

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



ITEM
3.60
(ID # 3981)

MEETING DATE:

Tuesday, April 11, 2017


FROM : TREASURER-TAX COLLECTOR:

SUBJECT: TREASURER-TAX COLLECTOR: Resolution No. 2017-051 Riverside Unified School District, Election of 2016, General Obligation Bonds, Series A, 2nd District. [\$0] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution No. 2017-051 authorizing and approving the issuance and sale of Riverside Unified School District, Election of 2016, General Obligation Bonds, Series A in a principal amount not to exceed \$100,000,000 and approving other related matters.

ACTION: Policy

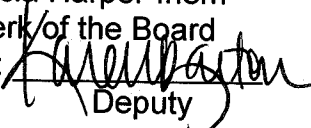


Don Kent, Treasurer-Tax Collector 3/30/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: None
Date: April 11, 2017
xc: Treasurer

Kecia Harper-Ihem
Clerk of the Board
By: 
Deputy

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

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost |
|-----------------------------|-----------------------------|--------------------------|---------------------------|---------------------|
| COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| SOURCE OF FUNDS: n/a | | | Budget Adjustment: | No |
| | | | For Fiscal Year: | 16/17 |

C.E.O. RECOMMENDATION: APPROVE

BACKGROUND:

Summary

Education Code Section 15140 requires that General Obligation Bonds of a school district be offered for sale by the Board of Supervisors of the County when the County's Superintendent of Schools has jurisdiction over the district and when the district wishes to offer its bonds via a negotiated sale. Although California law permits a board of supervisors to opt out of that requirement, this Board has not adopted the necessary enabling resolution. For fiscal accountability, the County Treasurer strongly recommends that school districts not be allowed to negotiate the sale of bonds without his participation.

Riverside Unified School District (the "District"), under the jurisdiction of the Riverside County Superintendent of Schools, wishes to offer bonds via a negotiated sale. Accordingly, the Governing Board of the District adopted a resolution requesting this Board to sell the District's general obligation bonds which have been duly authorized by the voters of the District.

An election was held on November 8, 2016 pursuant to Section 1 of Article XIII A of the California Constitution, Section 18 of Article XVI of the California Constitution, and Chapter 1 of Part 10 of Division 1 of Title 1 (Section 15266) of the Education Code, codifying, in part, Proposition 39. The measure, which was approved by more than fifty-five percent of the votes cast by eligible voters of the District, authorized the incurrence of general obligation bonded indebtedness in an aggregate principal amount not to exceed \$392,000,000.

Resolution No. 2017-051 authorizes the issuance and sale of Riverside Unified School District, Election of 2016, General Obligation Bonds, Series A (the "Series A Bonds") in a principal amount not to exceed \$100,000,000. The proceeds of the Series A Bonds will be used to finance the acquisition, construction, modernization and equipping of District sites and facilities.

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

County Counsel has reviewed Resolution No. 2017-051 and has approved it as to form.

Impact on Citizens and Businesses

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

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

ATTACHMENTS (if needed, in this order):


District Map

Resolution No. 2017-051

District Resolution

Bond Purchase Agreement

Preliminary Official Statement



Gregory V. Priapros, Director County Counsel 3/29/2017

RESOLUTION NO. 2017-051

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, AUTHORIZING THE SALE AND ISSUANCE OF RIVERSIDE UNIFIED SCHOOL DISTRICT, RIVERSIDE COUNTY, CALIFORNIA, ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES A IN THE PRINCIPAL AMOUNT NOT-TO-EXCEED \$100,000,000

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1 RESOLUTION NO. 2017-051

2 A RESOLUTION OF THE BOARD OF SUPERVISORS
3 OF THE COUNTY OF RIVERSIDE, CALIFORNIA,
4 AUTHORIZING THE SALE AND ISSUANCE OF
5 RIVERSIDE UNIFIED SCHOOL DISTRICT,
6 RIVERSIDE COUNTY, CALIFORNIA, ELECTION OF
7 2016 GENERAL OBLIGATION BONDS, SERIES A IN
8 THE PRINCIPAL AMOUNT NOT-TO-EXCEED
9 \$100,000,000

10 WHEREAS, a duly called election was held in the Riverside Unified School District
11 (the "District"), Riverside County (the "County"), State of California, on November 8, 2016
12 (the "Election"), and thereafter canvassed pursuant to law; and

13 WHEREAS, at the Election there was submitted to and approved by the requisite
14 fifty-five percent or more vote of the qualified electors of the District a question as to the
15 issuance and sale of general obligation bonds of the District for various purposes set forth in
16 the ballot submitted to the voters, in the maximum amount of \$392,000,000 payable from the
17 levy of an *ad valorem* tax against the taxable property in the District (the "Authorization");
18 and

19 WHEREAS, at this time this Board has received a signed and certified original copy
20 of the resolution of the Board of Education of the District (the "District Board"), approved
21 thereby and adopted on March 20, 2017, requesting the issuance of a series of bonds under
22 the Authorization in an aggregate principal amount not-to-exceed \$100,000,000 and styled as
23 "Riverside Unified School District, Riverside County, California, Election of 2016 General
24 Obligation Bonds, Series A" (the "Bonds"), which resolution is attached hereto as Exhibit A;
25 and

26 WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of
27 the California Government Code (commencing with Section 53506 *et seq.*) (the "Act"), the
28 Bonds are authorized to be issued by the District for the purposes set forth in the ballot
submitted to voters at the Election; and

WHEREAS, the District Board has authorized the issuance of the Bonds in one or
more Series of Tax-Exempt or Taxable Current Interest Bonds (as such terms are defined
herein); and

WHEREAS, the District Board has authorized the sale of the Bonds at a negotiated
sale, which the District Board has determined will provide more flexibility in the timing of
the sale, an ability to implement the sale in a shorter time period, an increased ability to
structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the
Underwriter (defined herein) to pre-market the Bonds to potential purchasers prior to the sale,
all of which will contribute to the District's goal of achieving the lowest overall cost of funds;
and

WHEREAS, the District Board has estimated that the costs associated with the

FORM APPROVED COUNTY COUNSEL
BY: Dale A. Gardner 3/30/17
DALE A. GARDNER DATE

1 delivery of the Bonds, including any such costs which the Underwriter agrees to pay pursuant
2 to the Purchase Contract (defined herein), will equal approximately 1.00% of the aggregate
principal amount of the Bonds; and

3 **WHEREAS**, the District Board has appointed Stradling Yocca Carlson & Rauth, a
4 Professional Corporation, San Francisco, California as Bond Counsel and Disclosure Counsel
in connection with the issuance of the Bonds; and

5 **WHEREAS**, the District Board has appointed Fieldman Rolapp & Associates as
6 Financial Advisor in connection with the issuance of the Bonds; and

7 **WHEREAS**, the District Board has appointed Piper Jaffray & Co. as Underwriter in
8 connection with the issuance of the Bonds; and

9 **WHEREAS**, in its resolution, the District found and informed this Board that all acts,
10 conditions and things required by law to be done or performed have been done and performed
11 in strict conformity with the laws authorizing the issuance of general obligation bonds of the
District, and the indebtedness of the District, including this proposed issue of Bonds, is within
all limits prescribed by law;

12 **NOW, THEREFORE, IT IS FOUND, DETERMINED, ORDERED AND**
13 **RESOLVED BY THE BOARD OF SUPERVISORS OF RIVERSIDE COUNTY,**
CALIFORNIA, AS FOLLOWS:

14 **Section 1. Purpose of the Bonds.** The Bonds of the District shall be issued in the
15 name and on behalf of the District in an aggregate Principal Amount not to exceed
16 \$100,000,000 to raise money for the purposes authorized by voters of the District at the
Election, and to pay all necessary legal, financial, engineering and contingent costs in
connection therewith.

17 **Section 2. Terms and Conditions of Sale.** The Bonds shall be sold at a
18 negotiated sale pursuant to the Authorizing Law in accordance with the terms of this
19 Resolution. The Bonds shall be sold pursuant to the terms and conditions set forth in the
Purchase Contract, as described in Section 3 below.

20 **Section 3. Approval of Purchase Contract.** The form of Purchase Contract
21 (defined herein), by and among the County, the District and Piper Jaffray & Co. (the
22 "Underwriter"), for the purchase and sale of the Bonds, is hereby approved substantially in
23 the form attached hereto as Exhibit B. The Treasurer-Tax Collector of the County (the
24 "Treasurer"), or designated deputy thereof, is hereby authorized to execute and deliver the
25 Purchase Contract, and the Authorized Representatives of the District, each alone, are hereby
26 authorized and requested to acknowledge the execution of such Purchase Contract, if
27 necessary, but with such changes therein, deletions therefrom and modifications thereto as the
Treasurer, or a designated deputy thereof, may approve, such approval to be conclusively
evidenced by his or her execution and delivery thereof; provided, however, that the Bonds
shall mature no later than forty (40) years from the date of issue and the Underwriter's
discount, excluding original issue discount, shall not exceed 0.6% of the aggregate principal
amount of Bonds issued. The Treasurer, in conjunction with an Authorized Representative
of the District, shall be authorized to determine the final principal amount of the Bonds, not-

1 to-exceed \$100,000,000, and enter into and execute the Purchase Contract with the
2 Underwriter, if the conditions set forth in this Resolution are satisfied.

3 **Section 4. Certain Definitions.** As used in this Resolution, the terms set forth
4 below shall have the meanings ascribed to them:

5 **“Authorizing Law”** means, collectively, (i) the Act, and (ii) Article XIII A of
6 the California Constitution.

7 **“Authorized Representative of the District”** means each of the
8 Superintendent of the District, the Chief Business Official of the District, and such
9 other officers or employees of the District as may be designated for such purpose and
10 their designees.

11 **“Beneficial Owner”** means, when used with reference to book-entry Bonds
12 registered pursuant to Section 12 hereof, the person who is considered the beneficial
13 owner of such Bonds pursuant to the arrangements for book entry determination of
14 ownership applicable to the Depository.

15 **“Board”** means the Board of Supervisors of the County.

16 **“Bond Insurer”** means any insurance company and any successor thereto,
17 which issues a municipal bond insurance policy insuring the payment of the Principal
18 Amount of and interest on the Bonds.

19 **“Bond Payment Date”** means (unless otherwise provided by the Purchase
20 Contract or the Official Statement) February 1 and August 1 of each year, commencing
21 August 1, 2017, with respect to the interest on the Bonds, and the stated maturity dates
22 thereof, with respect to the Principal payments on the Bonds.

23 **“Bond Register”** means the listing of names and addresses of the current
24 registered owners of the debt, as maintained by the Paying Agent in accordance with
25 Section 10 hereof.

26 **“Bonds”** means the Riverside Unified School District, Riverside County,
27 Election of 2016 General Obligation Bonds, Series A, issued and delivered pursuant to
28 this Resolution.

“Building Fund” means the Riverside Unified School District, Election of
2016 General Obligation Bonds, Series A Building Fund established pursuant to
Section 14 of this Resolution.

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

“Code” means the Internal Revenue Code of 1986, as the same may be
amended from time to time. Reference to a particular section of the Code shall be
deemed to be a reference to any successor to any such section.

1 **“Continuing Disclosure Certificate”** means that certain contractual
2 undertaking of the District pursuant to paragraph (b)(5) of Rule 15c2-12 adopted by
3 the Securities and Exchange Commission under the Securities Exchange Act of 1934,
4 and relating to the Bonds, dated as of the date of issuance thereof, as amended from
5 time to time in accordance with the provisions thereof.

6 **“County”** means Riverside County, California.

7 **“Current Interest Bonds”** means bonds, the interest on which is payable
8 semiannually on each Bond Payment Date specified for each such Bond as designated
9 and maturing in the years and in the amounts set forth in the Purchase Contract.

10 **“Dated Date”** means the date of initial issuance and delivery of the Bonds, or
11 such other date as shall appear in the Purchase Contract or Official Statement.

12 **“Debt Service Fund”** means the Riverside Unified School District, Election
13 of 2016 General Obligation Bonds, Series A Debt Service Fund established pursuant
14 to Section 14 of this Resolution.

15 **“Depository”** means The Depository Trust Company, 55 Water Street, New
16 York, New York 10041, a limited purpose trust company organized under the laws of
17 the State of New York, in its capacity as the initial Depository for the Bonds.

18 **“District”** means the Riverside Unified School District.

19 **“DTC”** means The Depository Trust Company, 55 Water Street, New York,
20 New York 10041, a limited purpose trust company organized under the laws of the
21 State of New York, in its capacity as the initial Depository for the Bonds.

22 **“Fair Market Value”** means the price at which a willing buyer would
23 purchase the investment from a willing seller in a bona fide, arm's length transaction
24 (determined as of the date the contract to purchase or sell the investment becomes
25 binding) if the investment is traded on an established securities market (within the
26 meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value”
27 means the acquisition price in a bona fide arm's length transaction (as referenced
28 above) if (i) the investment is a certificate of deposit that is acquired in accordance with
applicable regulations under the Code, (ii) the investment is an agreement with
specifically negotiated withdrawal or reinvestment provisions and a specifically
negotiated interest rate (for example, a guaranteed investment contract, a forward
supply contract or other investment agreement) that is acquired in accordance with
applicable regulations under the Code, (iii) the investment is a United States Treasury
Security—State and Local Government Series that is acquired in accordance with
applicable regulations of the United States Bureau of Public Debt, or (iv) any
commingled investment fund in which the District and related parties do not own more
than a ten percent (10%) beneficial interest therein if the return paid by the fund is
without regard to the source of the investment.

“Information Services” means the Municipal Securities Rulemaking Board's
Electronic Municipal Market Access System; or, such other services providing information

1 with respect to called municipal obligations as the District may specify in writing to the
2 Paying Agent or as the Paying Agent may select.

3 **“Moody’s”** means Moody’s Investors Service, a corporation organized and
4 existing under the laws of the State of Delaware, its successors and assigns, or, if such
5 corporation shall be dissolved or liquidated or shall no longer perform the functions of
6 a securities rating agency, such other nationally recognized securities rating agency
7 designated by the District.

8 **“Nominee”** means the nominee of the Depository, which may be the
9 Depository, as determined from time to time pursuant to Section 12 hereof.

10 **“Non-AMT Bonds”** means obligations the interest on which is excludable
11 from gross income for federal income tax purposes under Section 103(a) of the Code
12 and not treated as an item of tax preference under Section 57(a)(5)(C) of the Code, that
13 are legal investments pursuant to Section 53601 of the Government Code.

14 **“Official Statement”** means the document by that name prepared by the
15 District pursuant to which the Bonds are offered by the Underwriter to investors as
16 described in Section 22 herein.

17 **“Outstanding,”** when used with reference to any Bond (or a portion thereof),
18 means, as of any date, Bonds theretofore issued or thereupon being issued under this
19 resolution except:

20 (a) Bonds canceled at or prior to such date;

21 (b) Bonds in lieu of or in substitution for which other Bonds shall have
22 been delivered pursuant to Section 10 hereof; or

23 (c) Bonds for the payment or redemption of which funds or Government
24 Obligations in the necessary amount shall have been set aside (whether on or prior to
25 the maturity or redemption date of such Bonds), in accordance with Section 16 or 17
26 of this Resolution.

27 **“Owner”** means the registered owner of a Bond as set forth on the registration
28 books maintained by the Paying Agent pursuant to Section 10 hereof.

“Participants” means those broker-dealers, banks and other financial
institutions from time to time for which the Depository holds book-entry certificates as
securities depository.

“Paying Agent” means U.S. Bank National Association or any successor
thereto designated in accordance with Section 8 hereof to act as the authenticating
agent, bond registrar, transfer agent and paying agent for the Bonds.

“Permitted Investments” means (i) any lawful investments permitted by
Section 16429.1 and Section 53601 of the Government Code, including Non-AMT
Bonds and Qualified Non-AMT Mutual Funds, (ii) shares in a California common law
trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code

1 which invests exclusively in investments permitted by Section 53635 of the
2 Government Code, but without regard to any limitations in such Section concerning
3 the percentage of moneys available for investment being invested in a particular type
4 of security, (iii) a guaranteed investment contract with a provider having a rating
5 meeting the minimum rating requirements of the County investment pool maintained
6 by the Treasurer, (iv) the Local Agency Investments Fund of the California State
7 Treasurer, (v) the County investment pool described above, and (vi) State and Local
8 Government Series Securities.

9
10
11 **“Principal” or “Principal Amount”** means, with respect to any Bond, the
12 initial principal amount thereof.

13
14 **“Purchase Contract”** means the contract or contracts for purchase and sale of
15 the Bonds, by and among the County, the District and the Underwriter. To the extent
16 the Bonds are sold pursuant to more than one Purchase Contract, each shall be
17 substantially in the form presented to the Board, with such changes therein, deletions
18 therefrom and modifications thereto as the Treasurer shall approve.

19
20 **“Qualified Non-AMT Mutual Fund”** means stock in a regulated investment
21 company to the extent that at least 95% of the income of such regulated investment
22 company is interest that is excludable from gross income under Section 103 of the Code
23 and not an item of tax preference under Section 57(a)(5)(C) of the Code.

24
25 **“Qualified Permitted Investments”** means (i) Non-AMT Bonds, (ii)
26 Qualified Non-AMT Mutual Funds, (iii) other Permitted Investments authorized by an
27 opinion of Bond Counsel to the effect that such investment would not adversely affect
28 the tax-exempt status of the Bonds, and (iv) Permitted Investments of proceeds of the
Bonds, and interest earned on such proceeds, held not more than thirty days pending
reinvestment or Bond redemption. A guaranteed investment contract or similar
investment agreement (e.g. a forward supply contract, GIC, repo, etc.) does not
constitute a Qualified Permitted Investment.

“Rebate Fund” means the Riverside Unified School District, Election of 2016
General Obligation Bonds, Series A Rebate Fund established pursuant to Section 14 of
this Resolution.

“Record Date” means, the close of business on the fifteenth day of the month
preceding each Bond Payment Date.

“Redemption Date” means any date on which any Bond is subject to optional
redemption or mandatory sinking fund redemption in accordance with Section 11
hereof.

“Resolution” means this Resolution adopted by the Board of Supervisors of
the County on April 11, 2017.

“Series” means any Bonds executed, authenticated and delivered pursuant to
the provisions hereof identified as a separate series of Bonds.

1 **“S&P”** means S&P Global Ratings, a business unit of Standard & Poor’s
2 Financial Services LLC, its successors and assigns, or, if such corporation shall be
3 dissolved or liquidated or shall no longer perform the functions of a securities rating
4 agency, such other nationally recognized securities rating agency designated by the
5 District.

6 **“Securities Depository”** means The Depository Trust Company, 55 Water
7 Street, New York, New York 10041, Attn: Redemption Area, or such other securities
8 depositories as are designated by the District or the Paying Agent and whose business
9 is to perform the functions of a clearing agency with respect to exempted securities, as
10 defined in Section 3(a)(12) of the Securities Exchange Act of 1934, and who is
11 registered as a clearing agency under Section 17A of the Act.

12 **“Supplemental Resolution”** means any resolution supplemental to or
13 amendatory of this Resolution, adopted by the County in accordance with Section 24
14 hereof.

15 **“Tax Certificate”** means the certificate by that name executed by the District
16 on the Dated Date of the Bonds.

17 **“Taxable Bonds”** means any Bonds not issued as Tax-Exempt Bonds.

18 **“Tax-Exempt Bonds”** means any Bonds the interest in which is excludable
19 from gross income for federal income tax purposes and is not treated as an item of tax
20 preference for purposes of calculating the federal alternative minimum tax, as further
21 described in an opinion of Bond Counsel supplied to the original purchasers of such
22 Bonds.

23 **“Term Bonds”** means those Bonds for which mandatory redemption dates
24 have been established in the Purchase Contract.

25 **“Transfer Amount”** means, with respect to any Outstanding Bond, the
26 Principal Amount.

27 **“Treasurer”** means the Treasurer-Tax Collector of the County and such other
28 persons as may be designated by the Treasurer to act on his or her behalf.

“Underwriter” means Piper Jaffray & Co., as underwriter of the Bonds.

Section 5. Terms of the Bonds.

(a) Denomination, Interest, Dated Dates and Terms. The Bonds shall be
issued as fully registered Current Interest Bonds registered as to both Principal and
interest, in denominations of \$5,000 Principal Amount or any integral multiple thereof.
The Bonds shall bear interest at a rate or rates not in excess of that authorized at the
Election. The Bonds will initially be registered in the name of “Cede & Co.,” the
Nominee of the Depository Trust Company, New York, New York.

(b) Each Bond shall be dated as of the Dated Date, and shall bear interest
at the rates set forth in the Purchase Contract or Official Statement, from the Bond

1 Payment Date next preceding the date of authentication thereof unless it is
2 authenticated during the period from the 16th day of the month next preceding any
3 Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear
4 interest from such Bond Payment Date, or unless it is authenticated on or before the
5 first Record Date, in which event it shall bear interest from its Dated Date. Interest
6 shall be payable on the respective Bond Payment Dates and shall be calculated on the
7 basis of a 360-day year of twelve, 30-day months.

8 **Section 6. Execution.** The Bonds shall be signed by the Chairman of the Board
9 and the Treasurer, or a deputy of the Treasurer, by their manual or facsimile signatures and
10 countersigned by the manual or facsimile signature of the Clerk of the Board, or by an
11 authorized deputy thereof, all in their official capacities. In case any one or more of the
12 officers who shall have signed any of the Bonds shall cease to be such officer before the
13 Bonds so signed shall have been issued by the County on behalf of the District, such Bonds
14 may, nevertheless, be issued, as herein provided, as if the persons who signed such Bonds had
15 not ceased to hold such offices. No Bond shall be valid or obligatory for any purpose or shall
16 be entitled to any security or benefit under this Resolution unless and until the certificate of
17 authentication printed on the Bond is signed by the Paying Agent as authenticating agent.
18 Authentication by the Paying Agent shall be conclusive evidence that the Bond so
19 authenticated has been duly issued, signed and delivered under this Resolution and is entitled
20 to the security and benefit of this Resolution.

21 **Section 7. Appointment of Paying Agent.**

22 (a) This Board does hereby consent to and confirm the appointment of U.S.
23 Bank National Association as the Paying Agent for the Bonds. All fees and expenses
24 incurred for services of the Paying Agent shall be the sole responsibility of the District.

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

28 (c) The Paying Agent, upon receipt of any notice, resolution, request,
consent, order, certificate, report, opinion, bond or other paper or document furnished
to it pursuant to any provision of this Resolution, shall examine such instrument to
determine whether it conforms to the requirements of this Resolution and shall be
protected in acting upon any such instrument believed by it to be genuine and to have
been signed or presented by the proper party or parties. The Paying Agent may consult
with counsel, who may or may not be counsel to the District, and the opinion of such
counsel shall be full and complete authorization and protection in respect of any action
taken or suffered by it under this Resolution in good faith and in accordance therewith.

(d) The District shall pay to the Paying Agent from time to time reasonable
compensation for all services rendered under this Resolution, and also all reasonable
expenses, charges, counsel fees and other disbursements, including those of its
attorneys, agents and employees, incurred in and about the performance of their powers
and duties under this Resolution. Notwithstanding the foregoing, the fees and expenses
of the Paying Agent not paid from the proceeds of the sale of the Bonds may be paid
in each year from taxes levied and collected for payment of the Bonds, insofar as

1 permitted by law, including specifically by Section 15232 of the Education Code. In
2 no event shall the County be required to expend its own funds hereunder.

3 **Section 8. Resignation or Removal of Paying Agent and Appointment of**
4 **Successor.**

5 (a) The Paying Agent may at any time resign and be discharged of the
6 duties and obligations created by this Resolution by giving at least 60 days' written
7 notice to the District and the County. The Paying Agent may be removed at any time
8 by an instrument filed with such Paying Agent and the County and signed by the
9 District. A successor Paying Agent shall be appointed by the District with the written
10 consent of the Treasurer, which consent shall not be unreasonably withheld, and, if
11 such successor Paying Agent is not the Treasurer, then it shall be a bank or trust
12 company organized under the laws of any state of the United States, a national banking
13 association or any other financial institution, having capital stock and surplus
14 aggregating at least \$75,000,000 and doing business in the State and willing and able
15 to accept the office on reasonable and customary terms and authorized by law to
16 perform all the duties imposed upon it by this Resolution. Such Paying Agent shall
17 signify the acceptance of its duties and obligations hereunder by executing and
18 delivering to the County and the District a written acceptance thereof. Resignation or
19 removal of the Paying Agent shall be effective upon appointment and acceptance of a
20 successor Paying Agent.

21 (b) In the event of the resignation or removal of the Paying Agent, such
22 Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent
23 to its successor, or, if there is no successor, to the Treasurer. In the event that for any
24 reason there shall be a vacancy in the office of the Paying Agent, the Treasurer shall
25 act as such Paying Agent. The County shall cause the new Paying Agent appointed to
26 replace any resigned or removed Paying Agent to mail notice of its appointment and
27 the address of its principal office to all registered Owners.

28 **Section 9. Payment of Principal and Interest.** Payment of interest on any Bond
on any Bond Payment Date shall be made to the person appearing on the registration books
of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such
Bond Payment Date, such interest to be paid by wire transfer or check mailed to such Owner
on the Bond Payment Date at his or her address as it appears on such registration books or at
such other address as he or she may have filed with the Paying Agent for that purpose on or
before the Record Date. The principal, and redemption price, if any, payable on the Bonds
shall be payable upon maturity or redemption upon surrender at the designated office of the
Paying Agent. The interest, Principal and redemption premiums, if any, on the Bonds shall
be payable in lawful money of the United States of America. The Paying Agent is hereby
authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all
Bonds upon payment thereof. The Bonds are general obligations of the District payable solely
from the proceeds of *ad valorem* taxes levied on property subject to taxation by the District.
No part of any fund of the County is pledged or obligated to the payment of the Bonds.

Section 10. Bond Registration and Transfer. So long as any of the Bonds remain
outstanding, the District will cause the Paying Agent to maintain and keep at its designated

1 office all books and records necessary for the registration, exchange and transfer of the Bonds
2 as provided in this Section.

3 Subject to the provisions of Section 12 below, the person in whose name a Bond is
4 registered on the Bond Register shall be regarded as the absolute owner of that Bond for all
5 purposes of this Resolution. Payment of or on account of the Principal of and interest on any
6 Bond shall be made only to or upon the order of that person; neither the District, the County
7 nor the Paying Agent shall be affected by any notice to the contrary, but the registration may
8 be changed as provided in this Section. All such payments shall be valid and effectual to
9 satisfy and discharge the District's liability upon the Bonds, including interest, to the extent
10 of the amount or amounts so paid.

11 Any Bond may be exchanged for Bonds of like Series, tenor, maturity and Transfer
12 Amount upon presentation and surrender at the office of the Paying Agent designated for such
13 purpose, together with a request for exchange signed by the registered Owner or by a person
14 legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be
15 transferred only on the Bond Register by the person in whose name it is registered, in person
16 or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office
17 of the Paying Agent designated for such purpose, accompanied by delivery of a written
18 instrument of transfer in a form approved by the Paying Agent, duly executed. Upon
19 exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or
20 Bonds of like tenor and of any authorized denomination or denominations requested by the
21 Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same
22 rate and maturing on the same date.

23 If manual signatures on behalf of the County are required, the Paying Agent shall
24 undertake the exchange or transfer of Bonds only after the new Bonds are signed by the
25 authorized officers of the County. In all cases of exchanged or transferred Bonds, the County
26 shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the
27 provisions of this Resolution. All fees and costs of transfer shall be paid by the transferor.
28 Those charges may be required to be paid before the procedure is begun for the exchange or
transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the
District, evidencing the same debt, and entitled to the same security and benefit under this
Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange,
replacement or transfer shall be cancelled by the Paying Agent. The District and the County
may at any time deliver to the Paying Agent for cancellation any previously authenticated and
delivered Bonds that the District and the County may have acquired in any manner
whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written
reports of the surrender and cancellation of Bonds shall be made by the Paying Agent to the
District and the County upon the request thereof. The cancelled Bonds shall be retained for
a period of two years and then returned to the District or destroyed by the Paying Agent as
directed by the District.

Neither the District, the County nor the Paying Agent will be required (a) to issue or
transfer any Bonds during a period beginning with the opening of business on the 16th day
next preceding either any Bond Payment Date or any date of selection of Bonds to be
redeemed and ending with the close of business on the Bond Payment Date or day on which

1 the applicable notice of redemption is given or (b) to transfer any Bonds which have been
2 selected or called for redemption in whole or in part.

3 In case any Bond secured hereby shall become mutilated or destroyed, stolen or lost,
4 the Paying Agent shall cause to be executed and authenticated a new Bond of like date and
5 tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in
6 lieu of and in substitution for such Bond mutilated, destroyed, stolen or lost, upon the Owner's
7 paying the reasonable expenses and charges in connection therewith, and, in the case of a
8 Bond destroyed, stolen or lost, such Owner's filing with the Paying Agent and the County of
9 evidence satisfactory to them that such Bond was destroyed, stolen or lost, and/or such
10 Owner's ownership thereof in furnishing the Paying Agent and County with indemnity
11 satisfactory to each of them.

12 Any new Bonds issued pursuant to this Section 10 in substitution for Bonds alleged
13 to be destroyed, stolen or lost shall constitute original additional contractual obligations on
14 the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost are
15 at any time enforceable by anyone, and shall be equally secured by and entitled to equal and
16 proportionate benefits with all other Bonds issued under this Resolution in any moneys or
17 securities held by the Paying Agent for the benefit of the Owners of the Bonds.

18 **Section 11. Redemption.**

19 (a) Optional Redemption. The Bonds shall be subject to optional
20 redemption prior to maturity as provided in the Purchase Contract.

21 (b) Mandatory Redemption. The Term Bonds, if any, shall be subject to
22 mandatory redemption prior to maturity as provided in the Purchase Contract.

23 (c) Selection of Bonds for Redemption. Whenever provision is made in
24 this Resolution for the redemption of Bonds and less than all Outstanding Bonds are to
25 be redeemed, the Paying Agent, upon written instruction from the District, shall select
26 Bonds for redemption as so directed by the District and if not directed, in inverse order
27 of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption as
28 directed by the District, and if not so directed, by lot. Redemption by lot shall be in
such manner as the Paying Agent shall determine; provided, however, that with respect
to redemption by lot, the portion of any Bond to be redeemed in part shall be in the
principal amount of \$5,000 or any integral multiple thereof.

The Purchase Contract may provide that (i) in the event that a portion of any
Term Bond is optionally redeemed prior to maturity, the remaining mandatory sinking
fund payments with respect to such Term Bonds shall be reduced proportionately or as
otherwise directed by the District, in integral multiples of \$5,000 principal amount, in
respect to the portion of such Term Bond optionally redeemed, or (ii) within a maturity,
Bonds shall be selected for redemption on a "Pro Rata Pass-Through Distribution of
Principal" basis in accordance with DTC procedures; provided further that, such pro-
rata redemption is made in accordance with the operational arrangements of DTC then
in effect.

1 (d) Redemption Notice. When redemption is authorized or required
2 pursuant to Section 11 hereof, the Paying Agent, upon written instruction from the
3 District, shall give notice (a "Redemption Notice") of the redemption of the Bonds.
4 Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof
5 (in the case of redemption of the Bonds in part but not in whole) which are to be
6 redeemed, (b) the date of redemption, (c) the place or places where the redemption will
7 be made, including the name and address of the Paying Agent, (d) the redemption price,
8 (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond
9 numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond
10 to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and
11 (g) the original issue date, interest rate and stated maturity date of each Bond to be
12 redeemed in whole or in part. Such Redemption Notice shall further state that on the
13 specified date there shall become due and payable upon each Bond or portion thereof
14 being redeemed at the redemption price thereof, together with the interest accrued to
15 the redemption date, and that from and after such date, interest with respect thereto
16 shall cease to accrue.

17 The Paying Agent shall take the following actions with respect to such
18 Redemption Notice:

19 (i) At least 20 but not more than 45 days prior to the redemption
20 date, such Redemption Notice shall be given to the respective Owners of Bonds
21 designated for redemption by registered or certified mail, postage prepaid, at
22 their addresses appearing on the Bond Register.

23 (ii) At least 20 but not more than 45 days prior to the redemption
24 date, such Redemption Notice shall be given by (i) registered or certified mail,
25 postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii)
26 overnight delivery service, to the Securities Depository.

27 (iii) At least 20 but not more than 45 days prior to the redemption
28 date, such Redemption Notice shall be given by (i) registered or certified mail,
postage prepaid, or (ii) overnight delivery service, to one of the Information
Services.

(iv) Provide such Redemption Notice to such other persons as may
be required pursuant to the Continuing Disclosure Certificate.

A certificate of the Paying Agent or the District that a Redemption Notice has
been given as provided herein shall be conclusive as against all parties. Neither failure
to receive any Redemption Notice nor any defect in any such Redemption Notice so
given shall affect the sufficiency of the proceedings for the redemption of the affected
Bonds. Each check issued or other transfer of funds made by the Paying Agent for the
purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by
issue and maturity, the Bonds being redeemed with the proceeds of such check or other
transfer. Such Redemption Notice may state that no representation is made as to the
accuracy or correctness of CUSIP numbers printed thereon, or on the Bonds.

With respect to any notice of the optional redemption of Bonds (or portions

1 thereof) pursuant to Section 11(a) hereof, unless upon the giving of such notice such
2 Bonds shall be deemed to have been defeased pursuant to Sections 16 or 17 hereof,
3 such notice shall state that such redemption shall be conditional upon the receipt by an
4 independent escrow agent selected by the District on or prior to the date fixed for such
5 redemption of the moneys necessary and sufficient to pay the principal of, and
6 premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and
7 that if such moneys shall not have been so received said notice shall be of no force and
8 effect, the Bonds shall not be subject to redemption on such date and the Bonds shall
9 not be required to be redeemed on such date. In the event that such notice of
10 redemption contains such a condition and such moneys are not so received, the
11 redemption shall not be made and the Paying Agent shall within a reasonable time
12 thereafter (but in no event later than the date originally set for redemption) give notice,
13 to the persons to whom and in the manner in which the notice of redemption was given,
14 that such moneys were not so received. In addition, the District shall have the right to
15 rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to
16 the date fixed for such redemption. The Paying Agent shall distribute a notice of
17 rescission of such Redemption Notice in the same manner as such Redemption Notice
18 was originally provided.

11 (e) Payment of Redeemed Bonds. When notice of redemption has been
12 given substantially as provided for herein, and, when the amount necessary for the
13 redemption of the Bonds called for redemption (Principal and premium, if any) is
14 irrevocably set aside in trust for that purpose, as provided herein, the Bonds designated
15 for redemption shall become due and payable on the date fixed for redemption thereof
16 and upon presentation and surrender of said Bonds at the place specified in the notice
17 of redemption, said Bonds shall be redeemed and paid at the redemption price thereof.

16 All unpaid interest payable at or prior to the redemption date shall
17 continue to be payable to the respective Owners, but without interest thereon.

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

22 (g) Effect of Notice of Redemption. If on such redemption date, money
23 for the redemption of all the Bonds to be redeemed as provided in Section 11 hereof,
24 together with interest accrued to such redemption date, shall be held by an independent
25 escrow agent selected by the District, so as to be available therefor on such redemption
26 date, and if notice of redemption thereof shall have been given as aforesaid, then from
27 and after such redemption date, interest on the Bonds to be redeemed shall cease to
28 accrue and become payable. All money held by such escrow agent for the redemption
of Bonds shall be held in trust for the account of the Owners of the Bonds so to be
redeemed.

1 All Bonds paid at maturity or redeemed prior to maturity pursuant to the
2 provisions of this Section 11 shall be cancelled upon surrender thereof and be delivered
3 to or upon the order of the District. All or any portion of a Bond purchased by the
District shall be cancelled by the Paying Agent.

4 (h) Bonds No Longer Outstanding. When any Bonds (or portions thereof)
5 which have been duly called for redemption prior to maturity under the provisions of
6 this Resolution, or with respect to which irrevocable instructions to call for redemption
7 prior to maturity at the earliest redemption date have been given to the Paying Agent,
8 in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for
the payment of the redemption price of such Bonds or portions thereof, accrued interest
with respect thereto to the date fixed for redemption, all as provided in this Resolution,
then such Bonds shall no longer be deemed Outstanding and shall be surrendered to
the Paying Agent for cancellation.

9 **Section 12. Book-Entry System.**

10 (a) The Bonds shall be initially executed and delivered in the form of a
11 single, fully registered Bond for each maturity (which may be typewritten). Upon
12 initial execution and delivery, as provided for herein, the ownership of such Bond shall
13 be registered in the Bond Register in the name of the Depository or Nominee, and its
14 successors and assigns. Except as hereinafter provided, all of the outstanding Bonds
15 shall be registered in the Bond Register in the name of the Nominee of the Depository,
16 as determined from time to time pursuant to this Section. Each Bond certificate shall
17 bear a legend substantially to the following effect: "UNLESS THIS BOND IS
18 PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY
19 (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR
20 REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY
BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH
OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE
OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR
TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED
REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR
OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON
IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE &
CO., HAS AN INTEREST HEREIN."

21 With respect to the Bonds registered in the Bond Register in the name of the
22 Nominee, neither the District, the County nor the Paying Agent shall have any
23 responsibility or obligation to any broker-dealers, banks and other financial institutions
24 from time to time for which the Depository holds Bonds as securities depository (the
25 "Participant") or to any person on behalf of which such a Participant holds an interest
26 in the Bonds. Without limiting the immediately preceding sentence, neither the
27 District, the County nor the Paying Agent shall have any responsibility or obligation
28 with respect to (i) the accuracy of the records of the Depository, the Nominee, or any
Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any
Participant or any other person, other than an Owner of a Bond as shown in the Bond
Register, of any notice with respect to the Bonds, including any notice of redemption,
(iii) the selection by the Depository and its Participants of the beneficial interests in the

1 Bonds to be redeemed in the event the District redeems the Bonds in part, or (iv) the
2 payment to any Participant or any other person, other than an Owner of a Bond as
3 shown in the Bond Register, of any amount with respect to Principal of or interest on
4 the Bonds. The District and the Paying Agent may treat and consider the person in
5 whose name each Bond is registered in the Bond Register as the holder and absolute
6 Owner of such Bond for the purpose of the payment of Principal of and interest with
7 respect to such Bond, for the purpose of giving notices of redemption, if applicable,
8 and other matters with respect to such Bond, for the purpose of registering transfers
9 with respect to such Bond, and for all other purposes whatsoever. The Paying Agent
10 shall pay all Principal of and interest on the Bonds only to or upon the order of the
11 respective Owner of the Bond, as shown in the Bond Register, or his respective attorney
12 duly authorized in writing, and all such payments shall be valid and effective to fully
13 satisfy and discharge the District's obligations with respect to payment of Principal of
14 and interest on the Bonds to the extent of the sum or sums so paid. No person other
15 than an Owner of a Bond, as shown in the Bond Register, shall receive a Bond
16 evidencing the obligation of the District to make payments of Principal and interest.
17 Upon delivery by the Depository to the Owners of the Bonds, and the District of written
18 notice to the effect that the Depository has determined to substitute a new nominee in
19 place of the Nominee, and subject to the provisions herein with respect to Record
20 Dates, the word Nominee in this Resolution shall refer to such nominee of the
21 Depository.

22 (b) In order to qualify the Bonds for the Depository's book-entry system,
23 the District has executed and delivered to the Depository a Representation Letter. The
24 execution and delivery of the Representation Letter shall not in any way limit the
25 provisions of this Section or in any other way impose upon the District any obligation
26 whatsoever with respect to persons having interests in the Bonds other than the owners
27 of the Bonds, as shown on the Bond Register. In addition, to the execution and delivery
28 of the Representation Letter, the District shall take such other actions, not inconsistent
with this Resolution, as are reasonably necessary to qualify the Bonds for the
Depository's book-entry program.

(c) If at any time the Depository notifies the County and the District that it
is unwilling or unable to continue as Depository with respect to the Bonds or if at any
time the Depository shall no longer be registered or in good standing under the
Securities Exchange Act or other applicable statute or regulation and a successor
Depository is not appointed by the Treasurer within 90 days after the County and the
District receive notice or become aware of such condition, as the case may be,
subsection (a) hereof shall no longer be applicable and the Treasurer shall issue bonds
representing the Bonds as provided below. In addition, the County and the District
may determine at any time that the Bonds shall no longer be represented by book-entry
securities and that the provisions of subsection (a) hereof shall no longer apply to the
Bonds. In any such event, the Treasurer shall execute and deliver certificates
representing the Bonds as provided below. Bonds issued in exchange for book-entry
securities pursuant to this subsection (c) shall be registered in such names and delivered
in such denominations as the Depository shall instruct the County and the District. The
Treasurer shall deliver such bonds representing the Bonds to the persons in whose
names such Bonds are so registered.

1 If the County and the District determine to replace the Depository with another
2 qualified securities depository, the County and the District shall prepare or cause to be
3 prepared new fully-registered book-entry securities for each of the maturities of the
4 Bonds, registered in the name of such successor or substitute securities depository or
5 its nominee, or make such other arrangements as are acceptable to the County, the
6 District and such securities depository and not inconsistent with the terms of this
7 Resolution.

8 Notwithstanding any other provisions of this Resolution to the contrary, so long
9 as any Bond is registered in the name of the Nominee, all payments with respect to
10 Principal of, and interest on such Bond and all notices with respect to such Bond shall
11 be made and given, respectively, as provided in the Representation Letter or as
12 otherwise instructed by the Depository and acceptable to the District.

13 (d) The initial Depository under this Section shall be DTC. The initial
14 Nominee shall be Cede & Co., as Nominee of DTC.

15 (e) The Bonds shall be initially issued as described in the Official
16 Statement described herein. Registered ownership of such Bonds, or any portions
17 thereof, may not thereafter be transferred except:

18 (i) to any successor of DTC or its nominee, or of any substitute
19 depository designated pursuant to Section 11(e)(ii) ("Substitute Depository");
20 provided that any successor of DTC or Substitute Depository shall be qualified
21 under any applicable laws to provide the service proposed to be provided by it;

22 (ii) to any Substitute Depository, upon (A) the resignation of DTC
23 or its successor (or any Substitute Depository or its successor) from its
24 functions as depository, or (B) a determination by the District that DTC (or its
25 successor) is no longer able to carry out its functions as depository; provided
26 that any such Substitute Depository shall be qualified under any applicable
27 laws to provide the services proposed to be provided by it; or

28 (iii) to any person as provided below, upon (A) the resignation of
DTC or its successor (or any Substitute Depository or its successor) from its
functions as depository, or (B) a determination by the District that DTC or its
successor (or Substitute Depository or its successor) is no longer able to carry
out its functions as depository.

(f) In the case of any transfer pursuant to Section 11(e)(i) or (ii), upon
receipt of all Outstanding Bonds by the Paying Agent, together with a written request
of the District to the Paying Agent designating the Substitute Depository, a single new
Bond, which the District shall prepare or cause to be prepared, shall be executed and
delivered for each maturity of Bonds then Outstanding, registered in the name of such
successor or such Substitute Depository or their Nominees, as the case may be, all as
specified in such written request of the District. In the case of any transfer pursuant to
Section 11(e)(iii), upon receipt of all Outstanding Bonds by the Paying Agent, together
with a written request of the District to the Paying Agent, new Bonds, which the District
shall prepare or cause to be prepared, shall be executed and delivered in such

1 denominations and registered in the names of such persons as are requested in such
2 written request of the District, provided that the Paying Agent shall not be required to
3 deliver such new Bonds within a period of less than sixty (60) days from the date of
receipt of such written request from the District.

4 (g) In the case of a partial redemption or an advance refunding of any
5 Bonds evidencing a portion of the Principal maturing in a particular year, DTC or its
6 successor (or any Substitute Depository or its successor) shall make an appropriate
7 notation on such Bonds indicating the date and amounts of such reduction in Principal
in form acceptable to the Paying Agent, all in accordance with the Letter of
Representations. The Paying Agent shall not be liable for such Depository's failure to
make such notations or errors in making such notations.

8 (h) The District and the Paying Agent shall be entitled to treat the person
9 in whose name any Bond is registered as the Owner thereof for all purposes of this
10 Resolution and any applicable laws, notwithstanding any notice to the contrary
11 received by the Paying Agent or the District; and the District and the Paying Agent
12 shall not have responsibility for transmitting payments to, communicating with,
13 notifying, or otherwise dealing with any Beneficial Owners of the Bonds. Neither the
14 District nor the Paying Agent shall have any responsibility or obligation, legal or
otherwise, to any such Beneficial Owners or to any other party, including DTC or its
successor (or Substitute Depository or its successor), except to the Owner of any
Bonds, and the Paying Agent may rely conclusively on its records as to the identity of
the Owners of the Bonds.

15 **Section 13. Form of Bonds.** The Bonds shall be in substantially the form as shown
16 in Exhibit C hereto; provided, however, that those officials executing the Bonds are hereby
17 authorized to make the insertions and deletions necessary to conform the Bonds to this
18 Resolution and the Purchase Contract, and the Official Statement and to correct any defect or
19 inconsistent provision therein or to cure any ambiguity or omission therein. Pending the
20 preparation of definitive Bonds, the Bonds may be executed and delivered in temporary form
exchangeable for definitive Bonds when ready for delivery. If the Paying Agent delivers
temporary Bonds, it shall execute and deliver definitive Bonds in an equal aggregate principal
amount of authorized denominations, when available, and thereupon the temporary Bonds
shall be surrendered to the Paying Agent. Until so exchanged, the temporary Bonds shall be
entitled to the same benefits hereunder as definitive Bonds.

21 **Section 14. Deposit of Proceeds of Bonds; Creation of Funds.**

22 (a) The proper officials of the District shall cause the Bonds to be prepared
23 and, following their sale, shall have the Bonds signed and delivered, together with a
24 true transcript of proceedings with reference to the issuance of the Bonds, to the
Underwriter upon payment of the purchase price therefor.

25 (b) The proceeds from the sale of the Bonds, to the extent of the Principal
26 Amount thereof, shall be paid to the County to the Building Fund, shall be kept separate
27 and distinct from all other District and County funds, and those proceeds shall be used
solely for the purposes for which the Bonds are being issued. The County shall have
no responsibility for assuring the proper use of the Bond proceeds by the District. At

1 the discretion of the District, the Building Fund may be split into more than one fund
2 or contain subaccounts if the Bonds are issued in more than one Series.

3 The accrued interest and any premium received by the County from the sale of
4 the Bonds shall be kept separate and apart in the Debt Service Fund for the Bonds and
5 used only for payment of Principal of, and interest on the Bonds. At the discretion of
6 the District, the Debt Service Fund may be split into more than one fund or contain
7 subaccounts if the Bonds are issued in more than one Series. Interest earnings on
8 monies held in the Building Fund shall be retained in the Building Fund. Interest
9 earnings on monies held in the Debt Service Fund shall be retained in the Debt Service
Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set
forth herein for which the Bonds are being issued shall be transferred to the Debt
Service Fund and applied to the payment of Principal of, and interest on the Bonds. If,
after payment in full of the Bonds, there remain excess proceeds, any such excess
amounts shall be transferred to the General Fund of the District.

10 The costs of issuance of the Bonds (as described in Education Code Section
11 15145) are hereby authorized to be paid from proceeds of the Bonds. The County, at
12 the direction of the District, may cause a portion of the proceeds of the Bonds, in lieu
of being deposited into the Building Fund, to be deposited in a costs of issuance account
to be held by a fiscal agent of the District appointed for such purpose.

13 (c) Moneys in the Debt Service Fund and the Building Fund shall be
14 invested at the written direction of the District, and after consultation with the County,
15 in Permitted Investments. If at the time of issuance the District determines to issue the
16 Bonds as Tax-Exempt Bonds without regard to the Internal Revenue Code "temporary
17 period" restrictions, all investment of Bond proceeds shall be subject to paragraph (i)
18 below. Neither the County nor its officers and agents, as the case may be, shall have
any responsibility or obligation to determine the tax consequences of any investment,
nor shall the County or its officers and agents be liable for any loss on investments.
The interest earned on the moneys deposited to the Building Fund shall be applied as
set forth in subparagraph (ii) below.

19 (i) Covenant Regarding Investment of Proceeds.

20 A. Permitted Investments. Beginning on the delivery date,
21 and at all times until expenditure for authorized purposes, not less than 95% of the proceeds
22 of the Bonds deposited in the Building Fund, including investment earnings thereon, will be
23 invested in Qualified Permitted Investments. Notwithstanding the preceding provisions of
this Section, for purposes of this paragraph, amounts derived from the disposition or
redemption of Qualified Permitted Investments and held pending reinvestment or redemption
for a period of not more than 30 days may be invested in Permitted Investments.

24 B. Recordkeeping and Monitoring Relating to Building
25 Fund. The investment of Bond proceeds pursuant to this paragraph (i) shall be subject to such
26 recordkeeping and monitoring requirements as shall be covenanted to by the District in the
27 Tax Certificate executed thereby in connection with such Bonds, and as shall be acceptable
to the County.

1 (ii) Interest Earned on Permitted Investments. The interest earned
2 on the moneys deposited in the Building Fund shall be deposited in the
3 Building Fund and used for the purposes of that fund.

4 Except as required below to satisfy the requirements of Section 148(f)
5 of the Code, interest earned on the investment of monies held in the Debt
6 Service Fund shall be retained in the Debt Service Fund and used by the County
7 to pay the Principal of and interest on the Bonds when due.

8 (d) The Rebate Fund is hereby created and established. The County shall
9 from time to time receive funds from the District for deposit into the Rebate Fund as
10 required to enable the District to comply with the requirements of Section 148(f) of the
11 Code. The District shall instruct the County, in writing, as to the method of investing
12 and disbursing funds held in the Rebate Fund to the United States Treasury. The
13 County agrees to comply with such instructions of the District. Any money remaining
14 in the Rebate Fund after the payment in full of the Bonds, either at maturity or earlier
15 redemption, and the payment to the United States Treasury of any amounts required
16 pursuant to Section 148(f) of the Code, and any regulations thereunder, shall be
17 transferred to the Building Fund, or if the Building Fund is not then in the existence,
18 shall be transferred to the general fund of the District. The County shall have no
19 liability or obligation with respect to the required deposits to or disbursements from
20 the Rebate Fund, which shall remain the sole responsibility of the District.

21 (e) Interest earned on the investment of monies held in the Debt Service
22 Fund shall be retained in the Debt Service Fund, interest earned on the investment of
23 monies held in the Building Fund shall be retained in the Building Fund, and interest
24 earned in the investments in the Rebate Fund shall be retained in the Rebate Fund.

25 (f) If at any time it is deemed necessary or desirable by the District, upon
26 the written direction of the District, the County may establish additional funds under
27 this Resolution and/or accounts within any of the funds or accounts established
28 hereunder.

29 **Section 15. Security for the Bonds; Tax Levy.** There shall be levied on all the
30 taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem*
31 tax annually during the period the Bonds are Outstanding in an amount sufficient, together
32 with moneys on deposit in the Debt Service Fund available for such purpose, to pay the
33 Principal of, premium, if any, and interest on the Bonds when due. The taxes collected for
34 the Bonds will be placed in the Debt Service Fund of the District, and used for the payment
35 of the principal of and interest on the Bonds when and as the same fall due, and for no other
36 purpose. The Bonds are the general obligations of the District and do not constitute an
37 obligation of the County except as expressly provided in this Resolution. No part of any fund
38 or account of the County is pledged or obligated to the payment of the Bonds or the interest
39 thereon.

1 Pursuant to Section 53515 of the Government Code, the Bonds shall be secured by a
2 statutory lien on all revenues received pursuant to the levy and collection of *ad valorem*
3 taxes for the payment thereof.

4 Pursuant to Government Code Sections 5450 and 5451, the District has pledged all
5 revenues received from the levy and collection ad valorem taxes for the payment of each
6 Series of Bonds and all amounts on deposit in the Debt Service Fund to the payment of such
7 Series of Bonds. Such pledge constitutes a lien on and security interest in such taxes and
8 amounts in such Debt Service Fund and an agreement between the District and the Owners
9 of such Series of Bonds to provide security for the payment of such Bonds in addition to any
10 statutory lien that may exist.

11 The moneys in the Debt Service Fund, to the extent necessary to pay the Principal of
12 and interest on the Bonds as the same become due and payable, shall be transferred by the
13 Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay such
14 Principal and interest. DTC will thereupon make payments of Principal of and interest on the
15 Bonds to the DTC Participants who will thereupon make payments of such Principal and
16 interest to the Beneficial Owners of the Bonds. Any moneys remaining in the Debt Service
17 Fund after the Bonds and the interest thereon have been paid in full, or provision for such
18 payment has been made, shall be transferred to the general fund of the District, pursuant to
19 Education Code Section 15234.

20 **Section 16. Defeasance.** The Bonds may be defeased, in whole, prior to maturity
21 in the following ways:

22 (a) by irrevocably depositing with an independent escrow agent selected
23 by the District an amount of cash which together with amounts transferred from the
24 Debt Service Fund, is sufficient to pay all Bonds Outstanding, including all Principal,
25 premium, if any, and interest at or before their maturity date or applicable redemption
26 date; or

27 (b) by irrevocably depositing with an independent escrow agent selected
28 by the District noncallable Government Obligations (defined below), together with
cash, if required, in such amount as will, in the opinion of an independent certified
public accountant, together with interest to accrue thereon and moneys transferred from
the Debt Service Fund together with the interest to accrue thereon, be fully sufficient
to pay and discharge all the Bonds Outstanding, including all Principal, premium, if
any, and interest at or before their maturity date or applicable redemption date;

then, notwithstanding that any Bonds shall not have been surrendered for payment, all
obligations of the District, the County and the Paying Agent with respect to all Outstanding
Bonds shall cease and terminate, except only the obligation of the County and the Paying
Agent or an independent escrow agent selected by the District to pay or cause to be paid from
funds deposited pursuant to paragraphs (a) or (b) of this Section, to the owners of the Bonds
not so surrendered and paid all sums due with respect thereto and the obligations of the County
with respect to the Rebate Fund in accordance with Section 14 hereof.

For purposes of this Section and Section 17, Government Obligations shall mean:

1 Direct and general obligations of the United States of America or obligations that are
2 unconditionally guaranteed as to principal and interest by the United States of America (which
3 may consist of obligations of the Resolution Funding Corporation that constitute interest
4 strips). In the case of direct and general obligations of the United States of America,
5 Government Obligations shall include evidences of direct ownership of proportionate
6 interests in future interest or principal payments of such obligations. Investments in such
7 proportionate interests must be limited to circumstances where (i) a bank or trust company
8 acts as custodian and holds the underlying United States obligations; (ii) the owner of the
9 investment is the real party in interest and has the right to proceed directly and individually
10 against the obligor of the underlying United States obligations; and (iii) the underlying United
11 States obligations are held in a special account, segregated from the custodian's general assets,
12 and are not available to satisfy any claim of the custodian, any person claiming through the
13 custodian, or any person to whom the custodian may be obligated; provided that such
14 obligations are rated or assessed at least as high as direct and general obligations of the United
15 States of America by either Moody's or S&P.

16 **Section 17. Partial Defeasance.** A portion of the then-outstanding maturities of
17 the Bonds may be defeased prior to maturity in the following ways:

18 (a) by irrevocably depositing with the County, or an independent escrow
19 agent selected by the District, an amount of cash which, together with amounts
20 transferred from the Debt Service Fund, is sufficient to pay the designated Outstanding
21 maturities of Bonds, including all Principal, interest and premium, if any; or

22 (b) by irrevocably depositing with the County, an independent escrow
23 agent selected by the District, noncallable Government Obligations, together with cash,
24 if required, in such amount as will, in the opinion of an independent certified public
25 accountant, together with interest to accrue thereon, be fully sufficient to pay and
26 discharge the designated Outstanding maturities of Bonds (including all Principal,
27 interest and premium, if any, at or before their maturity date);

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

Section 18. Continuing Disclosure. The District has covenanted and agreed that
it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.
Any Bond Owner 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 the Continuing Disclosure Certificate.

Section 19. Tax Covenants of the District. The District has covenanted for and
on behalf of the Owners that it shall not take any action, or fail to take any action if such
action or failure to take such action would adversely affect the exclusion from gross income
of the interest payable on the Bonds under Section 103 of the Code.

1 **Section 20. Arbitrage Covenant.** The District has covenanted for and on behalf
2 of the Owners that it will restrict the use of the proceeds of the Bonds in such manner and to
3 such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds
4 under Section 148 of the Code and the applicable regulations prescribed under that section or
5 any predecessor section. Calculations for determining arbitrage requirements are the sole
6 responsibility of the District. The County hereby covenants that it will follow such written
7 directions as are given to it by the District to restrict the use of the proceeds of the Bonds in
8 such manner and to such extent, if any, as may be necessary, so that the Bonds will not
9 constitute arbitrage bonds under Section 148 of the Code and the applicable regulations
10 prescribed under that section or any predecessor section.

11 **Section 21. Conditions Precedent.** This Board determines that all acts and
12 conditions necessary to be performed by the Board or to have been met precedent to and in
13 the issuing of the Bonds in order to make them legal, valid and binding general obligations of
14 the District have been performed and have been met, or will at the time of delivery of the
15 Bonds have been performed and have been met, in regular and due form as required by law;
16 and that no statutory or constitutional limitation of indebtedness or taxation will have been
17 exceeded in the issuance of the Bonds.

18 **Section 22. Official Statement.** The District has agreed to cause a Preliminary
19 Official Statement and a final Official Statement meeting the requirements of Securities and
20 Exchange Commission Rule 15c2-12 to be prepared. Such Preliminary Official Statement
21 and Official Statement shall be referred to as the "Official Statement," and will be
22 substantially in the form of the Preliminary Official Statement on file with the Clerk of the
23 Board of Supervisors, together with such changes as the District deems necessary to make
24 such Official Statement accurate as of its date.

25 **Section 23. Other Actions.**

26 (a) Officers of the Board and County officials and staff are hereby
27 authorized and directed, jointly and severally, to do any and all things and to execute
28 and deliver any and all documents which they may deem necessary or advisable in
order to proceed with the issuance of the Bonds and otherwise carry out, give effect to
and comply with the terms and intent of this Resolution, including the execution of any
documents required by a Bond Insurer as a precondition to obtaining bond insurance if
purchased by the District. Such actions heretofore taken by such officers, officials and
staff are hereby ratified, confirmed and approved.

(b) Notwithstanding any other provision hereof, the provisions of this
Resolution as they relate to the terms of the Bonds may be amended by the Purchase
Contract.

29 **Section 24. Supplemental Resolutions.**

(a) This Resolution, and the rights and obligations of the County, the
District and of the Owners of the Bonds issued hereunder, may be modified or amended
at any time by a Supplemental Resolution adopted by the County with the written
consent of Owners owning at least 60% in aggregate Principal Amount of the
Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District;

1 provided, however, that no such modification or amendment shall, without the express
2 consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond,
3 reduce the interest rate payable thereon, advance the earliest redemption date thereof,
4 extend its maturity or the times for paying interest thereon or change the monetary
5 medium in which Principal and interest is payable, nor shall any modification or
6 amendment reduce the percentage of consents required for amendment or modification.
No such Supplemental Resolution shall change or modify any of the rights or
obligations of any Paying Agent without its written assent thereto. Notwithstanding
anything herein to the contrary, no such consent shall be required if the Owners are not
directly and adversely affected by such amendment or modification.

7 (b) This Resolution, and the rights and obligations of the County, the
8 District and of the Owners of the Bonds issued hereunder, may be modified or amended
9 at any time by a Supplemental Resolution adopted by the County without the written
consent of the Owners;

10 (i) To add to the covenants and agreements of the County in this
11 Resolution, other covenants and agreements to be observed by the County
12 which are not contrary to or inconsistent with this Resolution as theretofore in
effect;

13 (ii) To add to the limitations and restrictions in this Resolution,
14 other limitations and restrictions to be observed by the County which are not
contrary to or inconsistent with this Resolution as theretofore in effect;

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

17 (iv) To cure any ambiguity, supply any omission, or cure or correct
18 any defect or inconsistent provision in this Resolution; or

19 (v) To amend or supplement this Resolution in any other respect,
20 provided such Supplemental Resolution does not adversely affect the interests
of the Owners.

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

26 **Section 25. Insurance.** In the event the District purchases bond insurance for the
27 Bonds, and to the extent that the Bond Insurer makes payment of the Principal of or interest
on the Bonds, such Bond Insurer shall become the owner of such Bonds with the right to

1 payment of Principal or interest on the Bonds, and shall be fully subrogated to all of the
2 Owners' rights, including the Owners' rights to payment thereof. To evidence such
3 subrogation (i) in the case of subrogation as to claims that were past due interest, the Paying
4 Agent shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds
5 maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the
6 Bond Insurer or other evidence satisfactory to the Paying Agent for the payment of such
7 interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past
8 due Principal or interest, the Paying Agent shall note the Bond Insurer as subrogee on the
9 registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds
10 by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer. The
11 Paying Agent shall request payment pursuant to the terms of any bond insurance policy to the
12 extent required to pay the Principal of and interest on the Bonds when due if amounts on
13 deposit in the Debt Service Fund are not adequate for that purpose.

9 **Section 26. Resolution to Constitute Contract.** In consideration of the purchase
10 and acceptance of any and all of the Bonds authorized to be issued hereunder by those who
11 shall own the same from time to time, this Resolution shall be deemed to be and shall
12 constitute a contract among the County, the District and the Owners from time to time of the
13 Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and
14 security of the Owners of any and all of the Bonds, all of which, regardless of the time or
15 times of their issuance or maturity, shall be of equal rank without preference, priority or
16 distinction of any of the Bonds over any other thereof.

17 **Section 27. Notices.** All notices or communications herein required or permitted
18 to be given to any party shall be given to each of the following parties and shall be given in
19 writing and shall be deemed to have been sufficiently given or served for all purposes by
20 being delivered or sent by telecopier or by being deposited, postage prepaid, in a post office
21 letter box, to the addresses set forth below, or to such other address as may be provided to the
22 other parties hereinafter listed in writing from time to time, namely:

17 If to the County: Riverside County
18 4080 Lemon Street, 4th Floor
19 Riverside, California 9250-3651
Attention: Treasurer-Tax Collector

20 If to the Paying Agent: U.S Bank National Association
21 633 W. Fifth Street, 24th Floor
22 Los Angeles, California 90071
Attention: Corporate Trust Department

23 If to the District: Riverside Unified School District
24 3380 14th Street
Riverside, California 94501
25 Attention: Superintendent

26 **Section 28. Unclaimed Moneys.** Anything in this Resolution to the contrary
27 notwithstanding, any moneys held by the Paying Agent in trust for the payment and discharge
28 of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds
have become due and payable, either at their stated maturity dates or by call for earlier

1 redemption, if such moneys were held by the Paying Agent at such date, or for two (2) years
2 after the date of deposit of such moneys if deposited with the Paying Agent after said date
3 when such Bonds become due and payable, shall be repaid by the Paying Agent to the District,
4 as its absolute property and free from trust, and the Paying Agent shall thereupon be released
5 and discharged with respect thereto and the Bond Owners shall look only to the District for
6 the payment of such Bonds; provided, however, that before being required to make such
7 payment to the District, the Paying Agent shall, at the expense of District, cause to be mailed
8 to the Owners of all such Bonds, at their respective addresses appearing on the registration
9 books, a notice that said moneys remain unclaimed and that, after a date in said notice, which
10 date shall not be less than thirty (30) days after the date of mailing such notice, the balance of
11 such moneys then unclaimed will be returned to the District.

12 **Section 29. Effective Date.** This Resolution shall take effect immediately upon its
13 passage.

14 The foregoing resolution was adopted by the Board of Supervisors of Riverside
15 County on April 11, 2017.

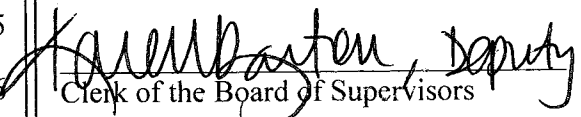
16 RIVERSIDE COUNTY

17 By: 

18 Chairman

19 JOHN TAVAGLIONE

20 ATTEST:

21 
22 Clerk of the Board of Supervisors

23 **KECIA HARPER-IHEM**

24 ROLL CALL:

25 Ayes: Jeffries, Tavaglione, Washington and Ashley

26 Nays: None

27 Absent: None

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

KECIA HARPER-IHEM, Clerk of said Board

By: 

Deputy

EXHIBIT A
[FORM OF DISTRICT RESOLUTION]

EXHIBIT B
[FORM OF CONTRACT OF PURCHASE]

EXHIBIT C
FORM OF BONDS

R- _____

\$ _____

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE BOND RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
RIVERSIDE COUNTY**

**RIVERSIDE UNIFIED SCHOOL DISTRICT
ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES A**

| | | | |
|-----------------------|-----------------------|--------------------|--------------|
| <u>INTEREST RATE:</u> | <u>MATURITY DATE:</u> | <u>DATED DATE:</u> | <u>CUSIP</u> |
| _____ % | August 1, _____ | _____ 1, 2017 | _____ |

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Riverside Unified School District (the "District") in Riverside County (the "County"), California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2017. Interest on this Bond shall be computed on the basis of a 360-day year of twelve 30-day months. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2017, in which event it shall bear interest from the date of delivery. Interest shall be computed on the basis of a 360-day year of 12, 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the

paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association. Principal is payable upon presentation and surrender of this bond at the designated office of the Paying Agent. Interest is payable by wire transfer or check mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date.

This bond is one of an authorization of \$_____ of bonds approved to raise money for the purposes authorized by voters of the District at the Election, defined below; and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent vote of the qualified electors of the District cast at an election held on November 8, 2016 (the "Election"), upon the question of issuing bonds in the amount of \$392,000,000 and resolutions of the Board of Education of the District adopted on March 20, 2017 and by the Board of Supervisors of the County on April 11, 2017 (collectively, the "Bond Resolution"). This bond is being 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. This bond and the issue of which this bond is one are general obligations of the District payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

The bonds of this issue comprise \$_____ principal amount of Current Interest Bonds, of which this bond is a part.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

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

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

The Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption

price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

| Redemption Date (<u>August 1</u>) | <u>Principal Amount</u> |
|--|-------------------------|
| Total | |

⁽¹⁾ Final Maturity.

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the bonds of this Series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

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

IN WITNESS WHEREOF, the Board of Supervisors has caused this Bond to be executed on behalf of the District, by the facsimile signatures of the Chairman of the Board of Supervisors of the County and the Treasurer-Tax Collector of the County, and to be countersigned by the facsimile signature of the Clerk of the Board of Supervisors of the County, and has caused the seal of the County to be affixed hereto, all as of the date stated above.

Chairman of the Board of Supervisors

COUNTERSIGNED:

Clerk of the Board of Supervisors

Treasurer-Tax Collector of Riverside County

(FORM OF CERTIFICATE OF AUTHENTICATION)

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2017.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By: _____
Authorized Representative

(FORM OF LEGAL OPINION)

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Clerk of the Board of Supervisors of Riverside County

(FORM OF ASSIGNMENT)

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

(Name, Address, and Tax Identification or Social Security Number of Assignee)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor institution.

Note: The signature(s) on this Assignment must correspond with the names as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.