along with many other fruits and vegetables. Besides Indio and Coachella, other sizeable towns in the Valley include Cathedral City, Palm Springs and Palm Desert.

The City of Indio ("Indio") is located in the Valley, approximately 120 miles east of the city of Los Angeles. Initially a railroad town, Indio developed an agricultural economy and more recently, has largely become a residential and recreational area. Indio operates under a city council-city manager form of government with five elected members of the city council that appoint a city manager and city attorney.

The City of Coachella ("Coachella," and together with Indio, the "Cities") is the easternmost city in the Valley and borders Indio on its eastern side. Coachella is known as the "City of Eternal Sunshine," and most of its land lies below sea level. Coachella became a city in 1946, and is a popular destination for vacationers and retirees. Coachella is a general law city with a five-member city council that appoints the mayor. Coachella is the primary shipping point for the Valley's agricultural goods.

Population

The County has experienced a long period of growth and development. It is currently the eleventh most populous county in the United States, and fourth largest in the State. Total population for the County is expected to be over three million by the year 2030. The County's population as of January 1, 2016, is estimated to be 2,347,828 people. The estimated population of the County is

⁽¹⁾ Information regarding Imperial County has not been included in Appendix C because of the aggregate assessed value of property in the District, approximately 97% of such assessed valuation relates to property located within Riverside County and approximately 3% of such assessed valuation relates to property located within Imperial County.

approximately 51.9% greater than the 2000 population, representing an average annual compound growth rate of 2.47%.

The Cities have also grown rapidly, as Coachella's population has grown by 99.8% since the year 2000, for an annual compound growth rate of approximately 4.16%, and Indio's population has increased by over 79.3% since the year 2000, producing an annual compound growth rate of 3.49%.

A summary of the population estimates of the Cities, County and State for the past 17 years is shown in the following table.

POPULATION ESTIMATES
City of Coachella, City of Indio, Riverside County and the State of California
2000-2016

Year ⁽¹⁾	City of Coachella		City of Indio		Riverside County		State of California	
	Population	Annual Change	Population	Annual Change	Population	Annual Change	Population	Annual Change
2000 ⁽²⁾	22,724	—	49,116	—	1,545,387	—	33,873,086	—
2001	23,146	1.9%	49,681	1.2%	1,589,708	2.9%	34,256,789	1.1%
2002	23,974	3.6	50,815	2.3	1,655,291	4.1	34,725,516	1.4
2003	26,422	10.2	52,551	3.4	1,730,219	4.5	35,163,609	1.3
2004	27,214	3.0	56,655	7.8	1,814,485	4.9	35,570,847	1.2
2005	29,754	9.3	62,024	9.5	1,895,695	4.5	35,869,173	0.8
2006	33,964	14.1	66,670	7.5	1,975,913	4.2	36,116,202	0.7
2007	36,851	8.5	70,948	6.4	2,049,902	3.7	36,399,676	0.8
2008	38,521	4.5	74,007	4.3	2,102,741	2.6	36,704,375	0.8
2009	39,079	1.4	74,590	0.8	2,140,626	1.8	36,966,713	0.7
2010	40,508	3.7	75,263	0.9	2,179,692	1.8	37,223,900	0.7
2011	41,517	2.5	77,168	2.5	2,212,874	1.5	37,536,835	0.8
2012	42,426	2.2	79,185	2.6	2,239,715	1.2	37,881,357	0.9
2013	43,676	2.9	83,450	5.4	2,266,549	1.2	38,239,207	0.9
2014	44,614	2.1	84,655	1.4	2,291,093	1.1	38,567,459	0.9
2015	45,001	0.9	86,683	2.4	2,317,924	1.2	38,907,642	0.9
2016	45,407	0.9	88,058	1.6	2,347,828	1.3	39,255,883	0.9

⁽¹⁾ As of January 1.

⁽²⁾ As of April 1.

Source: 2000, U.S. Department of Commerce, Bureau of the Census, for April 1. 2001-16 (2010 DRU Benchmark): California Department of Finance for January 1.

Personal Income

The following tables show the per capita personal income for Indio, the County, the State of California and the United States from 2007 through 2015.

PER CAPITA PERSONAL INCOME ⁽¹⁾
City of Indio, County of Riverside, State of California and United States
2007-2015

<u>Year</u>	<u>City of Indio</u>	<u>County of Riverside</u>	<u>California</u>	<u>United States</u>
2007	\$16,265	\$30,871	\$43,157	\$39,804
2008	18,365	30,808	43,609	40,873
2009	19,855	29,433	41,569	39,357
2010	22,350	29,563	42,297	40,163
2011	20,374	31,074	44,666	42,298
2012	19,748	32,534	47,614	44,266
2013	20,607	33,278	48,125	44,438
2014	(2)	(2)	49,985	46,049
2015	(2)	(2)	52,651	47,669

⁽¹⁾ Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

⁽²⁾ 2014 and 2015 annual figures are unavailable as of August 16, 2016.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Employment

The following table presents the annual average labor force for the Cities, County and State from 2009 through 2015.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT City of Indio, City of Coachella, County of Riverside and State of California 2009-2015

<u>Year</u>	<u>Area</u>	<u>Labor Force</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2009	City of Coachella	12,400	9,800	2,600	20.9%
	City of Indio	27,500	23,500	4,000	14.5
	Riverside County	915,800	795,800	120,000	13.1
	California	18,215,100	16,182,600	2,032,600	11.2
2010	City of Coachella	18,000	14,300	3,700	20.5%
	City of Indio	35,400	30,100	5,300	14.9
	Riverside County	976,400	841,300	135,200	13.8
	State of California	18,336,300	16,091,900	2,244,300	12.2
2011	City of Coachella	18,100	14,500	3,500	19.6%
	City of Indio	35,500	30,500	5,000	14.2
	Riverside County	978,500	849,600	128,900	13.2
	State of California	18,419,100	16,258,100	2,157,000	11.7
2012	City of Coachella	18,200	15,000	3,200	17.5%
	City of Indio	36,000	31,500	4,500	12.5
	Riverside County	988,600	873,600	115,100	11.6
	State of California	18,551,400	16,627,800	1,923,600	10.4
2013	City of Coachella	18,200	15,400	2,700	15.0%
	City of Indio	36,300	32,500	3,900	10.7
	Riverside County	998,800	899,800	98,800	9.9
	State of California	18,670,100	17,001,000	1,669,000	8.9
2014	City of Coachella	18,500	16,200	2,300	12.5%
	City of Indio	37,300	34,000	3,300	8.8
	Riverside County	1,017,070	933,800	83,200	8.2
	State of California	18,827,900	17,418,000	1,409,900	7.5
2015	City of Coachella	18,600	16,700	1,900	10.4%
	City of Indio	37,900	35,100	2,800	7.3
	Riverside County	1,035,270	965,500	69,600	6.7
	State of California	18,981,800	17,798,600	1,183,200	6.2

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2015 Benchmark.

Industry

The following figures represent industry employment estimates in the County from 2009 through 2015.

INDUSTRY EMPLOYMENT & LABOR FORCE County of Riverside 2009-2015⁽¹⁾

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Total Farm	12,500	13,000	13,100	13,100	12,600	12,000	14,000
Mining and Logging	400	400	400	400	400	300	300
Construction	36,500	33,800	33,300	36,500	44,600	47,700	54,100
Manufacturing	37,100	37,700	38,500	39,500	39,300	39,800	41,600
Wholesale Trade	18,700	19,300	19,800	21,300	22,900	23,400	24,300
Retail Trade	81,500	83,300	88,100	86,800	89,900	92,600	94,000
Transportation, Warehousing & Utilities	19,800	19,800	20,400	21,900	26,900	29,500	37,500
Information	10,100	10,100	6,500	6,400	6,300	6,300	6,400
Financial Activities	20,300	19,200	18,500	19,700	20,300	20,500	20,900
Professional & Business Services	52,300	50,400	53,100	54,200	58,500	62,300	62,700
Education & Health Services	71,700	72,600	75,400	81,100	87,900	91,700	97,600
Leisure & Hospitality	66,800	69,700	70,900	75,000	77,200	82,700	85,300
Other Services	18,200	18,200	18,800	19,400	20,800	21,400	21,900
Government	<u>108,500</u>	<u>108,600</u>	<u>112,600</u>	<u>110,800</u>	<u>111,000</u>	<u>113,500</u>	<u>116,100</u>
Total (all industries)	554,400	556,100	569,400	586,100	618,600	643,700	676,700

⁽¹⁾ Annual averages, unless otherwise specified.

Note: Items may not add to total due to independent rounding.

Source: California Employment Development Department, Labor Market Information Division. March 2015 Benchmark.

Largest Employers

The following tables show the largest employers located in the County and Indio as of Fiscal Year ending June 30, 2015.

LARGEST EMPLOYERS County of Riverside 2015

<u>Rank</u>	<u>Name of Business</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of County Employment</u>
1.	County of Riverside	County Government	20,684	2.17%
2.	March Air Reserve Base	Military Reserve Base	8,500	0.89
3.	Stater Bros. Markets	Supermarkets	6,900	0.72
4.	Walmart	Retail	6,550	0.69
5.	University of California, Riverside	University	5,768	0.60
6.	Kaiser Permanente Riverside Med. Center	Medical Center	5,300	0.56
7.	Corona-Norco Unified School District	School District	4,932	0.52
8.	Temecula Valley Unified School District	School District	4,000	0.42
9.	Riverside Unified School District	School District	3,871	0.41
10.	Hemet Unified School District	School District	3,400	0.36

Source: County of Riverside 'Comprehensive Annual Financial Report' for the year ending June 30, 2015.

LARGEST EMPLOYERS City of Indio 2015

<u>Rank</u>	<u>Name of Business</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of City Employment</u>
1.	County of Riverside	County Government	1,443	3.96%
2.	Desert Sands Unified School District	School District	1,154	3.17
3.	Fantasy Springs Casino	Resort	1,065	2.93
4.	John F. Kennedy Memorial Hospital	Medical Center	782	2.15
5.	City of Indio	City Government	232	0.64
6.	Riverside Superior Court	Legal	169	0.46
7.	Cardenas Market	Grocery	125	0.58
8.	Super Target	Retail	150	0.41
9.	Ralphs	Grocery	135	0.37

Source: City of Indio 'Comprehensive Annual Financial Report' for the year ending June 30, 2015.

Taxable Sales

The following tables show the recent history of taxable transactions in the County and Cities.

**TAXABLE SALES
County of Riverside
(Dollars in Thousands)
2007-2014 ***

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2007	22,918	\$21,242,516	45,279	\$29,023,609
2008	23,604	18,689,249	46,272	26,003,595
2009	29,829	16,057,488	42,765	22,227,877
2010	32,534	16,919,500	45,688	23,152,780
2011	33,398	18,576,285	46,886	25,641,497
2012	34,683	20,016,668	48,316	28,096,009
2013	33,391	21,306,774	46,805	30,065,467
2014	34,910	22,646,343	48,453	32,035,687

*2015 information is anticipated to be available approximately August 2017.

Note: In 2009, retail permits expanded to include permits for food services.

Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

**TAXABLE SALES
City of Indio
(Dollars in Thousands)
2007-2014 ***

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Outlets Taxable Transactions</u>
2007	1,048	\$21,813	1,607	\$615,851
2008	1,153	539,400	2,260	673,527
2009	1,651	460,477	2,065	566,670
2010	2,160	481,228	2,636	582,332
2011	2,240	534,873	2,750	650,281
2012	2,206	606,582	2,740	724,256
2013	2,040	670,393	2,592	806,604
2014	2,067	729,652	2,626	882,079

*2015 information is anticipated to be available approximately August 2017.

Note: In 2009, retail permits expanded to include permits for food services.

Source: "Taxable Sales in California (Sales & Use Tax)," California Board of Equalization.

TAXABLE SALES
City of Coachella
(Dollars in Thousands)
2007-2014 *

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores</u>		<u>Total Outlets</u>	
		<u>Taxable Transactions</u>	<u>Total Permits</u>	<u>Taxable Transactions</u>	<u>Taxable Transactions</u>
2007	267	\$241,819	411	\$307,494	
2008	257	185,768	349	243,176	
2009	257	185,768	349	243,176	
2010	257	197,136	344	259,829	
2011	270	215,754	364	289,223	
2012	248	227,022	347	302,053	
2013	237	232,627	332	309,858	
2014	233	249,818	325	330,324	

*2015 information is anticipated to be available approximately August 2017.

Note: In 2009, retail permits expanded to include permits for food services.

Source: "Taxable Sales in California (Sales & Use Tax)." California Board of Equalization.

Building Activity

The following tables provide summaries of the building permit valuations and the number of new dwelling units authorized in the County and Cities from 2011 through 2015.

BUILDING PERMIT VALUATIONS
County of Riverside
2011-2015
(Dollars in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Valuation (\$000):					
Residential	\$948,710	\$885,473	\$1,375,593	\$1,621,751	\$1,536,742
Non-residential	<u>490,647</u>	<u>526,369</u>	<u>873,977</u>	<u>814,990</u>	<u>113,488</u>
Total	\$1,439,357	\$1,411,842	\$2,249,570	\$2,436,741	\$1,650,230
Residential Units:					
Single family	2,659	2,981	4,716	5,007	5,007
Multiple family	<u>1,061</u>	<u>560</u>	<u>1,427</u>	<u>1,931</u>	<u>1,189</u>
Total	3,720	3,541	6,143	6,938	6,196

Note: Totals may not add to sums because of rounding.

Source: California Homebuilding Foundation/Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
City of Indio
2011-2015
(Dollars in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Valuation (\$000):					
Residential	\$37,959	\$35,380	\$35,555	\$90,669	\$48,928
Non-residential	<u>8,992</u>	<u>17,847</u>	<u>8,212</u>	<u>32,660</u>	<u>3,879</u>
Total	\$46,951	\$53,227	\$43,767	\$123,329	\$52,807
Residential Units:					
Single family	251	214	348	516	282
Multiple family	<u>0</u>	<u>0</u>	<u>124</u>	<u>0</u>	<u>0</u>
Total	251	214	472	516	282

Note: Totals may not add to sums because of rounding.

Source: California Homebuilding Foundation/Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
City of Coachella
2011-2015
(Dollars in thousands)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Valuation (\$000):					
Residential	\$9,696	\$3,590	\$27,602	\$7,049	\$7,003
Non-residential	<u>3,509</u>	<u>437</u>	<u>7,047</u>	<u>3,687</u>	<u>8,304</u>
Total	\$13,205	\$4,027	\$34,649	\$10,329	\$15,307
Residential Units:					
Single family	120	87	33	108	34
Multiple family	<u>0</u>	<u>0</u>	<u>0</u>	<u>56</u>	<u>0</u>
Total	120	87	33	164	34

Note: Totals may not add to sums because of rounding.

Source: California Homebuilding Foundation/Construction Industry Research Board.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Bonds, Bowie, Arneson, Wiles & Giannone, Newport Beach, California, Bond Counsel to the Coachella Valley Unified School District, proposes to render their final approving opinion with respect to the Bonds in substantially the following form:

Board of Trustees of the
Coachella Valley Unified School District
87225 Church Street
Thermal, CA 92274

Re: \$[Principal Amount] Coachella Valley Unified School District
 General Obligation Bonds, 2005 Election, Series 2016-F
 Final Opinion

Ladies and Gentlemen:

We have acted as Bond Counsel for the Coachella Valley Unified School District (“District”) in connection with the proceedings for the issuance and sale by the District of \$[Principal Amount] principal amount of Coachella Valley Unified School District General Obligation Bonds, 2005 Election, Series 2016-F (“Bonds”). The Bonds are being issued pursuant to the Resolution of Issuance of the Board of Trustees of the District, adopted on [September 13], 2016 (Resolution No. [2016-___]) (“District Resolution”), and a Resolution of the Board of Supervisors of the County of Riverside (“County”), adopted on [September 27], 2016 (Resolution No. [2016-191]) (“County Resolution” and collectively with the District Resolution, the “Bond Resolution”), and in accordance with the provisions of the California Constitution, statutory authority set forth in Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the State of California Government Code, commencing with Section 53506 and, as applicable, the provisions of Title 1, Division 1, Part 10, Chapter 1 of the State of California Education Code, commencing with Section 15100 and related California law.

As Bond Counsel, we have examined copies certified to us as being true and complete copies of the proceedings in connection with the issuance of the Bonds. In this connection, we have also examined such certificates of public officials and officers of the District, the Counties of Riverside and Imperial (collectively the “Counties”) and the purchaser of the Bonds, including certificates as to factual matters, including, but not limited to the Tax Certificate, as we have deemed necessary to render this opinion.

Attention is called to the fact the we have not been requested to examine, and have not examined, any documents or information relating to the District or the County other than the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been, or may be supplied to any purchaser of the Bonds.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto (excepting only matters set forth as our opinion in the Official Statement).

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their execution and delivery, and we disclaim any obligation to update this letter. As to questions of fact material to our opinions, we have relied upon the documents and matters referred to above, and we have not undertaken by independent investigation to verify the authenticity of signatures or the accuracy of the factual matters represented, warranted or certified therein. Furthermore, we have assumed compliance with all covenants contained in the Bond Resolution, and in certain other documents, including, without limitation, covenants compliance with which is necessary to assure that future actions or events will not cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of original issuance of the Bonds.

The Bond Resolution and other related documents refer to certain requirements and procedures which may be changed and certain actions which may be taken, in circumstances and subject to terms and conditions set forth in such documents, upon the advice or with an approving opinion of nationally recognized bond counsel. No opinion is expressed herein as to any Bond or the effect on interest thereon if any such change is made or action is taken upon the advice or approval of counsel other than ourselves.

Based on the foregoing, we are of the following opinions:

1. The Bonds are valid and binding general obligations of the District.
2. All taxable property in the territory of the District is subject to *ad valorem* taxation without limitation as to rate or amount (except as to certain classes of personal property which is taxable at limited rates) to pay the Bonds. The Counties are required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent necessary funds are not provided from other sources.
3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and is exempt from State of California personal income taxes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum taxes imposed on individuals and corporations; although, it should be noted that, with respect to corporations, such interest will be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of such corporations. We express no opinion regarding other tax consequences arising with respect to the Bonds.

It is understood that the rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditor's rights and remedies, to the application of equitable principles heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to exercise of judicial discretion in appropriate cases and to limitations on legal remedies against school districts in the State of California.

Very truly yours,

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[\$[Principal Amount]
COACHELLA VALLEY UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS, 2005 ELECTION, SERIES 2016-F
(Riverside and Imperial Counties, California)

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Coachella Valley Unified School District (the "District") in connection with the issuance of \$[Principal Amount] of the District's General Obligation Bonds, 2005 Election, Series 2016-F (the "Bonds"). The Bonds are being issued pursuant to a Resolution of the District adopted on September 13, 2016 (the "District Resolution") and a Resolution of the Board of Supervisors of Riverside County, adopted on September 27, 2016 (the "County Resolution") (collectively, the "Bond Resolution"). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Annual Report Date" shall mean January 31 next following the end of the District's fiscal year, which fiscal year ends, as of the date of this Disclosure Agreement, are June 30.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Disclosure Representative" shall mean the Disclosure Compliance Officer of the District (as outlined by the District's policies and procedures), acting on behalf of the District, or his or her designee, or such other officer or employee as each District shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean initially Applied Best Practices, LLC, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"EMMA System" shall mean the Electronic Municipal Market Access System of the MSRB (as defined below) or such other electronic system designated by the MSRB or the Securities and Exchange Commission (the "S.E.C.") for compliance with S.E.C. Rule 15c2-12(b).

"Holders" shall mean registered owners of the Bonds.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board and any successor entity designated under the Rule as the repository for filings made pursuant to the Rule.

“Participating Underwriter” shall mean RBC Capital Markets, LLC, Los Angeles, California.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (presently ending June 30), commencing with the report for the 2015-16 Fiscal Year, provide to the MSRB through the EMMA System in an electronic format and accompanied by identifying information as prescribed by the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the MSRB through the EMMA System to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB through the EMMA System an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB through the EMMA System in substantially the form attached as Exhibit A, with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to the MSRB of Failure to File Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the MSRB.

SECTION 4. Content of Annual Reports. The District’s Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

1. State funding received by the District for the last completed fiscal year;
2. average daily attendance of the District for the last completed fiscal year;
3. outstanding District indebtedness;
4. summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;
5. assessed valuation of property within the District for the current fiscal year; and
6. tax delinquencies, to the extent that the Counties are no longer on the Teeter Plan.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB through the EMMA System or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference. The Annual Report shall be filed in an electronic format, and accompanied by identifying information, as prescribed by the MSRB.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies;
- (ii) Tender offers;
- (iii) Defeasances;
- (iv) Rating changes;
- (v) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB);
- (vi) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (vii) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (viii) Substitution of credit or liquidity providers, or their failure to perform;

(ix) Bankruptcy, insolvency, receivership or similar event of the obligated person.⁽¹⁾

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. optional, contingent or unscheduled Bond calls.
4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
5. release, substitution or sale of property securing repayment of the Bonds.
6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

(c) Upon the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws and if the District determines that knowledge of such Listed Event would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the MSRB through the EMMA System in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the MSRB through the EMMA System in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or 5(b).

⁽¹⁾ For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the MSRB through the EMMA System. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: [Date of Issuance], 2016

COACHELLA VALLEY UNIFIED SCHOOL
DISTRICT

By: _____
Dr. Derwin S. (Darryl) Adams, Superintendent

EXHIBIT A

**NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of District: COACHELLA VALLEY UNIFIED SCHOOL DISTRICT

Name of Bond Issue: General Obligation Bonds, 2005 Election, Series 2016-F

Date of Issuance: [Date of Issuance], 2016

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

COACHELLA VALLEY UNIFIED SCHOOL DISTRICT

By _____ [form only; no signature required]

APPENDIX F

**COUNTY OF RIVERSIDE
POOLED INVESTMENT FUND**

APPENDIX G

**COUNTY OF RIVERSIDE
OFFICE OF THE TREASURER-TAX COLLECTOR
STATEMENT OF INVESTMENT POLICY**

APPENDIX H

BOOK-ENTRY SYSTEM

The following description under the heading "Procedures and Record Keeping" with respect to beneficial ownership interests in the Bonds, payment of principal of and interest on the Bonds to Direct Participants, Indirect Participants or Beneficial Owners (as such terms are defined below) of the Bonds, confirmation and transfer of beneficial ownership interests in the Bonds and other Bond-related transactions by and between DTC, Direct Participants, Indirect Participants and Beneficial Owners of the Bonds is based solely on information furnished by DTC to the District which the District believes to be reliable, but the District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Procedures and Record Keeping

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. The information on such website is not incorporated herein by such reference or otherwise.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of

the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bonds documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal amount and redemption price of and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal amount and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, the Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Discontinuance of DTC Services

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the District determines that DTC shall no longer act and delivers a written certificate to the Paying Agent to that effect, then the District will discontinue the Book-Entry System with DTC for the Bonds. If the District determines to replace DTC with another qualified securities depository, the District will prepare or direct the preparation of a new single separate, fully-registered Bond for each maturity of the Bonds registered in the name of such successor or substitute securities depository as are not inconsistent with the terms of the Bond Resolution. If the District fails to identify another qualified securities depository to replace the incumbent securities depository for the Bonds, then the Bonds shall no longer be restricted to being registered in the Bond registration books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository or its nominee transferring or exchanging the Bonds shall designate.

In the event that the Book-Entry System is discontinued, the following provisions would also apply: (i) the Bonds will be made available in physical form, (ii) principal amount of and redemption premiums if any, on the Bonds will be payable upon surrender thereof at the trust office of the Paying Agent identified in the Bond Resolution, and (iii) the Bonds will be transferable and exchangeable as provided in the Bond Resolution.

The District and the Paying Agent do not have any responsibility or obligation to DTC Participants, to the persons for whom they act as nominees, to Beneficial Owners, or to any other person who is not shown on the registration books as being an owner of the Bonds, with respect to (i) the accuracy of any records maintained by DTC or any DTC Participants; (ii) the payment by DTC or any DTC Participant of any amount in respect of the principal amount of, redemption price of the Bonds; (iii) the delivery of any notice which is permitted or required to be given to registered owners under the Bond Resolution; (iv) the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Bonds; (v) any consent given or other action taken by DTC as registered owner; or (vi) any other matter arising with respect to the Bonds or the Bond Resolution. The District and the Paying Agent cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal amount of the Bonds paid to DTC or its nominee, as the registered owner, or any notices to the Beneficial Owners or that they will do so on a timely basis or will serve and act in a manner described in this Official Statement. The District and the Paying Agent are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner in respect to the Bonds or any error or delay relating thereto.

APPENDIX I

SPECIMEN MUNICIPAL BOND INSURANCE POLICY