

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



ITEM
3.23
(ID # 4041)

MEETING DATE:
Tuesday, April 18, 2017


FROM : TREASURER-TAX COLLECTOR:

SUBJECT: TREASURER-TAX COLLECTOR: Resolution No. 2017-058 Beaumont Unified School District, Election of 2008 General Obligation Bonds, Series D, 5th District. [\$0] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution No. 2017-058 authorizing and approving the issuance and sale of Beaumont Unified School District, Election of 2008 General Obligation Bonds, Series D in a principal amount not to exceed \$20,000,000 and approving other related matters.

ACTION:




Don Kent, Treasurer-Tax Collector 4/11/2017

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione, seconded by Supervisor Washington 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 18, 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:	2016/17

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.

Beaumont 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 District Board of Trustees 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 4, 2008 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 \$125,000,000.

In December 2009, the County issued the Beaumont Unified School District, Election of 2008 General Obligation Bonds, Series A in an aggregate principal amount of \$4,500,718.90 and the Beaumont Unified School District, Taxable Election of 2008 General Obligation Bonds, Series B (Build America Bonds-Direct Payment to District) in an aggregate principal amount of \$15,500,000 on behalf of the District.

In May 2011, the County issued the Beaumont Unified School District, Election of 2008 General Obligation Bonds, Series C in an aggregate principal amount of \$29,995,048.75 on behalf of the District, thereby leaving approximately \$75,000,000 in authorized but unissued debt.

Resolution No. 2017-058 authorizes the issuance and sale of Beaumont Unified School District, Election of 2008 General Obligation Bonds, Series D (the "Series D Bonds") in a principal

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

amount not to exceed \$20,000,000. The proceeds of the Series D Bonds will be used to finance the acquisition and construction of projects, facilities, and equipment approved by the voters.

Due to constraints on the tax rate levy imposed on the issuance of the Series D Bonds under the provisions of Proposition 39, the District has requested that some of the Series D Bonds be issued as capital appreciation bonds which by their terms compound interest. The maximum permitted tax levy rate per \$100,000 of assessed valuation set forth in Proposition 39 is \$60.00 for the District. The District has determined that it is desirable to issue capital appreciation bonds to increase the amount deposited in the building fund to enable the District to have the necessary funds for constructing and equipping current projects.

Assembly Bill 182 amended the California Education Code and the California Government Code to authorize the issuance of capital appreciation bonds when certain conditions are met. The District resolution reflects that the District has complied with all the requirements of AB 182. Specifically, AB 182 limits the amount of debt service that can be paid on bonds, including capital appreciation bonds, such that total debt service can be no more than 4 times greater than the principal amount of the bonds. The District estimates that total debt service on the Series D Bonds will be no more than 2.30 times greater than the principal amount of the Series D Bonds.

The Series D 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 D Bonds.

County Counsel has reviewed Resolution No. 2017-058 and has approved it as to form.

Impact on Citizens and Businesses

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

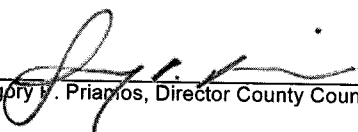
Resolution No. 2017-058

District Resolution

Bond Purchase Contract

Preliminary Official Statement

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



Gregory V. Priamos, Director County Counsel 4/4/2017

RESOLUTION NO. 2017-058

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, AUTHORIZING THE SALE AND ISSUANCE OF BEAUMONT UNIFIED SCHOOL DISTRICT, RIVERSIDE COUNTY, CALIFORNIA, ELECTION OF 2008 GENERAL OBLIGATION BONDS SERIES D IN A PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000, SOME OF WHICH MAY PROVIDE FOR THE COMPOUNDING OF INTEREST, AND APPROVING CERTAIN OTHER MATTERS RELATED THERETO

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RESOLUTION NO. 2017-058

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, AUTHORIZING THE SALE AND ISSUANCE OF BEAUMONT UNIFIED SCHOOL DISTRICT, RIVERSIDE COUNTY, CALIFORNIA, ELECTION OF 2008 GENERAL OBLIGATION BONDS SERIES D IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$20,000,000. SOME OF WHICH MAY PROVIDE FOR THE COMPOUNDING OF INTEREST, AND APPROVING CERTAIN OTHER MATTERS RELATED THERETO

WHEREAS, a duly called election was held in the Beaumont Unified School District (the "District"), Riverside County (the "County"), State of California (the "State"), on November 4, 2008, at which the following proposition ("Measure Z") was submitted to the qualified electors of the District:

"To retain/attract excellent teachers, keep students from gangs by upgrading safety, technology security systems, energy efficiency; acquiring land; repairing, constructing, equipping schools/classrooms; adding vocational education/after-school space; fixing leaky roofs; replacing heating/air-conditioning; and qualifying for State matching grants shall Beaumont Unified School District issue \$125,000,000 in bonds at legal interest rates, with annual financial audits, Independent Citizens' Oversight, and no money for the State or administrators' salaries?"

WHEREAS, at such election Measure Z received the affirmative vote of more than fifty-five percent of the qualified electors of the District voting on the proposition as certified by the Registrar of Voters of the County of Riverside in the official canvassing of votes; and

WHEREAS, in December 2009 the County, pursuant to Measure Z, issued on behalf of the District the Beaumont Unified School District Election of 2008 General Obligation Bonds Series A (Tax Exempt Bonds) in an aggregate principal amount of \$4,500,718.90 and the Beaumont Unified School District Taxable Election of 2008 General Obligation Bonds Series B (Build America Bonds-Direct Payment to District) in an aggregate principal amount of \$15,500,000;

WHEREAS, in May 2011, the County, pursuant to Measure Z, issued on behalf of the District the Beaumont Unified School District Election of 2008 General Obligation Bonds Series C in an aggregate principal amount of \$29,995,048.75; and

WHEREAS, this Board has received a signed, certified copy of the resolution of the Board of Education of the District adopted on March 14, 2017 requesting the issuance of Election of 2008 General Obligation Bonds Series D in an aggregate principal amount not to exceed \$20,000,000 (the "Bonds") which is attached hereto as Exhibit A and incorporated herein; and

WHEREAS, the Bonds will be issued under and pursuant to the provisions of Article 4.5 Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California and Article XIII A of the California Constitution (the "Authorizing Law"); and

FORM APPROVED COUNTY COUNSEL
BY Quinn A. Gardner 4/14/17
DATE
BY PALEA GARDNER

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

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

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Purpose of the Bonds. The Bonds of the District shall be issued pursuant to the Authorizing Law in the name and on behalf of the District in an aggregate Principal Amount not to exceed \$20,000,000, and this Board of Supervisors hereby authorizes, on behalf of the District, the issuance and sale of the Bonds and designates said Bonds to be issued and sold as the "Beaumont Unified School District Election of 2008 General Obligation Bonds Series D," (the "Bonds"). The Bonds may be issued as Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds (each defined below), or any combination thereof, as provided herein and in the Purchase Contract (defined below).

The proceeds of the Bonds will be used for any of the purposes authorized by Measure Z, including the acquisition of land, the construction, equipping, furnishing, reconstruction, rehabilitation and replacement of school facilities and sites and the prepayment of any of lease payments or the repayment of other amounts owing by the District on financing entered into to fund such items on an interim basis (collectively, the "Projects").

Section 3. Terms and Conditions of Sale. The Bonds shall be sold at a negotiated sale pursuant to the Authorizing Law in accordance with the terms of this Resolution. The Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract executed as described in Section 4 below.

Section 4. Approval of Bond Purchase Contract. The form of Bond Purchase Contract (the "Purchase Contract") to be entered into by and among the County, the District and the Underwriter (defined below), for the purchase and sale of the Bonds, is hereby approved substantially in the form attached hereto as Exhibit B. The Treasurer-Tax Collector of the County, or designated deputy thereof (the "Treasurer"), is hereby authorized to execute and deliver the Purchase Contract, and an Authorized Representative of the District (defined herein) is hereby authorized and requested to acknowledge the execution of the Purchase Contract, but with such changes therein, deletions therefrom and modifications thereto as the Treasurer may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the Current Interest Bonds shall have a final maturity no later than forty (40) years from the date of issue, the Capital Appreciation Bonds and Convertible Capital Appreciation Bonds shall have a final maturity no later than twenty-five (25) years from the date of issue, the maximum interest rate on any Bond shall not exceed 8.00% per annum and any Underwriter's discount, excluding original issue discount on the Bonds and costs of issuance, if any, paid by the Underwriter under the terms of the Purchase Contract, shall not exceed 0.7% of the aggregate principal amount of Bonds issued. The Authorized Representative of the District executing the Purchase Contract shall determine the final principal amount of the Bonds to be sold, provided that the aggregate principal amount issued under

the authority of this Resolution shall not exceed \$20,000,000, and shall determine whether to purchase municipal bond insurance for all or a portion of the Bonds.

The terms of the Purchase Contract shall recite the aggregate principal amount of the Bonds being sold thereunder, and with respect to the Current Interest Bonds shall recite the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual Bond Payments Dates (defined below) thereof, and the terms of optional and mandatory sinking fund redemption thereof; and with respect to the Capital Appreciation Bonds shall recite the date thereof, the initial principal amounts, maturity dates, and maturity values of each maturity thereof, and the initial and semiannual Bond Payments Dates thereof for the compounding of interest, and the terms of optional and mandatory sinking fund redemption thereof; and, with respect to the Convertible Capital Appreciation Bonds, shall recite the date thereof, the Conversion Dates (defined below) thereof, initial principal amounts, accreted values at the Conversion Dates and annual rates of interest of each maturity thereof, the initial and semiannual Bond Payments Dates thereof, and the terms of optional and mandatory sinking fund redemption thereof. The Purchase Contract, together with this Resolution, shall constitute the order of the Board of Supervisors for purposes of Section 15230 of the Education Code.

Section 5. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them:

“Accreted Interest” means, with respect to the Capital Appreciation Bonds and the Convertible Capital Appreciation Bonds, the Accreted Value thereof minus the Principal Amount thereof as of the date of calculation.

“Accreted Value” means, with respect to each maturity of the Capital Appreciation Bonds and any Convertible Capital Appreciation Bonds prior to the Conversion Date, as of the date of calculation, the Principal Amount thereof, plus Accreted Interest thereon to such date of calculation, which interest shall be compounded semiannually on each Bond Payment Date at the stated yield to maturity thereof set forth in the Purchase Contract, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

“Authorizing Law” means, collectively, (i) Article 4.5 Chapter 3, Part 1, Division 2, of Title 5 of the California Government Code of the State of California, as amended, and (ii) Article XIII A of the California Constitution.

“Authorized Representative of the District” means each of the Superintendent of the District, the Assistant Superintendent, Business Services of the District and their designees.

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

“Bond Insurer” means any insurance company which issues a municipal bond insurance policy insuring the payment of all or a portion of the Principal Amount of and any interest, including Accreted Interest, on the Bonds.

“Bond Obligation” means, from time to time as of the date of calculation, with respect to any Current Interest Bond, the Principal Amount thereof and, with respect to any Capital Appreciation Bond, the Accreted Value thereof, and, with respect to any Convertible Capital Appreciation Bond,

prior to the Conversion Date the Accreted Value thereof and after the Conversion Date the Conversion Value thereof.

“Bond Payment Date” means, (i) with respect to any Bonds, the payment dates specified in the Purchase Contract for the payment or compounding of interest thereon, as applicable, and (ii) with respect to the Principal payments on the Bonds, the maturity dates for such Bonds provided in the Purchase Contract.

“Bond Register” means the listing of names and addresses of the current registered owners of each Bond, as maintained by the Paying Agent in accordance with Section 11 hereof.

“Bonds” means the Beaumont Unified School District Election of 2008 General Obligation Bonds Series D issued and delivered pursuant to this Resolution.

“Building Fund” means the Beaumont Unified School District Election of 2008 General Obligation Bond Building Fund as described in Section 15 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.

“Capital Appreciation Bonds” means any Bonds the interest component of which is compounded semiannually to maturity as shown in the table of Accreted Values for such Bonds set forth in the Purchase Contract for such Bonds.

“Capital Appreciation Term Bonds” means those Capital Appreciation Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Contract for such Bonds.

“Code” means the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement by and between the District and Cooperative Strategies, LLC, as dissemination agent in connection with the delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Convertible Capital Appreciation Bonds” means any Bonds which are originally issued as Capital Appreciation Bonds, but which convert to Current Interest Bonds on a Conversion Date. Prior to its Conversion Date, a Convertible Capital Appreciation Bond shall be treated as a Capital Appreciation Bond hereunder and after the Conversion Date shall be treated as a Current Interest Bond hereunder.

“Conversion Date” means, with respect to each Convertible Capital Appreciation Bond, the date as stated in the Purchase Contract or Official Statement, as the date on which such Convertible Capital Appreciation Bond converts to a Current Interest Bond which bears interest payable on each Bond Payment Date following such Conversion Date.

“Conversion Value” means the Accreted Value of a Convertible Capital Appreciation Bond as of its Conversion Date.

“Costs of Issuance” means all of the costs of issuing the Bonds, including, but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds and any Official Statement pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; financial advisory fees; rating agency fees; auditor’s fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the Bonds; the initial fees and expenses of the Paying Agent; fees for credit enhancement relating to the Bonds; and other fees and expenses incurred in connection with the issuance of the Bonds, to the extent such fees and expenses are approved by an Authorized Representative of the District.

“Costs of Issuance Fund” means the Beaumont Unified School District Election of 2008 General Obligation Bond Costs of Issuance Fund established pursuant to Section 15 of this Resolution.

“County” means the County of Riverside, California.

“Current Interest Bonds” means any Bonds the interest on which is payable on each Bond Payment Date specified for such Bond in the Purchase Contract.

“Date of Issuance” means the date on which the Bonds are delivered to the Underwriter.

“Debt Service Fund” means the Beaumont Unified School District Election of 2008 General Obligation Bond Debt Service Fund as described in Section 15 of this Resolution.

“Depository” means the securities depository acting as Depository pursuant to Section 13 hereof.

“District” means the Beaumont Unified School District.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York in its capacity as securities depository for the Bonds.

“Informational Services” means national information services that disseminate securities redemption notices; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the District may specify in a certificate to the County and the Paying Agent or as the Paying Agent may select.

“Maturity Value” means the Accreted Value of any Capital Appreciation Bond on its maturity date.

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 13 hereof.

“Official Statement” means the offering document to be delivered to investors with respect to the Bonds as described in Section 23 below.

“Outstanding,” when used with reference to the Bonds, means, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

- (a) Bonds canceled at or prior to such date;
- (b) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 11 hereof; or
- (c) Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 17 or 18 of this Resolution.

“Owner” means the registered owner of a Bond as set forth on the registration books maintained by the Paying Agent pursuant to Section 11 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 entity designated in accordance with Section 9 hereof to act in such capacity.

“Principal” or “Principal Amount” means, with respect to any Bond, the principal or principal amount thereof as specified for such Bond in the Purchase Contract.

“Projects” shall have the meaning given to that term in Section 2 of this Resolution.

“Projects Costs” means all of the expenses of and incidental to the construction and/or acquisition of the Projects, including Costs of Issuance.

“Purchase Contract” means, the Purchase Contract executed for the Bonds in accordance with Section 4 of this Resolution.

“Rebate Fund” means the Beaumont Unified School District Election of 2008 General Obligation Bond Rebate Fund established pursuant to Section 15 of this Resolution.

“Record Date” means, with respect to any Bond on which current interest is being paid, the close of business on the fifteenth day of the month preceding each Bond Payment Date for such Bond.

“Redemption Date” means any date on which any Bond is subject to optional redemption or mandatory sinking fund redemption in accordance with Section 12 hereof.

“Resolution” means this Resolution adopted by the Board of Supervisors of the County on April 18, 2017.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, New York, New York 10041, Facsimile transmission: (212) 785-9681, or such other securities depositories as are designated by the District or the Paying Agent and whose business is to perform the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of the Securities Exchange Act of 1934, and who is registered as a clearing agency under Section 17A of the Act.

“Supplemental Resolution” means any resolution supplemental to or amendatory of this Resolution, adopted by the County in accordance with Section 25 hereof.

“Tax Certificate” means the certificate by that name executed by the District on the Date of Issuance of the Bonds.

“Term Bonds” means those Bonds for which mandatory sinking fund redemption dates have been established in the Purchase Contract.

“Transfer Amount” means, with respect to any Outstanding Current Interest Bond, the aggregate Principal Amount, and, with respect to any Outstanding Capital Appreciation Bond, the Maturity Amount, with respect to any Outstanding Convertible Capital Appreciation Bond, its Conversion Value.

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

“Underwriter” means Piper Jaffray & Co.

Section 6. Terms of the Bonds.

(a) The Bonds entitled to the benefit, protection and security of this Resolution are hereby authorized in an aggregate Principal Amount not to exceed \$20,000,000. Such Bonds shall be general obligation bonds of the District, payable as to Principal, Accreted Value, premium, if any, and interest from *ad valorem* taxes to be levied upon all of the taxable property in the District. The Bonds shall be designated “Beaumont Unified School District, Riverside County, California, Election of 2008 General Obligation Bonds Series D.” The Bonds may be issued as Current Interest Bonds, Capital Appreciation Bonds and/or Convertible Capital Appreciation Bonds as set forth in the Purchase Contract, subject to the provisions of this Resolution.

(b) The Bonds shall be issued as bonds registered as to both principal and interest and unless otherwise specified in the Purchase Contract, in the denominations of, with respect to the Current Interest Bonds, \$5,000 Principal Amount, or any integral multiple thereof, with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof, with respect to Convertible Capital Appreciation Bonds, \$5,000 Conversion Value, or any integral multiple thereof; provided that one Capital Appreciation Bond may be issued in an odd Maturity Value and one Current Interest Bond may be issued in a denomination in excess of \$5,000 that is not an integral multiple thereof.

(c) The Current Interest Bonds shall mature in the years and be issued in the Principal Amounts as set forth in the Purchase Contract. Each Current Interest Bond shall be dated as set forth in the Purchase Contract and shall bear interest at the applicable interest rate set forth in the Purchase Contract from the Bond Payment Date next preceding the date of authentication thereof 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 that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from its dated date; provided, however, that, if at the time of registration of any Current Interest Bond interest with respect thereto is in default, interest with

respect thereto shall be payable from the Bond Payment Date to which interest has previously been paid or made available for payment.

(d) Each Capital Appreciation Bond shall be dated, and shall accrete interest equal to the Accreted Interest for such Bond from, its Date of Issuance. Capital Appreciation Bonds will not bear interest payable on a current basis. The Capital Appreciation Bonds shall be issued in fully registered form, shall mature in 25 years or less and shall be issued in the aggregate Principal Amounts and shall accrete interest at the rate or rates as set forth in the Purchase Contract and shall have Principal Amounts per each five thousand dollars (\$5,000) in Maturity Value as shown in the Accreted Value Table contained in Appendix A to the Purchase Contract; provided, that in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the County or the Paying Agent by application of the definition of Accreted Value set forth in this Section 6 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond.

(e) Each Convertible Capital Appreciation Bond shall be dated, and shall accrete interest equal to the Accreted Interest for such Bond from, its Date of Issuance to its Conversion Date and during such period no interest shall be payable on a current basis. From and after its Conversion Date, each Convertible Capital Appreciation Bond will bear interest payable on a current basis on the Conversion Value thereof on each Bond Payment Date at the interest rate set forth in the Purchase Contract for such Bond. The Convertible Capital Appreciation Bonds shall be issued in fully registered form, shall mature in 25 years or less and shall be issued in the aggregate Principal Amounts set forth in the Purchase Contract and shall accrete interest at the rate or rates and shall have Principal Amounts per each five thousand dollars (\$5,000) in Conversion Value as shown in the Accreted Value Table contained in Appendix A to the Purchase Contract; provided that, in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the County or the Paying Agent by application of the definition of Accreted Value set forth in this Section 6 differ, the latter amount shall be the Accreted Value of such Convertible Capital Appreciation Bond.

Section 7. Execution. The Bonds shall be in substantially the forms set forth in Exhibit C hereto. The Bonds shall be signed by the Chairman of the Board and the Treasurer, or a deputy of the Treasurer, by their manual or facsimile signatures and countersigned by the manual or facsimile signature of the Clerk of the Board, or by an authorized deputy, all in their official capacities. The County's seal (or a facsimile thereof) may be impressed, imprinted, engraved or otherwise reproduced on each Bond. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been issued by the County on behalf of the District, such Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed or sealed such Bonds had not ceased to hold such offices. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

Section 8. Appointment of Paying Agent.

(a) This Board does hereby consent to and confirm the appointment of U.S. Bank National Association to act as the authenticating agent, bond registrar, transfer agent and paying

agent (collectively, the "Paying Agent") for the Bonds. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District.

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

(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. In no event shall the County be required to expend its own funds hereunder.

Section 9. Resignation or Removal of Paying Agent and Appointment of Successor.

(a) The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the District and the County. The Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the County and signed by the District. A successor Paying Agent shall be appointed by the District with the written consent of the Treasurer, which consent shall not be unreasonably withheld, and, if not the Treasurer, shall be a bank or trust company organized under the laws of any state of the United States, a national banking association or any other financial institution, having capital stock and surplus aggregating at least \$50,000,000 and doing business in the State of California and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the County and the District a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(b) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or, if there is no successor, to the Treasurer. In the event that for any reason there shall be a vacancy in the office of the Paying Agent, the Treasurer shall act as such Paying Agent. The County shall cause the new Paying Agent appointed to replace any resigned or removed Paying Agent to give notice of its appointment and the address of its principal office to all registered Owners in the same manner that a notice of redemption is to be delivered in accordance with Section 12 hereof.

Section 10. Payment of Principal and Interest. The Principal of, Accreted Value and interest on the Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Paying Agent as paying agent. Principal of the Current Interest

Bonds, the Conversion Value of the Convertible Capital Appreciation Bonds and the Maturity Value of the Capital Appreciation Bonds shall be payable when due upon presentation and surrender of the Bonds at the office of the Paying Agent which has been designated by the Paying Agent for purposes of paying Principal of the Current Interest Bonds, the Conversion Value of the Convertible Capital Appreciation Bonds and Maturity Value of the Capital Appreciation Bonds on the Bonds. Any interest due on Current Interest Bonds and interest due on the Convertible Capital Appreciation Bonds after the Conversion Date shall be paid on each Bond Payment Date by check mailed by first class mail to the person in whose name the Bond was registered, and to that person's address appearing on the Bond Register (as described in Section 11 below) at the close of business on the Record Date. The Owner of an aggregate Principal Amount of \$1,000,000 or more of Bonds bearing interest on a current basis may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of any Record Date.

Payments of Principal, Maturity Value, Conversion Value and redemption premiums, if any, with respect to the Bonds shall be payable at maturity or redemption upon surrender at the principal office of the Paying Agent. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity or redemption, and to cancel all Bonds which have matured or been redeemed upon payment thereof.

No current interest shall be payable to an Owner of a Capital Appreciation Bond; however, during the period Capital Appreciation Bonds are outstanding, interest will accrete on the Capital Appreciation Bonds to an amount equal to the Maturity Value. No payment of interest will be made to the Owner of a Convertible Capital Appreciation Bond on its Conversion Date. Interest shall be paid on the first Bond Payment Date after the Conversion Date based upon the Conversion Value of a Convertible Capital Appreciation Bond on its Conversion Date.

The Bonds are general obligation bonds of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

Section 11. 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 office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section.

Subject to the provisions of Section 11 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal of and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like series, tenor, maturity and Transfer Amount upon presentation and surrender at the office of the Paying Agent designated for such purpose, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent designated

for such purpose, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like series, tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accreting interest at the same rate and maturing on the same date. Capital Appreciation Bonds, Convertible Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

If manual signatures on behalf of the County are required, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the County. In all cases of exchanged or transferred Bonds, the County shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the transferor. 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 by the Paying Agent 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 15th business day next preceding either the Maturity Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Maturity Date or day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

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

Any new Bonds issued pursuant to this Section 11 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Bonds.

Section 12. Redemption.

(a) Terms of Redemption. The Bonds shall be subject to redemption prior to maturity as provided in the Purchase Contract. The Purchase Contract may provide that all or a portion of the Bonds issued hereunder shall not be subject to optional redemption, and may provide separate and distinct redemption provisions for the Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds; provided that Capital Appreciation Bonds and Convertible Capital Appreciation Bonds maturing more than 10 years after issuance shall be subject to optional redemption beginning no later than the tenth anniversary of the issuance date of such bonds.

The Bonds, if any, which are designated in the Purchase Contract as Term Bonds shall be subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments in the amounts and in accordance with the terms to be specified in the Purchase Contract. The principal amount of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date and allocated by the District to such sinking fund payment, or as otherwise directed by the District. The Purchase Contract may provide that some or all of the Bonds shall not be subject to mandatory sinking fund redemption.

The Auditor-Controller of the County is hereby authorized to create such sinking funds or accounts for the Term Bonds as shall be necessary to accomplish the purposes of this Section.

(b) Selection of Bonds for Redemption. Whenever provision is made in this Resolution and the Purchase Contract for the redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from an Authorized Representative of the District, shall select Bonds for redemption from such maturity or maturities in accordance with such written instructions. Within a maturity, the Paying Agent shall select Bonds for redemption in such manner as directed by the District or if not so directed then by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof and the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Conversion Value of such Convertible Capital Appreciation Bond and the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value of such Capital Appreciation Bond.

(c) Notice of Redemption. When redemption of any Bond is to be made pursuant to Section 12(a) hereof, the Paying Agent shall give notice (a "Redemption Notice") of the redemption of the Bonds by first class mail, postage prepaid to each Owner of the Bonds at the addresses appearing on the Bond Register at least 30 but not more than 60 days prior to the Redemption Date; provided, however, so long as the Bonds are registered in the name of the Depository or its Nominee, notices of redemption shall be given in accordance with the procedures of the Depository. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned

to the Bonds to be redeemed, (f) the numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount or Accreted Value, as applicable, of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified Redemption Date there shall become due and payable upon each Bond or portion thereof being redeemed the Principal Amount thereof and applicable premium, if any, together with accrued interest to the Redemption Date for the Current Interest Bonds and the Accreted Interest thereon to the Redemption Date in the case of the Convertible Capital Appreciation Bonds and the Capital Appreciation Bonds, and that from and after such Redemption Date, interest with respect thereto shall cease to accrue or accrete in value.

In case of the redemption as permitted herein of all the Bonds of any one maturity then Outstanding, notice of redemption shall be given as herein provided, except that the Redemption Notice need not specify the serial numbers of the Bonds of such maturity.

Any Redemption Notice for an optional redemption of the Bonds delivered in accordance with this Section 12(c) may be conditional, and, if any condition stated in the Redemption Notice shall not have been satisfied on or prior to the redemption date: (i) the Redemption Notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional Redemption Notice was given that such condition or conditions were not met and that the redemption was canceled.

Neither failure to receive nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

(d) Additional Notice. In addition to the Redemption Notice given pursuant to Section 12(c), further notice shall be given by the Paying Agent as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption shall be sent at least thirty (30) days before the Redemption Date by registered or certified mail or overnight delivery service to each of the Securities Depositories which are then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more of the Informational Services that disseminate notice of redemption of obligations similar to the Bonds or, in accordance with the then-current guidelines of the Securities and Exchange Commission, such other securities depositories and services providing information on called bonds, or such securities depositories and services, as the District may designate in a certificate delivered to the Paying Agent. Notwithstanding the foregoing, if authorized by a Securities Depository or Information Service, such additional notice may be sent electronically or in such other manner as is approved by such entity.

(e) CUSIP Numbers. Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(f) Payment of Redeemed Bonds. When notice of redemption has been given substantially as provided for herein, and, when the amount necessary for the redemption of the Bonds

called for redemption (Principal and premium, if any) is irrevocably set aside in trust for that purpose in the Debt Service Fund, as provided herein, the Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the notice of redemption with the form of assignment endorsed thereon executed in blank, said Bonds shall be redeemed and paid at the redemption price out of the Debt Service Fund.

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

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

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 12 shall be cancelled upon surrender thereof and be delivered 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.

(h) Effect of Notice of Redemption. If on such Redemption Date, money for the redemption of the Bonds to be redeemed as provided in Section 12 hereof, together with interest to such Redemption Date, shall be held by the Paying Agent so as to be available therefor on such Redemption Date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such Redemption Date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable.

(i) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest Redemption Date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, in the case of Bonds then bearing interest on a current basis, 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.

Section 13. Book-Entry System.

(a) The Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial execution and delivery, as provided for herein, the ownership of such Bond shall be registered in the Bond Register in the name of the Depository or its nominee (the "Nominee"), and its successors and assigns. Except as hereinafter provided, all of the outstanding Bonds shall be registered in the Bond Register in the name of the Nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section. Each Bond certificate shall bear a legend substantially to the following effect: "UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED

REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE 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.”

With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither the District, the County nor the Paying Agent shall have any responsibility or obligation to any broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository (the “Participant”) or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the District, the County nor the Paying Agent shall have any responsibility or obligation (unless the District is at such time the Depository) 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 Bonds to be redeemed in the event the District redeems the Bonds in part, or (iv) the payment to any Participant or any other person, other than an Owner of a Bond as shown in the Bond Register, of any amount with respect to Accreted Value, Principal of or interest on the Bonds. The District and the Paying Agent may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute Owner of such Bond for the purpose of the payment of Accreted Value, Principal of and interest with respect to such Bond, for the purpose of giving notices of redemption, if applicable, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Accreted Value, Principal of and interest on the Bonds only to or upon the order of the respective Owner of the Bond, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District’s obligations with respect to payment of Accreted Value, Principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Bond, as shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to make payments of Accreted Value, Principal and interest. Upon delivery by the Depository to the Owners of the Bonds, and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Resolution shall refer to such nominee of the Depository.

(b) In order to qualify the Bonds for the Depository’s book-entry system, the District has executed and delivered to the Depository a Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of this Section or in any other way impose upon the District any obligation whatsoever with respect to persons having interests in the Bonds other than the owners of the Bonds, as shown on the Bond Register. In addition, to the execution and delivery 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.

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

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

(d) The initial Depository under this Section shall be The Depository Trust Company, New York, New York ("DTC"). The initial Nominee shall be Cede & Co., as Nominee of DTC.

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

(i) to any successor of DTC or its Nominee, or of any substitute depository designated pursuant to Section 13(e)(ii) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(ii) to any Substitute Depository, 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) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(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 13(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 13(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 denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to 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.

(g) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the Principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate 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 Representation Letter. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(h) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the 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.

Section 14. Forms of Bonds. The Bonds shall be in substantially the forms as shown in Exhibit C hereto; provided, however, that those officials executing the Bonds are hereby authorized to make the insertions and deletions necessary to conform the Bonds to this Resolution, the Purchase Contract and the Official Statement and to correct any defect or inconsistent provision therein or to cure any ambiguity or omission therein.

Section 15. Deposit of Proceeds of Bonds; Creation of Funds.

(a) Following the sale of the Bonds, the proper officials of the County shall cause the Bonds to be prepared, signed and delivered to DTC for credit to the account of the Underwriter upon payment by the Underwriter of the purchase price of such Bonds in immediately available funds.

(b) The proceeds from the sale of the Bonds, to the extent of the Principal Amount thereof payable to the County under the terms of the Purchase Contract, shall be paid to the County to the credit of the fund hereby created and established and to be known as the "Beaumont Unified School District Election of 2008 General Obligation Bond Building Fund" (the "Building Fund") of the District, which shall be kept separate and distinct from all other District and County funds. Such proceeds shall be used solely for the purpose for which the Bonds are being issued and shall be applied solely to authorized purposes which relate to the Projects. Any amounts that remain in the Building Fund at the completion of the Projects, at the written direction of an Authorized Representative of the District, shall be transferred to the Debt Service Fund to be used to pay the Principal of, premium, if any, and interest on the Bonds, subject to any conditions set forth in any Tax Certificate.

(c) All premium received by the County from the sale of the Bonds, if any, and any accrued interest on the Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Beaumont Unified School District Election of 2008 General Obligation Bond Debt Service Fund" (the "Debt Service Fund") for the Bonds. Amounts in the Debt Service Fund shall be used only for payments of Principal, premium, if any, and interest, including Accreted Interest, on the Bonds on each Bond Payment Date and Redemption Date. All ad valorem taxes levied for the purposes described in Section 16 hereof shall be deposited upon collection by the County into the Debt Service Fund and used for the payment of the Principal of, premium, if any, and interest, including Accreted Interest, on the Bonds on each Bond Payment Date and Redemption Date. On the Business Day immediately preceding each Bond Payment Date and Redemption Date, the District shall transfer or cause to be transferred from the Debt Service Fund to the Paying Agent, an amount, in immediately available funds, sufficient to pay all the Principal of, premium, if any, and interest, including Accreted Interest, on the Bonds (collectively, the "Debt Service") on such Bond Payment Date or Redemption Date, as applicable. Debt Service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of Debt Service. If, after payment in full of the Bonds, there remain excess proceeds in the Debt Service Fund, any such excess amounts shall be transferred to the General Fund of the District.

(d) There is hereby created and established a "Beaumont Unified School District Election of 2008 General Obligation Bond Rebate Fund" (the "Rebate Fund"). The County shall from time to time receive funds from the District for deposit into the Rebate Fund as required to enable the District to comply with the requirements of Section 148(f) of the Code. The District shall instruct the County, in writing, as to the method of investing funds held in the Rebate Fund and disbursing such funds to the United States Treasury. The County agrees to comply with such instructions of the District. Any money remaining in the Rebate Fund after the payment in full of the Bonds, either at maturity or earlier redemption, and the payment to the United States Treasury of any amounts required pursuant to Section 148(f) of the Code, and any regulations thereunder, shall be transferred to the Building Fund, or if the Building Fund is not then in existence, shall be transferred to the General Fund of the District. The County shall have no liability or obligation with respect to the required deposits to or disbursements from the Rebate Fund, which shall remain the sole responsibility of the District.

(e) There shall hereby be created and established the "Beaumont Unified School District General Obligation Bond, Election of 2008 General Obligation Bond Costs of Issuance Fund" (the "Costs of Issuance Fund") which shall be accounted for separately and distinctly from all other District funds and accounts. At the time of issuance of the Bonds, an Authorized Officer may direct that the Costs of Issuance Fund be held in the County treasury or by U.S. Bank National

Association as a fiscal agent, and may transfer, or cause to be transferred, from the Building Fund to the Costs of Issuance Fund an amount not to exceed two percent (2.00%) of the initial Principal Amount of the Bonds issued. Monies held in the Costs of Issuance Fund shall be applied, upon direction from an Authorized Officer of the District, solely to pay Costs of Issuance.

(f) Interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund, interest earned on the investment of monies held in the Building Fund shall be retained in the Building Fund, interest earned on the investment of moneys in the Costs of Issuance Fund, if any, shall be transferred and credited to the Building Fund, and interest earned in the investments in the Rebate Fund, if any, shall be retained in the Rebate Fund.

(g) If at any time it is deemed necessary or desirable by the District, upon the written direction of an Authorized Representative of the District, the County may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

Section 16. Security for the Bonds; Tax Levy. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are Outstanding in an amount sufficient, together with moneys on deposit in the Debt Service Fund available for such purpose, to pay the Principal of, premium, if any, and interest, including Accreted Interest, on the Bonds when due. The Board hereby covenants to levy *ad valorem* taxes for the payment of the Bonds on all property in the District subject to taxation by the County without limitation as to rate or amount (except certain personal property which is taxable at limited rates) and to coordinate with the County of San Bernardino to collect the *ad valorem* taxes to be levied on property within the District which is located within the County of San Bernardino. The taxes collected for the Bonds will be placed in the Debt Service Fund of the District and which moneys, pursuant to Government Code section 5450 and 5451, are hereby irrevocably pledged to the payment of the Principal of, premium, if any, and interest, including Accreted Interest, on the Bonds when and as due. The Bonds are the general obligation bonds of the District and do not constitute an obligation of the County except as expressly provided in this Resolution. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds or the interest thereon.

The moneys in the Debt Service Fund, to the extent necessary to pay the Principal of and interest, including Accreted Interest, on the Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay such Principal and interest. DTC will thereupon make payments of Principal of and interest, including Accreted Interest, on the Bonds to the DTC Participants who will thereupon make payments of such Principal and interest, including Accreted Interest, to the beneficial owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest, including Accreted Interest, thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District, pursuant to Education Code Section 15234.

Section 17. Defeasance. The Bonds may be defeased, in whole, prior to maturity in the following ways:

(a) by irrevocably depositing with the Paying Agent or an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund is sufficient to pay all Outstanding Bonds (including all Principal, redemption

premium, if any, and interest, including Accreted Interest) at or before their maturity date or redemption date, as applicable; or

(b) by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations 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 then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Outstanding Bonds (including all Principal, redemption premium, if any, and interest, including Accreted Interest) at or before their maturity date or redemption date, as applicable;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to the Bonds so defeased shall cease and terminate, except only the obligation of the District 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 such designated Bonds not so surrendered and paid all sums due with respect thereto.

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

"Direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips) or obligations that are unconditionally guaranteed as to principal and interest by the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying direct and general obligations of the United States of America; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying direct and general obligations of the United States of America; and (iii) the underlying direct and general obligations of the United States of America are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated by S&P Global Ratings and Moody's Investors Service in the same rating category as the underlying direct and general obligations of the United States of America."

Section 18. Partial Defeasance. Any portion of an Outstanding maturity or maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) by irrevocably depositing with the Paying Agent, or an independent escrow agent selected by the District, an amount of cash which, together with amounts transferred from the Debt Service Fund, is sufficient to pay all Bonds designated for defeasance (including all Principal, redemption premium, if any, and interest, including Accreted Interest) at or before their maturity date or redemption date, as applicable; or

(b) by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations 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 then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds designated for defeasance (including all Principal, redemption premium, if any, and interest, including Accreted Interest) at or before their maturity date or redemption date, as applicable;

then, notwithstanding that any of such designated Bonds shall not have been surrendered for payment, all obligations of the District and the County with respect to such Bonds so defeased 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 designated Bonds not so surrendered and paid, all sums due with respect thereto.

For purposes of this Section, Government Obligations shall have the same meaning as set forth in Section 17 hereof.

Section 19. Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Any Owner or beneficial 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 a Continuing Disclosure Agreement. The failure of the District to comply with a Continuing Disclosure Agreement shall not constitute a default hereunder nor shall any Owner or beneficial owner be permitted to monetary damages for failure of the District to comply.

Section 20. 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 for federal income tax purposes of the interest payable on the Bonds.

Section 21. Arbitrage Covenant. The District has covenanted for and on behalf of the Owners that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District. The County hereby covenants that it will follow such written directions as are given to it by an Authorized Representative of the District to restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that any Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that section or any predecessor section.

Section 22. Conditions Precedent. This Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligation bonds of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 23. Official Statement. The District has approved a Preliminary Official Statement substantially in the form attached hereto as Exhibit D meeting the requirements of Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12") and has authorized the execution and delivery of a final Official Statement to be delivered in accordance with Rule 15c2-12.

Such Preliminary Official Statement and Official Statement shall be referred to as the "Official Statement," and will be substantially in the form of the Preliminary Official Statement in the form attached hereto as Exhibit D, together with such changes as the District deems necessary to make such Official Statement accurate as of its date.

With respect to any section contained or to be contained in the Official Statement describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the Treasurer, the Treasurer is hereby authorized and directed to prepare and review such information for inclusion in the District's Official Statement, and to certify in writing to the District prior to or upon the issuance of the Bonds that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they are made, not misleading.

Section 24. Approval of Actions. Officers of the Board and County officials are hereby authorized and directed, jointly and severally, to do any and all things and to execute 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.

Section 25. Supplemental Resolutions.

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 Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or 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 by the Owners of any Bonds that are not directly and adversely affected by such amendment or modification, and such modification or amendment may be adopted with the approval of not less than 60% in aggregate Bond Obligation of the Bonds affected.

(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 without the written consent of the Owners:

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

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

(iii) To confirm as further assurance any pledge under, and the 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;

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

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

(b) Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted 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.

Section 26. Insurance. In the event the District purchases bond insurance for a Bond, and to the extent that the Bond Insurer makes payment of the Principal, Accreted Value or interest on such Bond, the Bond Insurer shall become the owner of such Bond, with the right to payment of Principal, Accreted Value or interest on such Bond, and shall be fully subrogated to all of the Owner's rights, including the Owner's rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest, the Paying Agent shall note the Bond Insurer's rights as subrogee on the registration books for such Bond maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer or other evidence satisfactory to the Paying Agent for the payment of such interest to the Owner of such Bond, and (ii) in the case of subrogation as to claims for past due Principal, Accreted Value or interest, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for such Bond maintained by the Paying Agent upon surrender of such Bond by the Owner thereof to the Bond Insurer or the insurance trustee for the Bond Insurer. The Paying Agent shall request payment pursuant to the terms of any bond insurance policy to the extent required to pay the Principal of and interest on any insured Bond when due if amounts on deposit in the Debt Service Fund are not adequate for that purpose.

Section 27. Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the County, the District and the Owners from time to time of the Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

Section 28. Notices. All notices or communications herein required or permitted to be given to any party shall be given to each of the following parties and shall be given in writing and

shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopier or by being deposited, postage prepaid, in a post office letter box, to the addresses set forth below, or to such other address as may be provided to the other parties hereinafter listed in writing from time to time, namely:

If to the County: County of Riverside
4080 Lemon Street, Fourth Floor
Riverside, California 92501
Attention: Treasurer-Tax Collector

If to the Paying Agent: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Global Corporate Trust Services

If to the District: Beaumont Unified School District
350 Brookside Avenue
Beaumont, California 92223
Attention: Superintendent

Section 29. Unclaimed Moneys. Anything in this Resolution to the contrary notwithstanding, any moneys held by the County or the Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for one (1) year after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the County or the Paying Agent at such date, or for one (1) year after the date of deposit of such moneys if deposited with the County or the Paying Agent after said date when such Bonds become due and payable, shall be repaid by the County or the Paying Agent, as applicable, to the District, as its absolute property and free from trust, and the County and the Paying Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make such payment to the District, the Paying Agent shall, at the expense of District, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the registration books, a notice that said moneys remain unclaimed and that, after a date in said notice, which date shall not be less than thirty (30) days after the date of mailing such notice, the balance of such moneys then unclaimed will be returned to the District.

Section 30. Permitted Investments.

(a) All amounts held in the funds and accounts established hereunder and held by the Treasurer shall be invested by the Treasurer in any instrument which is a lawful investment for funds of the District, including the Treasurer's Pooled Investment Fund, the Local Agency Investment Fund, any investment authorized pursuant to Sections 53601 and 53635 of the Government Code, or in investment agreements, including guaranteed investment contracts, float contracts or other investment products; provided that such agreements comply with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds; and provided further that except as otherwise permitted by law, at no time shall Bond proceeds be withdrawn by the District for investment outside the County of Riverside Treasurer's Pooled Investment Fund. Any premium or accrued interest received from the sale of the bonds shall be deposited in the interest and sinking fund of the school district or community college district.

Unless otherwise instructed by the District in writing, amounts held in the funds established by this Resolution shall be invested in the County of Riverside Treasurer's Pooled Investment Fund. If invested in other than the Pooled Investment Fund or the Local Agency Investment Fund, amounts in the Debt Service Fund shall be invested in investments maturing not later than the date on which such amounts will be needed to pay the Principal of and interest on the Bonds. Nothing in this Resolution shall prevent any investment securities acquired as investments of funds held hereunder from being issued or held in book-entry form on the books of the Department of the Treasury of the United States.

(b) Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged to such fund or account. In computing the amount in any fund or account created under the provisions of this Resolution for any purpose provided in this Resolution, obligations purchased as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

(c) If at any time it is deemed necessary or desirable by the District, upon the written direction of an Authorized Officer of the District, the Treasurer may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

Section 31. Effective Date. This Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted by the Board of Supervisors of the County of Riverside on April 18, 2017.

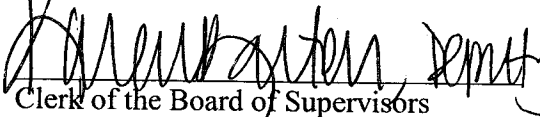
COUNTY OF RIVERSIDE

By: _____

Chairman


JOHN TAVAGLIONE

ATTEST:


Clerk of the Board of Supervisors

KECIA HARPER-IHEM

ROLL CALL:

Ayes: Jeffries, Tavaglione, Washington and Ashley
Nays: None
Absent: None

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 _____

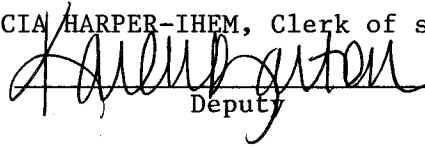

Deputy

EXHIBIT A
[FORM OF DISTRICT RESOLUTION]

EXHIBIT B
[FORM OF PURCHASE CONTRACT]

EXHIBIT C

FORM OF CURRENT INTEREST BOND

R- _____

\$ _____

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE 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
COUNTY OF RIVERSIDE

BEAUMONT UNIFIED SCHOOL DISTRICT
RIVERSIDE COUNTY, CALIFORNIA
ELECTION OF 2008 GENERAL OBLIGATION BOND SERIES D

INTEREST RATE: _____ *MATURITY DATE:* August 1, 20____ *DATED DATE:* _____, 2017 *CUSIP* _____
_____% per annum

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

The Beaumont Unified School District (the "District") Riverside County, California (the "County"), 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, commencing _____ 1, _____ (each, a "Bond Payment Date"). 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 the first Record Date, in which event it shall bear interest from its Dated Date; provided, however, that, if at the time of registration of this bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Bond Payment Date to which interest has previously been paid or made available for payment). 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 when due upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by check mailed by the Paying Agent on each Bond Payment Date to the Registered Owner as shown and at the address appearing on said register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"); provided that a Registered Owner of bonds in the aggregate principal amount of \$1,000,000 or more may request in writing to the Paying Agent that the Registered Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

The bonds of this issue (the "Bonds") are comprised of \$_____ principal amount of Convertible Capital Appreciation Bonds, \$_____ principal amount of Capital Appreciation Bonds and \$_____ principal amount of Current Interest Bonds of which this bond is a part.

The Bonds have been issued in the principal amount of \$_____ to finance the acquisition of land and the construction, equipping, furnishing, reconstruction, rehabilitation and replacement of school facilities and sites under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent vote of the electors of the District cast at an election held on November 4, 2008, upon the question of issuing bonds in the amount of \$125,000,000 and the resolution of the Board of Education of the District adopted on March 14, 2017 (the "District Resolution") and the resolution of the County Board of Supervisors adopted on April 18, 2017 (the "Bond Resolution"). Any capitalized terms not defined herein shall have the meaning set forth in the Bond Resolution. This bond and the issue of which this bond is a part are 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, under the laws now in force, unlimited as to rate or amount. **THE BONDS OF THIS ISSUE ARE GENERAL OBLIGATION BONDS 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 BONDS OF THIS ISSUE.**

This bond is exchangeable and transferable for Bonds of other authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed 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, the County 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, the County 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 15th business day next preceding any date of selection of Bonds to be redeemed and ending with the close of business on the 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 Current Interest Bonds maturing on or before August 1, 20___, are not subject to redemption prior to their maturity dates. Any Current Interest Bonds maturing on or after August 1, 20___ may be redeemed before maturity at the option of the District, from any source of funds, on any date on or after August 1, 20___, as a whole, or in part in such manner as directed by the District and by lot within a maturity if not otherwise directed by the District. For the purposes of such selection, Current Interest Bonds will be deemed to consist of \$5,000 portions, and any such portion may be separately redeemed. Any Current Interest Bonds called prior to maturity will be redeemed at a redemption price equal to the principal amount thereof, together with accrued interest to the date of redemption, without premium.

The Current Interest Bonds maturing on August 1, 20___ are subject to mandatory sinking fund redemption on the following dates and in the following amounts at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the redemption date, without premium:

<i>Year (August 1)</i>	<i>Principal Amount To Be Redeemed</i>
----------------------------	--

* .

* 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 at the direction of the District by the Paying Agent in such manner as the Paying Agent 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 and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The rights and obligations of the County, the District and of the Owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County in certain cases with the written consent of Owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District and in certain cases without the consent of the Owners as further specified in the Resolution.

Reference is made to the Bond Resolution for a more complete description of 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 County, 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 Election of 2008 General Obligation Bond Series D 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 described herein in order to make them legal, valid and binding general obligation bonds 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.

[SEAL]

Chairman of the Board of Supervisors

COUNTERSIGNED:

Clerk of the Board of Supervisors

Treasurer-Tax Collector of the County of Riverside

(FORM OF CERTIFICATE OF AUTHENTICATION)

This bond is one of the Current Interest 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: _____
Its: Authorized Officer

(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 the County of
Riverside

(FORM OF STATEMENT OF INSURANCE)

[TO COME]

(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.

FORM OF CAPITAL APPRECIATION BOND

R-_____

\$ _____

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE 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
COUNTY OF RIVERSIDE**

**BEAUMONT UNIFIED SCHOOL DISTRICT
RIVERSIDE COUNTY, CALIFORNIA
ELECTION OF 2008 GENERAL OBLIGATION BOND SERIES D**

<i>YIELD TO MATURITY:</i>	<i>MATURITY DATE:</i>	<i>DATE OF ISSUANCE:</i>	<i>CUSIP</i>
	August 1, 20__	_____, 2017	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

MATURITY VALUE:

The Beaumont Unified School District (the "District") in Riverside County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above. Interest due and payable on the Maturity Date consists of interest compounded semiannually on February 1 and August 1 of each year from the Date of Issuance at the Yield to Maturity specified above to the Maturity Date, assuming that the sum of such compounded interest and the Principal Amount hereof increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months (interest, together with the Principal Amount hereof, being herein called the "Accreted Value"). Accreted Value is 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. Accreted Value is payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

The bonds of this issue (the "Bonds") are comprised of \$ _____ principal amount of Current Interest Bonds (each a "Current Interest Bond"), \$ _____ principal amount of Convertible Capital Appreciation Bonds and Capital Appreciation Bonds (each a "Capital Appreciation Bond") of which this bond is a part, in \$ _____ Principal Amount and \$ _____ Maturity Value.

The Bonds have been issued to finance the construction, equipping, furnishing, reconstruction, rehabilitation and replacement of school facilities and sites under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent vote of the electors of the District cast at an election held on November 4, 2008, upon the question of issuing bonds in the amount of \$125,000,000 and the resolutions of the Board of Education of the District adopted on March 14, 2017 (the "District Resolution") and the resolution of the Board of Supervisors of the County of Riverside (the "County") adopted on April 18, 2017 (the "Bond Resolution"). Any capitalized terms not defined herein shall have the meaning set forth in the Bond Resolution. This bond and the issue of which this bond is a part are 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, under the laws now in force, are unlimited as to rate or amount. THE BONDS OF THIS ISSUE ARE GENERAL OBLIGATION BONDS OF THE DISTRICT AND DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY. NO PART OF ANY FUND OR MONEYS OF THE COUNTY IS PLEDGED OR OBLIGATED TO THE PAYMENT OF THE BONDS OF THIS ISSUE.

This bond is exchangeable and transferable for Capital Appreciation Bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed 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, the County 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, the County 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 this bond during a period beginning with the opening of business on the 15th business day next preceding either the Maturity Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Maturity Date or day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

The Capital Appreciation Bonds are subject to optional redemption prior to maturity as set forth in the Bond Resolution.

The Capital Appreciation Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption on the following dates and in the following amounts at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the redemption date, without premium:

*Year
(August 1)*

*Principal Amount
To Be Redeemed]*

The rights and obligations of the County, the District and of the Owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County in certain cases with the written consent of Owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District and in certain cases without the consent of the Owners as further specified in the Resolution.

Reference is made to the Bond Resolution for a more complete description of 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 County, 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, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

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 Election of 2008 General Obligation Bond Series D to be executed on behalf of the District, in the official capacities and 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.

[SEAL]

COUNTERSIGNED:

By:

Chairman of the Board of Supervisors

Clerk of the Board of Supervisors

Treasurer-Tax Collector of the County of
Riverside

CERTIFICATE OF AUTHENTICATION

This bond is one of the Capital Appreciation 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: _____
Its: Authorized Officer

(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 the County of Riverside

(FORM OF STATEMENT OF INSURANCE)

(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.

FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND

R- _____

\$ _____

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE 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
COUNTY OF RIVERSIDE

BEAUMONT UNIFIED SCHOOL DISTRICT
RIVERSIDE COUNTY, CALIFORNIA
ELECTION OF 2008 GENERAL OBLIGATION BOND SERIES D

YIELD THROUGH
CONVERSION DATE: INTEREST RATE
 AFTER THE
 CONVERSION DATE MATURITY DATE: DATED AS OF: CUSIP
 August 1, _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

MATURITY VALUE:

The Beaumont Unified School District (the "District") in Riverside County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above. Interest due and payable on the Maturity Date consists of interest compounded semiannually on February 1 and August 1 of each year at the Yield through Conversion Date specified above from the Date of Issuance to the Conversion Date, assuming that the sum of such compounded interest and the Principal Amount hereof increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months (interest, together with the Principal Amount hereof, being herein called the "Accreted Value"). After the Conversion Date, the District, for value received, promises to pay to the Registered Owner named above, interest on the Accreted Value as of the Conversion Date (the "Conversion Value") until the Conversion Value 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 _____ 1, _____. 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 _____, in which event it will bear interest from the Conversion Date. The Conversion Value hereof 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. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

The bonds of this issue (the "Bonds") are comprised of \$_____ principal amount of Current Interest Bonds (each a "Current Interest Bond"), \$_____ principal amount of Capital Appreciation Bonds and Convertible Capital Appreciation Bonds (each a "Convertible Capital Appreciation Bond") of which this bond is a part, in \$_____ Principal Amount and \$_____ Conversion Value.

The Bonds have been issued to finance the construction, equipping, furnishing, reconstruction, rehabilitation and replacement of school facilities and sites under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent vote of the electors of the District cast at an election held on November 4, 2008, upon the question of issuing bonds in the amount of \$125,000,000 and the resolutions of the Board of Education of the District adopted on March 14, 2017 (the "District Resolution") and the resolution of the Board of Supervisors of the County of Riverside (the "County") adopted on April 18, 2017 (the "Bond Resolution"). Any capitalized terms not defined herein shall have the meaning set forth in the Bond Resolution. This bond and the issue of which this bond is a part are 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, under the laws now in force, are unlimited as to rate or amount. **THE BONDS OF THIS ISSUE ARE GENERAL OBLIGATION BONDS OF THE DISTRICT AND DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY. NO PART OF ANY FUND OR MONEYS OF THE COUNTY IS PLEDGED OR OBLIGATED TO THE PAYMENT OF THE BONDS OF THIS ISSUE.**

This bond is exchangeable and transferable for Convertible Capital Appreciation Bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the principal office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed 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, the County 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, the County 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 this bond during a period beginning with the opening of business on the 15th business day next preceding either the Maturity Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Maturity Date or day on which the applicable notice of redemption is

given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

The Convertible Capital Appreciation Bonds are subject to optional redemption prior to maturity as set forth in the Bond Resolution.

The Convertible Capital Appreciation Bonds maturing on August 1, 20__ are subject to mandatory redemption from moneys in the Debt Service Fund prior to their stated maturity date, at the Accreted Value thereof without premium on each August 1 on and after August 1, 20__, in the Accreted Value as set forth in the following table:

<i>Year</i> <i>(August 1)</i>	<i>Accreted Values</i>
----------------------------------	------------------------

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Convertible Capital Appreciation 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.

The rights and obligations of the County, the District and of the Owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the County in certain cases with the written consent of Owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds and other bonds issued under the Resolution, exclusive of Bonds, if any, owned by the County or the District and in certain cases without the consent of the Owners as further specified in 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, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

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 Election of 2008 General Obligation Bond Series D to be executed on behalf of the District, in the official capacities and 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.

[SEAL]

COUNTERSIGNED:

By:

Chairman of the Board of Supervisors

Clerk of the Board of Supervisors

Treasurer-Tax Collector of the County of
Riverside

CERTIFICATE OF AUTHENTICATION

This bond is one of the Convertible Capital Appreciation 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: _____
Its: Authorized Officer

(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 the County of Riverside

(FORM OF STATEMENT OF INSURANCE)

(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.

EXHIBIT D

[FORM OF PRELIMINARY OFFICIAL STATEMENT]