

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



ITEM
3.39
(ID # 6051)

MEETING DATE:

Tuesday, January 9, 2018

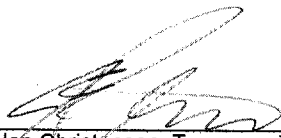
FROM : TREASURER-TAX COLLECTOR:

SUBJECT: TREASURER-TAX COLLECTOR: Resolution No. 2018-001 Mt. San Jacinto Community College District Election of 2014 General Obligation Bonds, Series B; 3d/5th Dist.; [\$0] (Vote on Separately)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and adopt Resolution No. 2018-001 authorizing and approving the issuance and sale of Mt. San Jacinto Community College District Election of 2014 General Obligation Bonds, Series B in a principal amount not to exceed \$120,000,000 and approving other related matters.

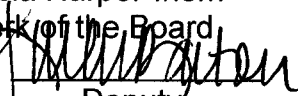
ACTION:


Jon Christensen, Treasurer-Tax Collector 12/20/2017

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Jeffries, Tavaglione, Washington and Perez
Nays: None
Absent: Ashley
Date: January 9, 2018
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: 17/18	

C.E.O. RECOMMENDATION:

BACKGROUND:

Summary

Education Code Section 15140 requires that General Obligation Bonds of a community college 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 and community college districts not be allowed to negotiate the sale of bonds without his participation.

Mt. San Jacinto Community College 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, 2014 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 \$295,000,000.

On May 21, 2015, the County issued and sold Mt. San Jacinto Community College District Election of 2014 General Obligation Bonds, Series A (the "Series A Bonds") in a principal amount of \$70,000,000, on behalf of the District, pursuant to Board of Supervisors Resolution No. 2015-070.

Resolution No. 2018-001 authorizes the issuance and sale of Mt. San Jacinto Community College District Election of 2014 General Obligation Bonds, Series B (the "Series B Bonds") in a principal amount not to exceed \$120,000,000. The proceeds of the Series B Bonds will be used

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

to finance the acquisition, construction, modernization and renovation of District sites and facilities

The Series B 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 B Bonds.

County Counsel has reviewed Resolution No. 2018-001 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):

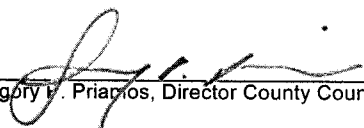
District Map

Resolution No. 2018-001

District Resolution

Bond Purchase Agreement

Preliminary Official Statement



Gregory V. Priamos, Director County Counsel 12/20/2017

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RESOLUTION NO. 2018-001

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE
COUNTY OF RIVERSIDE, CALIFORNIA, AUTHORIZING THE SALE
AND ISSUANCE OF MT. SAN JACINTO COMMUNITY COLLEGE
DISTRICT, RIVERSIDE COUNTY, CALIFORNIA, ELECTION OF 2014
GENERAL OBLIGATION BONDS, SERIES B IN THE PRINCIPAL
AMOUNT NOT-TO-EXCEED \$120,000,000

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RESOLUTION NO. 2018-001

**A RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF RIVERSIDE, CALIFORNIA,
AUTHORIZING THE SALE AND ISSUANCE OF MT.
SAN JACINTO COMMUNITY COLLEGE DISTRICT,
RIVERSIDE COUNTY, CALIFORNIA, ELECTION OF
2014 GENERAL OBLIGATION BONDS, SERIES B IN THE
PRINCIPAL AMOUNT NOT-TO-EXCEED \$120,000,000**

WHEREAS, a duly called election was held in the Mt. San Jacinto Community College District (the "District"), Riverside County (the "County"), State of California, on November 4, 2014 (the "Election"), and thereafter canvassed pursuant to law; and

WHEREAS, at the Election there was submitted to and approved by the requisite fifty-five percent or more vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$295,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization"); and

WHEREAS, at this time this Board has received a signed and certified original copy of the resolution of the Board of Trustees of the District (the "District Board"), approved thereby and adopted on December 14, 2017, requesting the issuance of a series of bonds under the Authorization in an aggregate principal amount not-to-exceed \$120,000,000 and styled as "Mt. San Jacinto Community College District, Riverside County, California, Election of 2014 General Obligation Bonds, Series B" (the "Bonds"), which resolution is attached hereto as Exhibit A; and

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

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

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

WHEREAS, the District Board has estimated that the costs associated with the delivery of the Bonds, including any such costs which the Underwriter agrees to pay pursuant

FORM APPROVED COUNTY COUNSEL
BY Dale A. Gardner 12/20/17 DATE
DALE A. GARDNER

1 to the Purchase Contract (defined herein), will equal approximately 1.50% of the aggregate
2 principal amount of the Bonds; and

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

5 **WHEREAS**, the District Board has appointed C.M. de Crinis and Co., Inc., as
6 Municipal Advisor in connection with the issuance of the Bonds; and

7 **WHEREAS**, the District Board has appointed Morgan Stanley & Co. LLC, as
Underwriter in connection with the issuance of the Bonds; and

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

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

14 **Section 1. Purpose of the Bonds.** The Bonds of the District shall be issued in the
15 name and on behalf of the District in an aggregate Principal Amount not to exceed
\$120,000,000 to raise money for the purposes authorized by voters of the District at the
16 Election, and to pay all necessary legal, financial, engineering and contingent costs in
connection therewith.

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

19 **Section 3. Approval of Purchase Contract.** The form of Purchase Contract, by
20 and among the County, the District and Morgan Stanley & Co. LLC (the "Underwriter"), for
the purchase and sale of the Bonds, is hereby approved substantially in the form attached
21 hereto as Exhibit B. The Treasurer-Tax Collector of the County (the "Treasurer"), or
designated deputy thereof, is hereby authorized to execute and deliver the Purchase Contract,
22 and the Authorized Representatives of the District, each alone, are hereby authorized and
requested to acknowledge the execution of such Purchase Contract, if necessary, but with
23 such changes therein, deletions therefrom and modifications thereto as the Treasurer, or a
designated deputy thereof, may approve, such approval to be conclusively evidenced by his
24 or her execution and delivery thereof; provided, however, that the Bonds shall mature no later
than forty (40) years from the date of issue and the Underwriter's discount, excluding original
25 issue discount, shall not exceed 0.45% of the aggregate principal amount of Bonds issued.
The Treasurer, in conjunction with an Authorized Representative of the District, shall be
26 authorized to determine the final principal amount of the Bonds, not-to-exceed \$120,000,000,
27

1 and enter into and execute the Purchase Contract with the Underwriter, if the conditions set
2 forth in this Resolution are satisfied.

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

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

7 **"Authorized Representative of the District"** means each of the
8 Superintendent/President of the District, the Vice President of Business Services of the
9 District, and such other officers or employees of the District as may be designated for
10 such purpose and their designees.

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

15 **"Board"** means the Board of Supervisors of the County.

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

19 **"Bond Payment Date"** means (unless otherwise provided by the Purchase
20 Contract or the Official Statement) February 1 and August 1 of each year, commencing
21 August 1, 2018, with respect to the interest on the Bonds, and the stated maturity dates
22 thereof, with respect to the Principal payments on the Bonds.

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

26 **"Bonds"** means the Mt. San Jacinto Community College District, Riverside
27 County, Election of 2014 General Obligation Bonds, Series B, issued and delivered
28 pursuant to this Resolution.

"Building Fund" means the Mt. San Jacinto Community College District,
Election of 2014 General Obligation Bonds, Series B Building Fund established
pursuant to Section 14 of this Resolution.

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

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

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

6 **"County"** means Riverside County, California.

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

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

12 **"Debt Service Fund"** means the Mt. San Jacinto Community College District,
13 Election of 2014 General Obligation Bonds, Series B Debt Service Fund established
14 pursuant to Section 14 of this Resolution.

15 **"Depository"** means the entity acting as securities depository for the Bonds
16 pursuant to Section 12 hereof.

17 **"District"** means the Mt. San Jacinto Community College District.

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

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

38 **"Information Services"** means the Municipal Securities Rulemaking Board's
39 Electronic Municipal Market Access System; or, such other services providing information

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

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

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

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

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

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

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

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

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

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

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

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

"Permitted Investments" means (i) any lawful investments permitted by
Section 16429.1 and Section 53601 of the Government Code, including Non-AMT
Bonds and Qualified Non-AMT Mutual Funds, (ii) shares in a California common law

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

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

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

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

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

"Rebate Fund" means the Mt. San Jacinto Community College District,
Election of 2014 General Obligation Bonds, Series B Rebate Fund established pursuant
to Section 14 of this Resolution.

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

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

"Resolution" means this Resolution adopted by the Board of Supervisors of
the County on January 9, 2018.

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

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

6 **"Supplemental Resolution"** means any resolution supplemental to or
7 amendatory of this Resolution, adopted by the County in accordance with Section 24
8 hereof.

9 **"Tax Certificate"** means the certificate by that name executed by the District
10 on the Dated Date of the Bonds.

11 **"Taxable Bonds"** means any Bonds not issued as Tax-Exempt Bonds.

12 **"Tax-Exempt Bonds"** means any Bonds the interest on which is excludable
13 from gross income for federal income tax purposes and is not treated as an item of tax
14 preference for purposes of calculating the federal alternative minimum tax, as further
15 described in an opinion of Bond Counsel supplied to the original purchasers of such
16 Bonds.

17 **"Term Bonds"** means those Bonds for which mandatory redemption dates
18 have been established in the Purchase Contract.

19 **"Transfer Amount"** means, with respect to any Outstanding Bond, the
20 Principal Amount thereof.

21 **"Treasurer"** means the Treasurer-Tax Collector of the County and such other
22 persons as may be designated by the Treasurer to act on his or her behalf.

23 **"Underwriter"** means Morgan Stanley & Co. LLC, as underwriter of the
24 Bonds.

25 **Section 5. Terms of the Bonds.**

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

(b) Each Bond shall be dated as of the Dated Date, and shall bear interest
at the rates set forth in the Purchase Contract or Official Statement, from the Bond
Payment Date next preceding the date of authentication thereof unless it is
authenticated 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. Interest

1 shall be payable on the respective Bond Payment Dates and shall be calculated on the
2 basis of a 360-day year of twelve, 30-day months.

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

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

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

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

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

(d) The District shall pay to the Paying Agent from time to time reasonable
compensation for all services rendered under this Resolution, and also all reasonable
expenses, charges, counsel fees and other disbursements, including those of its
attorneys, agents and employees, incurred in and about the performance of their powers
and duties under this Resolution. Notwithstanding the foregoing, the fees and expenses
of the Paying Agent not paid from the proceeds of the sale of the Bonds may be paid
in each year from taxes levied and collected for payment of the Bonds, insofar as
permitted by law, including specifically by Section 15232 of the Education Code. In
no event shall the County be required to expend its own funds hereunder.

1 **Section 8. Resignation or Removal of Paying Agent and Appointment of**
2 **Successor.**

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

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

26 **Section 9. Payment of Principal and Interest.** Payment of interest on any Bond
27 on any Bond Payment Date shall be made to the person appearing on the registration books
28 of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such
29 Bond Payment Date, such interest to be paid by wire transfer to such Owner on the Bond
30 Payment Date at the bank and account number as it appears on such Bond Register as of the
31 Record Date. The Principal, and redemption price, if any, payable on the Bonds shall be
32 payable upon maturity or redemption upon surrender at the designated office of the Paying
33 Agent. The interest, Principal and redemption premiums, if any, on the Bonds shall be
34 payable in lawful money of the United States of America. The Paying Agent is hereby
35 authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all
36 Bonds upon payment thereof. The Bonds are general obligations of the District payable solely
37 from the proceeds of *ad valorem* taxes levied on property subject to taxation by the District.
38 No part of any fund of the County is pledged or obligated to the payment of the Bonds.

39 **Section 10. Bond Registration and Transfer.** So long as any of the Bonds remain
40 outstanding, the District will cause the Paying Agent to maintain and keep at its designated
41 office all books and records necessary for the registration, exchange and transfer of the Bonds
42 as provided in this Section.

1 Subject to the provisions of Section 12 below, the person in whose name a Bond is
2 registered on the Bond Register shall be regarded as the absolute owner of that Bond for all
3 purposes of this Resolution. Payment of or on account of the Principal of and interest on any
4 Bond shall be made only to or upon the order of that person; neither the District, the County
5 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.

6 Any Bond may be exchanged for Bonds of like Series, tenor, maturity and Transfer
7 Amount upon presentation and surrender at the office of the Paying Agent designated for such
8 purpose, together with a request for exchange signed by the registered Owner or by a person
9 legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be
10 transferred only on the Bond Register by the person in whose name it is registered, in person
11 or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office
12 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 tenor and of any authorized denomination or denominations requested by the
Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same
rate and maturing on the same date.

13 If manual signatures on behalf of the County are required, the Paying Agent shall
14 undertake the exchange or transfer of Bonds only after the new Bonds are signed by the
15 authorized officers of the County. In all cases of exchanged or transferred Bonds, the County
16 shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the
17 provisions of this Resolution. All fees and costs of transfer shall be paid by the transferor.
18 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.

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

24 None of the District, the County nor the Paying Agent will be required to (a) issue or
25 transfer any Bonds during a period beginning with the opening of business on the 16th day
26 next preceding either any Bond Payment Date or any date of selection of Bonds to be
27 redeemed and ending with the close of business on the Bond Payment Date or day on which
the applicable notice of redemption is given or (b) transfer any Bonds which have been
selected or called for redemption in whole or in part.

1 In case any Bond secured hereby shall become mutilated or destroyed, stolen or lost,
2 the Paying Agent shall cause to be executed and authenticated a new Bond of like date and
3 tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in
4 lieu of and in substitution for such Bond mutilated, destroyed, stolen or lost, upon the Owner's
5 paying the reasonable expenses and charges in connection therewith, and, in the case of a
6 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.

7 Any new Bonds issued pursuant to this Section 10 in substitution for Bonds alleged
8 to be destroyed, stolen or lost shall constitute original additional contractual obligations on
9 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.

10 **Section 11. Redemption.**

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

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

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

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

25 (d) Redemption Notice. When redemption is authorized or required
26 pursuant to Section 11 hereof, the Paying Agent, upon written instruction from the
27 District, shall give notice (a "Redemption Notice") of the redemption of the Bonds.

1 Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof
2 (in the case of redemption of the Bonds in part but not in whole) which are to be
3 redeemed, (b) the date of redemption, (c) the place or places where the redemption will
4 be made, including the name and address of the Paying Agent, (d) the redemption price,
5 (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond
6 numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond
7 to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and
8 (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 date there shall become due and payable upon each Bond or portion thereof
being redeemed at the redemption price thereof, together with the interest accrued to
the redemption date, and that from and after such date, interest with respect thereto
shall cease to accrue.

9 The Paying Agent shall take the following actions with respect to such
10 Redemption Notice:

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

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

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

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

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

25 With respect to any notice of the optional redemption of Bonds (or portions
26 thereof) pursuant to Section 11(a) hereof, unless upon the giving of such notice such
27 Bonds shall be deemed to have been defeased pursuant to Sections 16 or 17 hereof,
28

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

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

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

26 (f) Partial Redemption of Bonds. Upon the surrender of any Bond
27 redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof
28 a new Bond or Bonds of like tenor and maturity and of authorized denominations equal
in Transfer Amounts 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 District shall be released and discharged thereupon from all liability to
the extent of such payment.

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

All Bonds paid at maturity or redeemed prior to maturity pursuant to the
provisions of this Section 11 shall be cancelled upon surrender thereof and be delivered

1 to or upon the order of the District. All or any portion of a Bond purchased by the
2 District shall be cancelled by the Paying Agent.

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

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

9 (a) The Bonds shall be initially executed and delivered in the form of a
10 single, fully registered Bond for each maturity (which may be typewritten). Upon
11 initial execution and delivery, as provided for herein, the ownership of such Bond shall
12 be registered in the Bond Register in the name of the Depository or Nominee, and its
13 successors and assigns. Except as hereinafter provided, all of the outstanding Bonds
14 shall be registered in the Bond Register in the name of the Nominee of the Depository,
15 as determined from time to time pursuant to this Section. Each Bond certificate shall
16 bear a legend substantially to the following effect: "UNLESS THIS BOND IS
17 PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY
18 (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR
19 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."

20 With respect to the Bonds registered in the Bond Register in the name of the
21 Nominee, neither the District, the County nor the Paying Agent shall have any
22 responsibility or obligation to any broker-dealers, banks and other financial institutions
23 from time to time for which the Depository holds Bonds as securities depository (the
24 "Participant") or to any person on behalf of which such a Participant holds an interest
25 in the Bonds. Without limiting the immediately preceding sentence, neither the
26 District, the County nor the Paying Agent shall have any responsibility or obligation
27 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,
28 (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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 (b) The proceeds from the sale of the Bonds, to the extent of the Principal
35 Amount thereof, shall be paid to the County to the Building Fund, shall be kept separate
36 and distinct from all other District and County funds, and those proceeds shall be used

1 solely for the purposes for which the Bonds are being issued. The County shall have
2 no responsibility for assuring the proper use of the Bond proceeds by the District. At
3 the discretion of the District, the Building Fund may be split into more than one fund
or contain subaccounts if the Bonds are issued in more than one Series.

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

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

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

20 (i) Covenant Regarding Investment of Proceeds.

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

25 B. Recordkeeping and Monitoring Relating to Building
26 Fund. The investment of Bond proceeds pursuant to this paragraph (i) shall be subject to such
27 recordkeeping and monitoring requirements as shall be covenanted to by the District in the
28

1 Tax Certificate executed thereby in connection with such Bonds, and as shall be acceptable
2 to the County.

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

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

8 (d) The Rebate Fund is hereby created and established. The County shall
9 from time to time receive funds from the District for deposit into the Rebate Fund as
10 required to enable the District to comply with the requirements of Section 148(f) of the
Code. The District shall instruct the County, in writing, as to the method of investing
11 and disbursing funds held in the Rebate Fund to the United States Treasury. The
County agrees to comply with such instructions of the District. Any money remaining
12 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
13 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 the existence,
14 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.

15 (e) Interest earned on the investment of monies held in the Debt Service
16 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, and interest
17 earned in the investments in the Rebate Fund shall be retained in the Rebate Fund.

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

21 **Section 15. Security for the Bonds; Tax Levy.** There shall be levied on all the
22 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
23 with moneys on deposit in the Debt Service Fund available for such purpose, to pay the
Principal of, premium, if any, and interest on the Bonds when due. The taxes collected for
24 the Bonds will be placed in the Debt Service Fund of the District, and used for the payment
of the Principal of and interest on the Bonds when and as the same fall due, and for no other
25 purpose. The Bonds are the general obligations of the District and do not constitute an
obligation of the County except as expressly provided in this Resolution. No part of any fund
26 or account of the County is pledged or obligated to the payment of the Bonds or the interest
thereon.

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

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

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

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

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

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

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

1 For purposes of this Section and Section 17, Government Obligations shall, unless
2 otherwise provided in the Purchase Contract, mean:

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

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

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

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

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

Section 18. Continuing Disclosure. The District has covenanted and agreed that
it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate.
Any Bond Owner may take such actions as may be necessary and appropriate, including

1 seeking mandate or specific performance by court order, to cause the District to comply with
2 its obligations under the Continuing Disclosure Certificate.

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

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

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

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

29 **Section 23. Other Actions.**

30 (a) Officers of the Board and County officials and staff are hereby
31 authorized and directed, jointly and severally, to do any and all things and to execute
32 and deliver any and all documents which they may deem necessary or advisable in
33 order to proceed with the issuance of the Bonds and otherwise carry out, give effect to
34 and comply with the terms and intent of this Resolution, including the execution of any
35 documents required by a Bond Insurer as a precondition to obtaining bond insurance if

1 purchased by the District. Such actions heretofore taken by such officers, officials and
2 staff are hereby ratified, confirmed and approved.

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

6 **Section 24. Supplemental Resolutions.**

7 (a) This Resolution, and the rights and obligations of the County, the
8 District and of the Owners of the Bonds issued hereunder, may be modified or amended
9 at any time by a Supplemental Resolution adopted by the County with the written
10 consent of Owners owning at least 60% in aggregate Principal Amount of the
11 Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District;
12 provided, however, that no such modification or amendment shall, without the express
13 consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond,
14 reduce the interest rate payable thereon, advance the earliest redemption date thereof,
15 extend its maturity or the times for paying interest thereon or change the monetary
16 medium in which Principal and interest is payable, nor shall any modification or
17 amendment reduce the percentage of consents required for amendment or modification.
18 No such Supplemental Resolution shall change or modify any of the rights or
19 obligations of any Paying Agent without its written assent thereto. Notwithstanding
20 anything herein to the contrary, no such consent shall be required if the Owners are not
21 directly and adversely affected by such amendment or modification.

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

26 (i) To add to the covenants and agreements of the County in this
27 Resolution, other covenants and agreements to be observed by the County
28 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

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

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

12 **Section 25. Insurance.** In the event the District purchases bond insurance for the
13 Bonds, and to the extent that the Bond Insurer makes payment of the Principal of or interest
14 on the Bonds, such Bond Insurer shall become the owner of such Bonds with the right to
15 payment of Principal or interest on the Bonds, and shall be fully subrogated to all of the
16 Owners' rights, including the Owners' rights to payment thereof. To evidence such
17 subrogation (i) in the case of subrogation as to claims that were past due interest, the Paying
18 Agent shall note the Bond Insurer's rights as subrogee on the registration books for the Bonds
19 maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the
20 Bond Insurer or other evidence satisfactory to the Paying Agent for the payment of such
21 interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past
22 due Principal of or interest, the Paying Agent shall note the Bond Insurer as subrogee on the
23 registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds
24 by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer. The
25 Paying Agent shall request payment pursuant to the terms of any bond insurance policy to the
26 extent required to pay the Principal of and interest on the Bonds when due if amounts on
27 deposit in the Debt Service Fund are not adequate for that purpose.

28 **Section 26. 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 27. 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:

1 If to the County: County of Riverside
2 4080 Lemon Street, 4th Floor
3 Riverside, California 9250-3651
4 Attention: Treasurer-Tax Collector
5
6 If to the Paying Agent: U.S Bank National Association
7 633 W. Fifth Street, 24th Floor
8 Los Angeles, California 90071
9 Attention: Corporate Trust Department
10
11 If to the District: Mt. San Jacinto Community College District
12 1499 North State Street
13 San Jacinto, California 92583
14 Attention: Superintendent/President
15
16
17

18 **Section 28. Unclaimed Moneys.** Anything in this Resolution to the contrary
19 notwithstanding, any moneys held by the Paying Agent in trust for the payment and discharge
20 of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds
21 have become due and payable, either at their stated maturity dates or by call for earlier
22 redemption, if such moneys were held by the Paying Agent at such date, or for two (2) years
23 after the date of deposit of such moneys if deposited with the Paying Agent after said date
24 when such Bonds become due and payable, shall be repaid by the Paying Agent to the District,
25 as its absolute property and free from trust, and the Paying Agent shall thereupon be released
26 and discharged with respect thereto and the Bond Owners shall look only to the District for
27 the payment of such Bonds; provided, however, that before being required to make such
28 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.

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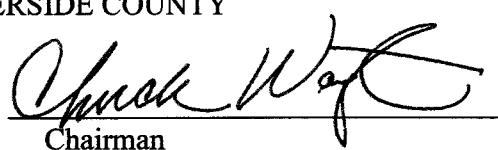
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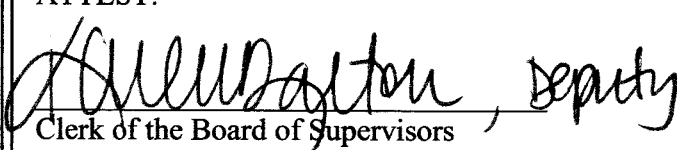
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1 **Section 29. Effective Date.** This Resolution shall take effect immediately upon its
2 passage.

3 The foregoing resolution was adopted by the Board of Supervisors of Riverside
4 County on January 9, 2018.

RIVERSIDE COUNTY

5
6 By: 
Chairman

7 ATTEST:
8 , Deputy
9 Clerk of the Board of Supervisors

10
11
12 ROLL CALL:

13 Ayes: Jeffries, Tavaglione, Washington and Perez
14 Nays: None
15 Absent: Ashley

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

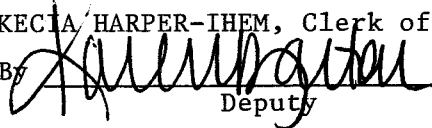
18 KECIA HARPER-IHEM, Clerk of said Board
19 By: 
Deputy

EXHIBIT A
[FORM OF DISTRICT RESOLUTION]

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
RESOLUTION NO. 11.2**

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT AUTHORIZING THE ISSUANCE OF MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT, RIVERSIDE COUNTY, CALIFORNIA, ELECTION OF 2014 GENERAL OBLIGATION BONDS, SERIES B

WHEREAS, a duly called election was held in the Mt. San Jacinto Community College District (the "District"), Riverside County (the "County"), State of California, on November 4, 2014 (the "Election") and thereafter canvassed pursuant to law;

WHEREAS, at the Election there was submitted to and approved by the requisite fifty-five percent or more vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the various purposes set forth in the ballot submitted to the voters, in the maximum amount not-to-exceed \$295,000,000, payable from the levy of an *ad valorem* property tax against the taxable property in the District (the "Authorization");

WHEREAS, on May 21, 2015 the District issued its first series of bonds under the Authorization in the aggregate principal amount of \$70,000,000; and;

WHEREAS, at this time this Board has determined that it is necessary and desirable to request the Board of Supervisors of the County (the "County Board") to issue a second series of such bonds in an aggregate principal amount not-to-exceed \$120,000,000 to be styled as "Mt. San Jacinto Community College District (Riverside County, California) Election of 2014 General Obligation Bonds, Series B" (the "Bonds") on behalf of the District;

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"), the Bonds are authorized to be issued by County Board on behalf of the District for the purposes set forth in the ballot submitted to voters at the Election;

WHEREAS, this Board desires to authorize the issuance of the Bonds in one or more series of taxable or tax-exempt bonds, and as current interest bonds;

WHEREAS, this Board has received at a public meeting the information required by Government Code Section 5852.1;

WHEREAS, this Board desires to appoint certain professionals to provide services related to the issuance of the Bonds; and

WHEREAS, 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 this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT AS FOLLOWS:

SECTION 1. Purpose; Authorization. To raise money for the purposes authorized by voters of the District at the Election and to pay all necessary legal, financial and contingent costs in connection with the issuance of the Bonds, this Board hereby petitions the County Board to authorize the issuance of the Bonds pursuant to the Act and to order such Bonds sold at a negotiated sale such that the Bonds shall be dated as of a date to be determined by said County Board, shall bear interest at a rate not-to-exceed that authorized at the Election, shall be payable upon such terms and provisions as shall be set forth in the Bonds and shall be in an aggregate principal amount not-to-exceed \$120,000,000. The Board hereby approves the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for Morgan Stanley & Co. LLC (the "Underwriter") to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. The Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriter and any such costs which the Underwriter agrees to pay pursuant to the Purchase Contract, will equal approximately 1.5% of the principal amount of the Bonds.

This Board hereby authorizes the issuance of the Bonds as one or more series of taxable or tax-exempt current interest bonds, as set forth in the fully-executed Purchase Contract (defined herein), subject to the provisions of a resolution of the County Board relating to the Bonds (the "County Resolution").

SECTION 2. Paying Agent. This Board does hereby authorize the appointment of U.S. Bank National Association as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Bonds. This Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Bonds may be paid in each year from *ad valorem* property taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically by Section 15232 of the Education Code.

SECTION 3. Tax Covenants. The District hereby covenants with the holders of such Bonds that, notwithstanding any other provisions of this Resolution or the County Resolution, it will (1) comply with all of the provisions of the County Resolution relating to the Rebate Fund (as defined therein) and perform all acts necessary to be performed by the District in connection therewith, and (2) make no use of the proceeds of the Bonds or of any other amounts, regardless of the source, or of any property or take any action, or refrain from taking any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

The District will not make any use of the proceeds of the Bonds or any other funds of the District, or take or omit to take any other action, that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code or "federally guaranteed" within the meaning of Section 149(b) of the Code. To that end, so long as any Bonds are unpaid, the District, with respect to such proceeds and such other funds, will comply with all requirements of such Sections and all regulations of the United States Department of the Treasury issued thereunder and under Section 103 of the Internal Revenue Code of 1986, as amended, to the extent such requirements are, at the time, applicable and in effect.

The District will not use or permit the use of its facilities or any portion thereof by any person other than a governmental unit, as such term is used in Section 141 of the Code, in such manner or to such extent as would result in the loss of exclusion from gross income for federal income tax purposes of the interest paid on the Bonds. In furtherance of the foregoing tax covenants of this Section, the District covenants that it will comply with the instructions and requirements of that certain Tax Certificate to be executed and delivered by the District on the date of issuance of such tax-exempt Bonds, which is incorporated herein as if fully set forth herein. These covenants shall survive the payment in full or defeasance of the Bonds.

SECTION 4. Legislative Determinations. 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 obligations 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. This Board also finds and determines that all *ad valorem* taxes shall be levied specifically to pay the Bonds being issued to finance specific projects authorized by the voters of the District at the Election.

SECTION 5. Official Statement. The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Secretary to the Board, is hereby approved and the Superintendent/President of the District, the Vice President of Business Services of the District, and such other officers or employees of the District as may be designated for such purpose (collectively, the "Authorized Officers"), each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriter to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement.

SECTION 6. Purchase Contract. The form of a purchase contract by and among the County, the District and the Underwriter for the Bonds (the "Purchase Contract") on file with the Secretary to the Board is hereby approved. In connection with the sale of the Bonds, the Board authorizes the Authorized Officers, each alone, on behalf of the District, to execute and deliver to the Underwriter a Purchase Contract for the Bonds, with such terms and conditions as may be acceptable to such official; provided, however, that the interest rate on the Bonds shall not exceed that authorized at the Election, the underwriting discount (excluding original discount) shall not exceed 0.45% of the aggregate principal amount of the Bonds issued, and the aggregate principal amount of the Bonds shall not exceed \$120,000,000.

The Authorized Officers, each alone, are hereby authorized to select a municipal bond insurer to insure payments of interest and principal on the Bonds, so long as such Authorized Officer determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity on the Bonds.

SECTION 7. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate to be executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

SECTION 8. Authorized Actions. Officers of the Board and District officials and staff 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. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

SECTION 9. Professional Services. The Board hereby appoints C.M. de Crinis and Co., Inc., as Municipal Advisor, Morgan Stanley & Co. LLC, as Underwriter, and Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel and Disclosure Counsel, each with respect to the issuance of the Bonds

SECTION 10. Recitals. All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

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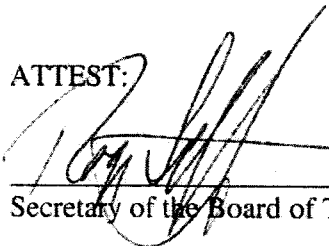
SECTION 11. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED, ADOPTED AND APPROVED this 14th day of December, 2017, by the following vote:

AYES:	MEMBERS	<u>Ashley, Guerrero, Motte, McGargill, Zimmerman</u>
NOES:	MEMBERS	<u>N/A</u>
ABSTAIN:	MEMBERS	<u>N/A</u>
ABSENT:	MEMBERS	<u>N/A</u>



President of the Board of Trustees

ATTEST:


Secretary of the Board of Trustees

SECRETARY'S CERTIFICATE

I, Dr. Roger Schultz, Secretary to the Board of Trustees of the Mt. San Jacinto Community College District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on December 14, 2017, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: December 14, 2017

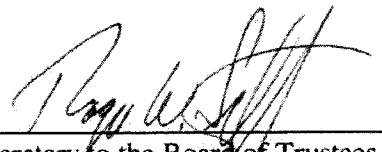
By: 
Secretary to the Board of Trustees

EXHIBIT B
[FORM OF PURCHASE CONTRACT]

§
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2014 General Obligation Bonds, Series B

PURCHASE CONTRACT

February __, 2018

Riverside County
Treasurer-Tax Collector
4080 Lemon St. 4th Floor
Riverside, CA 92501-3651

Mt. San Jacinto Community College District
Board of Trustees
1499 North State Street
San Jacinto, CA 92583

Ladies and Gentlemen:

The undersigned, Morgan Stanley & Co. LLC, as underwriter (the "Underwriter") offers to enter into this Purchase Contract (the "Purchase Contract") with the County of Riverside, California (the "County"), and the Mt. San Jacinto Community College District (the "District"), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the County and the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Resolution (defined below).

The District and the County acknowledge and agree that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arm's-length commercial transaction between the District, the County and the Underwriter and that the Underwriter has financial and other interests that differ from those of the District and the County, (ii) the Underwriter is not acting as municipal advisor, financial advisor or fiduciary to the District, the County or any other person or entity and has not assumed any advisory or fiduciary responsibilities to the District and the County with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the District or the County on other matters), (iii) the only obligations the Underwriter has to the District and the County with respect to the transaction contemplated hereby are expressly set forth in this Purchase Contract, except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission ("SEC") or the rules of the Municipal Securities Rulemaking Board ("MSRB"), and (iv) the District and the County have

consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter's disclosure under Rule G-17 of the MSRB.

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of \$_____ in aggregate initial principal amount of the District's Election of 2014 General Obligation Bonds, Series B (the "Bonds"). The Bonds shall bear interest at the rates, shall mature in the years and shall be subject to redemption as shown on Appendix A hereto, which is incorporated herein by this reference. The Bonds (as defined in the County Resolution described below) shall be dated the date of delivery thereof and shall bear interest from such date payable as to interest on each February 1 and August 1, commencing August 1, 2018.

The Underwriter shall purchase the Bonds at a price of \$_____ (consisting of the principal amount of the Bonds of \$_____, plus original issue premium of \$_____, and less underwriter's discount of \$_____).

2. **The Bonds.** The Bonds shall be dated their date of delivery. The Bonds shall mature on the dates shown on Appendix A hereto, and shall otherwise be as described in the Official Statement (as defined herein), and shall be issued and secured pursuant to the provisions of the Resolution of the Board of Trustees of the District adopted on December 14, 2017 (the "District Resolution") and the Resolution of the Board of Supervisors of the County adopted on January 9, 2018 (the "County Resolution" and, collectively with the District Resolution, the "Resolutions") and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act"). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Official Statement or, if not in the Official Statement, in the County Resolution.

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Contract and the Resolutions. The Bonds shall bear CUSIP numbers, be in fully registered book-entry form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"); and shall initially be in authorized denominations of \$5,000 principal amount or any integral multiple thereof.

3. **Use of Documents.** The District and the County hereby authorize the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Contract, the Preliminary Official Statement (defined below), the Official Statement, the Continuing Disclosure Certificate (defined below), the Resolutions and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriter in connection with the issuance and offering of the Bonds (except as such documents otherwise provide).

4. **Establishment of Issue Price.** The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields to be set forth on the inside cover page of the Official Statement.

(a) The Underwriter agrees to assist the District and the County in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel"), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District's municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District's municipal advisor.

(b) [Except as otherwise set forth in Appendix B attached hereto, t][T]he District will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the County and the District the price or prices at which it has sold to the public each maturity of Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the County and the District the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the date of Closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.]

(c) *[TO BE INCLUDED ONLY IF THE UNDERWRITER AGREES TO APPLY THE HOLD-THE-OFFERING PRICE RULE.]* The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Appendix B attached hereto, except as otherwise set forth therein. Appendix B also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the County and the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the County and the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the County and the District when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial

offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (1) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (2) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The County and the District acknowledge that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Contract by all parties.

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated January __, 2018 (the "Preliminary Official Statement"). The District represents that it has duly authorized and prepared the Preliminary Official Statement for use by the Underwriter in connection with the sale of the Bonds, and that it has deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s), redemption provisions and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the SEC under the Securities Exchange Act of 1934, as amended (the "Rule").

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

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

The Underwriter agrees to file the Official Statement with the MSRB through its Electronic Municipal Market Access system within one business day after receipt thereof from the District, but in no event later than the Closing (as defined below).

6. **Closing.** At 9:00 A.M., California Time, on February __, 2018 or at such other time or on such other date as shall have been mutually agreed upon by the District, the County and the Underwriter (the "Closing"), the District will deliver to the Underwriter, at the offices of DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, in San Francisco, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by check, draft or wire transfer to the account of the County.

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

(a) **Due Organization.** The District is a community college district duly organized and validly existing under the laws of the State of California (the "State"), with the full legal right, power and authority to issue the Bonds pursuant to the Act and to observe and perform the District's covenants and agreements contained herein and therein.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Contract and the Continuing Disclosure Certificate, to adopt the District Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement, and to carry out and effectuate the transactions contemplated by this Purchase Contract and the Resolutions; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in, the Bonds, the Resolutions, the Continuing Disclosure Certificate, and this Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing and as of the date hereof; (iv) this Purchase Contract, assuming the due authorization and execution by any other parties hereto, and the Continuing Disclosure Certificate constitute valid and legally binding obligations of the District, enforceable in accordance with their respective terms, subject to any limitation on the enforceability thereof as a result of the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought, and by the limitations on legal remedies against public agencies in the State; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract and the Official Statement.

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

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

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

(f) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or of the titles of the officials of the

District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy or collection of *ad valorem* taxes contemplated by the Resolutions and pledged or to be pledged or available to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract, the Continuing Disclosure Certificate, or the Resolutions or contesting the powers of the District or its authority with respect to the Bonds, the Resolutions, the Continuing Disclosure Certificate or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations or financial condition of the District or the consummation of the transactions contemplated by this Purchase Contract or the Resolutions, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest on the Bonds from State personal income taxation.

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

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

(i) Continuing Disclosure. At or prior to the Closing, the District shall have duly authorized, executed and delivered a continuing disclosure certificate (the "Continuing Disclosure Certificate") on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement. The Continuing Disclosure Certificate shall be substantially in the form attached to the Official Statement in Appendix C. Except as disclosed in the Official Statement, within the past five years, the District has not failed to comply in any material respect with its past continuing disclosure undertakings.

(j) Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of its date and on the date of Closing, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

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

particular, the District hereby agrees to provide to the County Auditor and the County Treasurer-Tax Collector a copy of the District Resolution, a copy of Appendix A hereto, and the full debt service schedule for the Bonds, in accordance with Education Code Section 15140(c) and policies and procedures of the County.

(l) No Material Adverse Change. The financial statements of, and other financial information regarding, the District in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of the District as of the dates and for the periods therein set forth. Prior to the Closing, there will be no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the District.

(m) No Default. The District is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the District has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing.

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

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

(b) Due Authorization. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Purchase Contract, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the District and to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by this Purchase Contract and the County Resolution; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in the Bonds, the County Resolution and this Purchase Contract have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) assuming due authorization, execution and delivery by the other parties hereto, this Purchase Contract constitutes a valid and legally binding obligation of the County; and (v) the County has duly authorized the consummation by it of all of its transactions contemplated by this Purchase Contract.

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

Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; provided, however, that the County shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

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

(e) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is (1) pending, in which service of process has been completed on the County, or (2) to the best knowledge of the County, threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices or of the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, or the levy of any taxes contemplated by the Resolutions, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract or the Resolutions or contesting the powers of the County or its authority with respect to the Bonds, the Resolutions or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County or the consummation of the transactions contemplated by this Purchase Contract or the Resolutions, or (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part.

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

(g) Official Statement Accurate and Complete. The section of the Preliminary Official Statement entitled "APPENDIX E – Riverside County Investment Pool," at the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the date of Closing, the section of the Official Statement entitled "APPENDIX E – Riverside County Investment Pool" did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

(a) Securities Laws. The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if

and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions, provided, however, that the County and the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

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

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered (and the County agrees to cooperate with the District in connection with such delivery) to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Contract is signed, copies of an Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter, the County and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "Official Statement") in such quantities as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the County or the District, respectively, until the date which is ninety (90) days following the Closing;

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

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the opinion of the Underwriter, such event requires the preparation and distribution of a supplement or amendment to the Official Statement, the District shall prepare and furnish to the Underwriter, at the District's expense, such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the District and the Underwriter, as the Underwriter may reasonably request. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and

accuracy of any such supplement or amendment to the Official Statement.

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

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

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

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

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

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

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

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

required under or specified in the District Resolution, the County Resolution, this Purchase Contract or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. To the best knowledge of the County or the District, no decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), or pending or threatened which has any of the effects described in Section 7(f) and 8(e) hereof or contesting in any way the completeness or accuracy of the Official Statement;

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

(1) legislation enacted by Congress, or passed by either House thereof, or favorably reported for passage thereto by any Committee of such House to which such legislation has been referred for consideration, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

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

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

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

(3) (i) any outbreak or escalation of hostilities affecting the United States, the declaration by the United States of a national or international emergency or war, or engagement in or material escalation of major military hostilities by the United States or the occurrence of any other national emergency, or (ii) any other calamity or crisis relating to the effective operation of the government or the financial community in the United States, or (iii) a downgrade of the sovereign debt rating of the United

States by any major credit rating agency or payment default on United States Treasury obligations;

(4) the declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading by the New York Stock Exchange, any national securities exchange, or any governmental authority securities exchange;

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

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

(7) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal, or negative change in credit watch status by any national rating service to the outstanding indebtedness of the District;

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

(9) the suspension by the SEC of trading in the outstanding securities of the District or the County;

(10) the occurrence, since the date hereof, of any materially adverse change in the affairs or financial condition of the District;

(11) any state Blue Sky or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(12) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body,

or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of *ad valorem* property taxes to pay principal of and interest on the Bonds;

(13) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(14) the occurrence of a material disruption in securities settlement payment or clearance services.

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

(1) Bond Opinion. An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the County and the District, in substantially the form set forth in the Preliminary Official Statement and the Official Statement as Appendix B;

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the approving opinion described in Section 11(e)(1) above;

(3) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel, dated the date of Closing and addressed to the District and the Underwriter, substantially to the effect that:

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions "INTRODUCTION," "THE BONDS," "LEGAL MATTERS – Continuing Disclosure – Current Undertaking" and "TAX MATTERS," to the extent they purport to summarize certain provisions of the Bonds, the Resolutions, the Continuing Disclosure Certificate and the form and content of Bond Counsel's approving opinion with respect to (i) any information contained in Appendices A, D or E to the Official Statement, (ii) financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (iii) information with respect to DTC or its book-entry only system included therein, (iv) any CUSIP numbers or information relating thereto, (v) the District's compliance with its obligations to file annual reports or provide notice of the events described in the Rule, (vi) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption "UNDERWRITING," and (vii) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption "RATINGS;"

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

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

(4) Certificates. A certificate or certificates signed by appropriate officials of the County and the District to the effect that (i) such officials are authorized to execute this Purchase Contract, and, with respect to the District, the Continuing Disclosure Certificate, (ii) the representations, agreements and warranties of the County and the District herein are true and correct in all material respects as of the date of Closing, (iii) the County and the District have complied with all the terms of their respective Resolutions and this Purchase Contract to be complied with by the County and the District, respectively, prior to or concurrently with the Closing and, as to such respective entities, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the descriptions thereof contained in the County Resolution, and (vi) no event concerning the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should be disclosed in order to make the statements in the Official Statement in the light of the circumstances under which they were made not misleading; provided that the certificate provided by the County may exclude statements to the effect of (iv), (v) and (vi) above;

(5) Arbitrage. A nonarbitrage and tax certificate of the District with respect to the Bonds in form satisfactory to Bond Counsel;

(6) Ratings. Evidence satisfactory to the Underwriter that (A) the Bonds have received underlying ratings of “___” by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC and “___” by Moody's Investors Service (or such other equivalent ratings as such rating agencies may give), and (B) that any such ratings have not been revoked or downgraded;

(7) District Resolution. A certificate, together with fully executed copies of the District Resolution, of the Secretary to the District Board of Trustees to the effect that:

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

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

(8) County Resolution. An originally executed copy of the adopted County Resolution or a certificate, together with fully executed copies of the County Resolution, of an authorized officer from Clerk of the County Board of Supervisors to the effect that:

(i) such copies are true and correct copies of the County Resolution; and

(ii) that the County Resolution was duly adopted;

(9) County Counsel Opinion. An opinion of Counsel to the County in substantially the form attached hereto as Appendix C;

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

(11) Continuing Disclosure Certificate. An executed copy of the Continuing Disclosure Certificate, substantially in the form presented in the Official Statement as Appendix C thereto;

(12) Disclosure Counsel Assurance. A letter of Stradling Yocca Carlson & Rauth, dated the date of Closing and addressed to the District, substantially to the effect that based on such counsel's participation in conferences with representatives of the Underwriter, the County, C.M. de Crinis and Co., Inc., as the District's municipal advisor, the District and others, during which conferences the contents of the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District, as a matter of fact and not opinion, that during the course of its engagement as Disclosure Counsel for the Bonds no information came to the attention of such counsel's attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided that Disclosure Counsel need not express any opinion with respect to (i) any information contained in Appendices A, D or E to the Official Statement, (ii) financial or statistical data or

forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any of the appendices thereto, (iii) information with respect to DTC or its book-entry only system included therein, (iv) any CUSIP numbers or information relating thereto, (v) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including but not limited to information under the caption "UNDERWRITING," and (vi) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including, but not limited to, information under the caption "RATINGS");

(13) Official Statement. A certificate of the appropriate official of the District evidencing his or her determinations with respect to the Preliminary Official Statement in accordance with the Rule;

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

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

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

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

13. **Expenses.** (a) To the extent that the transactions contemplated by this Purchase Contract are consummated, the District shall pay (or cause to be paid) and the Underwriter shall be under no obligation to pay, costs of issuance of the Bonds from the proceeds thereof, including but not limited to the following (i) the cost of the preparation and reproduction of the Resolutions; (ii) the

fees and disbursements of Bond Counsel and Disclosure Counsel; (iii) the fees of C.M. de Crinis and Co., Inc., the District's municipal advisor, (iv) the cost of the preparation, printing and delivery of the Bonds; (v) the fees, if any, for bond ratings, including all necessary travel, lodging, and subsistence related to rating agency visits and other meetings connected to the authorization, sale, issuance and distribution of the Bonds; (vi) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement; (vii) the initial fees of the Paying Agent; (viii) the initial fees of U.S. Bank National Association, as fiscal agent to the District (the "Fiscal Agent"), if any; and (ix) all other fees and expenses incident to the issuance and sale of the Bonds. The District hereby directs the Underwriter to wire, at the Closing, a portion of the proceeds of the Bonds equal to \$_____ to the Fiscal Agent, for the payment of costs of issuance with respect to the Bonds. In the event that following payment of the expenses set forth above, there is any portion remaining, such remaining amount shall be deposited into the Building Fund for the Bonds.

(b) Notwithstanding any of the foregoing, the Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, the fees of Underwriter's counsel, travel and other expenses (except those expressly provided above) without limitation.

(c) The District acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

14. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer-Tax Collector, Riverside County, 4080 Lemon St, 4th Floor, Riverside, CA 92501-3651, if to the District, to the Superintendent/President, Mt. San Jacinto Community College District, 1499 North State Street, San Jacinto, CA 92583, or if to the Underwriter, to Morgan Stanley & Co. LLC, 1999 Avenue of the Stars, Suite 2400, Los Angeles, CA 90067, attention: Karma Pemba, Vice President.

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

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

17. **Indemnification.** The District hereby agrees to indemnify, defend and hold harmless, to the extent permitted by law, the County and its officials and employees ("Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of the

Resolutions, or related to the proceedings for sale, award, issuance, and delivery of the Bonds in accordance therewith and herewith. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

[REMAINDER OF PAGE LEFT BLANK]

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

Very truly yours,

MORGAN STANLEY & CO. LLC

By: _____
Authorized Officer

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

RIVERSIDE COUNTY
Accepted:

By: _____
Treasurer-Tax Collector
Riverside County

Accepted at _____ p.m. California Time
This _____th day of _____, 2018

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

By: _____
Beth Gomez
Vice President of Business Services

Accepted at _____ p.m. California Time
This _____th day of _____, 2018

APPENDIX A

\$ _____
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2014 General Obligation Bonds, Series B

	\$ _____	Serial Bonds	
<u>Maturity</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>

\$ _____ - _____ % Term Bond Due August 1, _____, Priced to Yield _____ %

⁽¹⁾ Yield to call at par on August 1, _____.

Redemption

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

Mandatory Sinking Fund Redemption. The Term Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount of such Term

Bonds to be so redeemed, the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount
-------------------------------	------------------

⁽¹⁾ Maturity.

In the event that a portion of the Term Bonds are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Term Bonds optionally redeemed.

APPENDIX B

FORM OF ISSUE PRICE CERTIFICATE

§ _____
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2014 General Obligation Bonds, Series B

The undersigned, on behalf of Morgan Stanley & Co. LLC (the "Underwriter"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the "Bonds").

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule I.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Underwriter offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule I (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule II.

(b) As set forth in the Purchase Contract, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Bonds listed in Schedule I hereto as the "General Rule Maturities."

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Bonds listed in Schedule I hereto as the "Hold-the-Offering-Price Maturities."

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2018), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means Mt. San Jacinto Community College District.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2018.

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

MORGAN STANLEY & CO. LLC

By: _____

Name: _____

Dated: _____, 2018

SCHEDULE I

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

General Rule Maturities

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

⁽¹⁾ Yield to call at par on August 1, 20__.

Hold-the-Offering-Price Maturities (maturing August 1, 20__, 20__, 20__ and 20__)

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

⁽¹⁾ Yield to call at par on August 1, 20__.

SCHEDULE II

PROPOSED FINAL PRICING WIRE OR EQUIVALENT COMMUNICATION

APPENDIX C

OPINION OF COUNTY COUNSEL

§ _____
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2014 General Obligation Bonds, Series B

Ladies and Gentlemen

This opinion is rendered as counsel to the County of Riverside (the "County") in connection with the issuance by the Mt. San Jacinto Community College District (the "District") of its Election of 2014 General Obligation Bonds, Series B in the aggregate principal amount of \$_____ (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County adopted on January 9, 2018 (the "County Resolution"), at the request of the District made pursuant to a resolution adopted by the Board of Trustees of the District on December 14, 2017 (the "District Resolution").

In rendering this opinion, we have examined the County Resolution and such other documents, records and instruments and made such investigations of law and fact as we have deemed necessary to render the opinions expressed herein.

Based upon the foregoing, and solely with respect to the laws of the State of California (the "State"), we are of the opinion, as of the date hereof, that:

1. The County is a political subdivision duly organized and existing pursuant to the Constitution and the laws of the State of California.
2. The Resolution was duly adopted at a meeting of the governing body of the County which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.
3. To our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the County, which would adversely impact the County's ability to complete the transactions described in and contemplated by the Official Statement, to restrain or enjoin the levy or collection of tax revenues for the Bonds or in any way contesting or affecting the validity of the Resolution or Bonds or the transactions described in and contemplated by the Official Statement wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the Resolution, the Purchase Contract or the Bonds or in which a final adverse decision could materially adversely affect the operations of the County.
4. To our knowledge, the obligations of the County under the Bonds and the execution and delivery of the Purchase Contract and compliance with the provisions thereof, under the

circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other instrument to which the County is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the County is subject.

Very truly yours,

DEPUTY COUNTY COUNSEL

EXHIBIT C
FORM OF BONDS

R- _____

\$ _____

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

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

**MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
ELECTION OF 2014 GENERAL OBLIGATION BONDS, SERIES B**

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED DATE:</u>	<u>CUSIP</u>
_____%	August 1, ____	_____, 2018	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Mt. San Jacinto Community College District (the "District") in Riverside County (the "County"), California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2018. Interest on this Bond shall be computed on the basis of a 360-day year of twelve 30-day months. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2018, in which event it shall bear interest from the date of delivery. Interest shall be computed on the basis of a 360-day year of 12, 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the

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

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the Election (defined below), and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent vote of the qualified electors of the District cast at an election held on November 4, 2014 (the "Election"), upon the question of issuing bonds in the amount of \$295,000,000 and resolutions of the Board of Trustees of the District adopted on December 14, 2017 and by the Board of Supervisors of the County on January 9, 2018 (collectively, the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are general obligations of the District payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

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

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

None of the District, the County nor the Paying Agent will be required to (a) issue or transfer any bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) transfer any bond which has been selected or called for redemption in whole or in part.

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

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

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

Redemption Date (August 1)	Principal Amount
Total	
<hr/>	
(1) Final Maturity.	

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

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

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

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

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

Chairman of the Board of Supervisors

COUNTERSIGNED:

Clerk of the Board of Supervisors

Treasurer-Tax Collector of Riverside County

(FORM OF CERTIFICATE OF AUTHENTICATION)

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2018.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By: _____
Authorized Representative

(FORM OF LEGAL OPINION)

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

Clerk of the Board of Supervisors of Riverside County

(FORM OF 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.

NEW ISSUE—FULL BOOK-ENTRYRATINGS: Moody's: "____"; S&P: "____"
(See "MISCELLANEOUS—Ratings" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

\$120,000,000*

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2014 General Obligation Bonds, Series B

Dated: Date of Delivery**Due: August 1, as shown on the inside cover**

This cover page contains information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used on this cover page and not otherwise defined shall have the meanings set forth herein.

The Mt. San Jacinto Community College District (Riverside County, California) Election of 2014 General Obligation Bonds, Series B (the "Bonds") were authorized at an election of the registered voters of the Mt. San Jacinto Community College District (the "District") held on November 4, 2014 at which more than the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of \$295,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued to (i) finance the acquisition, construction, modernization and renovation of District sites and facilities, and (ii) pay the costs of issuing the Bonds.

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of Riverside County is empowered and obligated to annually levy *ad valorem* property taxes, for the payment of the principal of and interest on the Bonds upon all property subject to taxation within the District without limitation of rate or amount (except as to certain personal property which is taxable at limited rates).

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees. See "THE BONDS – Book-Entry Only System" herein.

The Bonds will be dated as of their date of initial delivery (the "Date of Delivery") and will be issued as current interest bonds. Interest on the Bonds accrues from their Date of Delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2018. The Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by the designated paying agent, bond registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants (defined herein) who will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein. U.S. Bank National Association has been appointed to act as Paying Agent for the Bonds.

The Bonds are subject to optional redemption and mandatory sinking fund redemption prior to their stated maturity dates as described herein.

MATURITY SCHEDULE*
 (see inside front cover)

*The Bonds are offered when, as and if issued, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel to the District. Certain matters will be passed upon for the Underwriter by Nixon Peabody LLP. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about _____, 2018.**

Morgan Stanley

Dated: _____, 2018

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

MATURITY SCHEDULE

Base CUSIP[†]: 623053

\$ _____
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2014 General Obligation Bonds, Series B

\$ _____ Serial Bonds

<u>Maturity</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP[†]</u> <u>Suffix</u>
------------------------------------	-----------------------------------	--------------------------------	--------------	---

\$ _____ - _____ % Term Bond Due August 1, ____ - Yield _____ %⁽¹⁾ - CUSIP[†]: _____

⁽¹⁾ Yield to call at par on August 1, 20__.

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Services. Neither the District nor the Underwriter is responsible for the selection or correctness of the CUSIP numbers set forth herein.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Section 3(a)(2) and 3(a)(12), respectively, for the issuance and sale of municipal securities. The Bonds are not registered under the securities laws of any state. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Certain information set forth herein, other than that provided by the District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

"The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

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

MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT

Board of Trustees

Bill Zimmerman, *President, Trustee Area 3*
Tom Ashley, *Clerk, Trustee Area 5*
Sherrie Guerrero, Ed.D., *Trustee, Trustee Area 1*
Dorothy McGargill, *Trustee, Trustee Area 2*
Ann Motte, *Trustee, Trustee Area 4*

District Administration

Roger Schultz, Ph.D., *Superintendent/President*
Beth Gomez, *Vice President of Business Services*
Rudy Besikof, Ed.D., *Vice President of Instructional Services*
John Colson, Ed.D., *Vice President of Student Services*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
San Francisco, California

Municipal Advisor

C.M. de Crinis and Co., Inc.
Glendale, California

Paying Agent, Registrar and Transfer Agent

U.S. Bank National Association
Los Angeles, California

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\$120,000,000*
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT
(Riverside County, California)
Election of 2014 General Obligation Bonds, Series B

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of Mt. San Jacinto Community College District (Riverside County, California) Election of 2014 General Obligation Bonds, Series B (the "Bonds").

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

The District

The Mt. San Jacinto Community College District (the "District") was established in 1962 and provides higher education in central and southwestern Riverside County (the "County"). The District operates one college, Mt. San Jacinto Community College (the "College"), on campuses in San Jacinto, Menifee, San Geronio Pass and Temecula, and serves approximately 17,000 students per semester. The College is currently fully accredited by the Accrediting Commission for Community and Junior Colleges (the "ACCJC") of the Western Association of Schools and Colleges. For fiscal year 2017-18, the District has projected a full-time equivalent student ("FTES") count of approximately 12,301, and has a total assessed valuation of \$85,271,719,908.

The governing body of the District is the Board of Trustees (the "Board"), which includes five voting members elected by trustee area by the voters of the District. The trustees serve four-year terms and elections for trustee positions to the Board are held every two years, alternating between two and three positions. The management and policies of the District are administered by a Board-appointed Superintendent/President. Dr. Roger Schultz is the District's current Superintendent/President.

For more information about the District generally, see "MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT." For more information regarding the District's assessed valuation, see "TAX BASE FOR REPAYMENT OF BONDS." The District's audited financial statements for fiscal year ended June 30, 2017 are attached hereto as APPENDIX B and should be read in their entirety. The discussion of the District's financial history and financial information contain herein do not purport to be complete or definitive.

Purpose of the Bonds

The Bonds are being issued to (i) finance the acquisition, construction, modernization and renovation of District sites and facilities, and (ii) pay the costs of issuing the Bonds. See "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

* Preliminary, subject to change.

Security and Sources of Payment for the Bonds

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount, for the payment of principal of and interest on the Bonds when due (except for certain personal property which is taxable at limited rates). See "THE BONDS – Security and Sources of Payment" herein.

Description of the Bonds

Form, Registration and Denomination. The Bonds will be issued in fully registered form only (without coupons), initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of interests in the Bonds (the "Beneficial Owners") through the book-entry only system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (defined herein). Beneficial Owners will not be entitled to receive physical delivery of the Bonds, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the County Resolution (defined herein). See "THE BONDS – Transfer and Exchange of Bonds" herein.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "Owners" or "Holders" of the Bonds (other than under the caption "TAX MATTERS" and in APPENDIX B) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Denominations. Individual purchases of interests in the Bonds will be available in denominations of \$5,000 principal amount or any integral multiple thereof.

Redemption. The Bonds maturing on or after August 1, 20__* are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of funds, on August 1, 20__*, or on any date thereafter, as a whole or in part. The Term Bonds are subject to mandatory sinking fund redemption as described herein. See "THE BONDS – Redemption" herein.

Payments. Interest on the Bonds accrues from their initial date of delivery, and is payable semiannually on each February 1 and August 1 (each a "Bond Payment Date"), commencing August 1, 2018. Principal of the Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof.

Payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association, as the designated paying agent, bond registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (defined herein) to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is

* Preliminary, subject to change.

not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California (the "State") personal income tax. See "TAX MATTERS" herein.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the State Government Code and other applicable law, and pursuant to the Resolutions (defined herein). See "THE BONDS – Authority for Issuance" herein.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their validity by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about _____, 2018.*

Bondowner's Risks

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* taxes which may be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all taxable property in the District. For more complete information regarding the District's financial condition and taxation of property within the District, see "TAX BASE FOR REPAYMENT OF BONDS" herein.

Continuing Disclosure

The District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in order to assist the Underwriter in complying with Securities and Exchange Commission ("S.E.C.") Rule 15c2-12(b)(5) (the "Rule"). See "LEGAL MATTERS – Continuing Disclosure" herein. The specific nature of the information to be made available and the notices of listed events required to be provided are described in APPENDIX C attached hereto.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "intend," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM

* Preliminary, subject to change.

ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. C.M. de Crinis and Co., Inc., Glendale, California, is acting as Municipal Advisor to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth and C.M. de Crinis and Co., Inc. will receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed upon for the Underwriter (defined herein) by Nixon Peabody LLP. U.S. Bank National Association, Los Angeles, California will act as Paying Agent in connection with the issuance of the Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Bonds are available from Mt. San Jacinto Community College District, 1499 North State Street, San Jacinto, California, 92583; telephone: (951) 487-6752. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to each of such documents, statutes and constitutional provisions.

Certain information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolutions.

THE BONDS

Authority for Issuance

The Bonds are being issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the State Government Code, Article XIII A of the State Constitution and pursuant to a resolution adopted by the Board on December 14, 2017 (the "District Resolution") and a resolution adopted by the Board of Supervisors of the County on January 9, 2018 (the "County Resolution" and, together with the District Resolution, the "Resolutions").

The District received authorization at an election held on November 4, 2014 by the requisite 55% or more of the votes cast by eligible voters within the District to issue \$295,000,000 of general obligation bonds (the "2014 Authorization"). On May 21, 2015, the District caused the issuance of its Election of 2014 General Obligation Bonds, Series A in the principal amount of \$70,000,000 (the "Series A Bonds"). The Bonds represent the second series of bonds issued under the 2014 Authorization. After the issuance of the Bonds, \$105,000,000* of the 2014 Authorization will remain.

Security and Sources of Payment

The Bonds are general obligations of the District, payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to levy *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Bonds upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates).

The *ad valorem* property taxes levied to pay the Bonds will be levied annually in addition to all other taxes in an amount sufficient to pay the principal of and interest on the Bonds when due, as described above. The levy of *ad valorem* property taxes for payment of the Bonds may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The County, however, is not obligated to establish or maintain such a reserve for any of the Bonds, and the District can make no representations that the County will do so. Such taxes, when collected, will be placed by the County in the Debt Service Fund (defined herein) created by the County Resolution, which is required to be segregated and maintained by the County and which is designated for the payment of the Bonds, and interest thereon when due, and for no other purpose. Pursuant to the County Resolution, the County has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and the County will maintain the Debt Service Fund, the Bonds are not a debt of the County.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, will be transferred by the County to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Indirect Participants (defined herein) for subsequent disbursement to the Beneficial Owners of the Bonds.

The rate of the annual *ad valorem* property taxes levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in real property

* Preliminary, subject to change.

values, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Statutory Lien. Pursuant to State Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 2016 and payable, both principal and interest, from the proceeds of *ad valorem* taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the State Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

Description of the Bonds

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Purchasers will not receive certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees. See "THE BONDS – Book Entry Only System" herein.

Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each Bond Payment Date, commencing August 1, 2018. Interest on the Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Bond will bear interest 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 will bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2018, in which event it will bear interest from the Date of Delivery. The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof, and mature on August 1, in the years and amounts set forth on the inside cover page hereof.

Payment of interest on any Bond on any Bond Payment Date will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the 15th day of the month immediately preceding such Bond Payment Date (the "Record Date"), such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal of and redemption premiums, if any, payable on the Bonds shall be payable upon maturity upon surrender at the principal office of the Paying Agent. The principal of, and interest and redemption

premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered owner of the Bonds.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "MMI Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive

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

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

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

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

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

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

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

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

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

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its designated office all books and records necessary for the registration, exchange and transfer of such Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the County Resolution.

In the event that the book-entry system described above is no longer used with respect to the Bonds, the following provisions will govern the payment, transfer and exchange of the Bonds.

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated office of the Paying Agent, initially located in Los Angeles. Interest on the Bonds will be paid by the Paying Agent by wire to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for a Bond of like series, tenor, maturity and principal amount upon presentation and surrender at the designated office of the Paying Agent, 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 registration books upon presentation and surrender of the Bond at such designated office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the owner equal to the principal amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

None of the District, the County, nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

Application and Investment of Bond Proceeds

The Bonds are being issued by the District to (i) finance the acquisition, construction, modernization and renovation of District sites and facilities, and (ii) pay the costs of issuing the Bonds.

Building Fund. The net proceeds of the sale of the Bonds will be deposited in the fund held by the County and designated as the "Mt. San Jacinto Community College District, Election of 2014 General Obligation Bonds, Series B Building Fund" (the "Building Fund") and will be applied only for the purposes approved by the voters of the District pursuant to the 2014 Authorization. Any interest earnings on moneys held in the Building Fund will be retained therein. The County will have no responsibility for assuring the proper use of the proceeds of the Bonds.

Debt Service Fund. The *ad valorem* property taxes levied by the County for the payment of the Bonds, when collected, will be deposited into the fund designated as the "Mt. San Jacinto Community College District, Election of 2014 General Obligation Bonds, Series B Debt Service Fund" (the "Debt Service Fund"), which fund will be held by the County for payment of principal of and interest on the Bonds. Any accrued interest or premium received by the County on the sale of the Bonds will be deposited in the Debt Service Fund. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. If, after all of the Bonds have been redeemed or paid and otherwise cancelled, there are moneys remaining in the Debt Service Fund or otherwise held in trust for the payment of the redemption price of the Bonds, any such excess amounts will be transferred to the general fund of the District as provided and permitted by law.

Expected Investment of Funds. Moneys in the Debt Service Fund and the Building Fund are expected to be invested through the County's Investment Pool. For more information, see "APPENDIX E – RIVERSIDE COUNTY INVESTMENT POOL" attached hereto.

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Annual Debt Service

The following table summarizes the annual debt service requirements of the District for the Bonds (assuming no optional redemptions):

<u>Year Ending (August 1)</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment⁽¹⁾</u>	<u>Total Annual Debt Service Payment</u>
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TOTAL

⁽¹⁾ Interest payments on Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2018.

Redemption*

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

Mandatory Sinking Fund Redemption. The Term Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued

* Preliminary, subject to change.

interest to the date fixed for redemption, without premium. The principal amount of such Term Bonds to be so redeemed, the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount
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⁽¹⁾ Maturity.

In the event that a portion of the Term Bonds are optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 principal amount, in respect of the portion of such Term Bonds optionally redeemed.

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

Redemption Notice. When redemption is authorized or required pursuant to the County Resolution, upon written instruction from the District, the Paying Agent will give notice (a "Redemption Notice") of the redemption of the Bonds. Each Redemption Notice will 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 Bond 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 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.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services; and (d) as may be required by the Continuing Disclosure Certificate.

"Information Services" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District or County may specify in writing to the Paying Agent or as the Paying Agent may select.

"Securities Depository" means The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the County Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Payment of Redeemed Bonds. When Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is set aside for that purpose as described in "– Defeasance" herein, the Bonds designated for redemption in such notice will 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 Redemption Notice, said Bonds will be redeemed and paid at the redemption price thereof.

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

Effect of Redemption Notice. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest to such redemption date, is held by an independent escrow agent selected by the District, so as to be available therefor on such redemption date, and if Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable.

Rescission of Redemption Notice. With respect to any Redemption Notice of Bonds as described above, unless upon the giving of such notice such Refunding Bonds shall be deemed to have been defeased as described in "– Defeasance" herein, such notice will state that such redemption will be conditional upon the receipt by the independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed, and that if such moneys shall not have been so received, said notice shall be of no force and effect, the Bonds shall not be subject to redemption on such date and the Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter give notice, to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, 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 irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and accrued interest with thereon to the date fixed for redemption, then such Bonds will no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

Transfer and Exchange of Bonds

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount thereof) upon presentation and surrender at the principal office of the Paying Agent, 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, 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 tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

None of the District, the County, nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premiums, if any), at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, and any amounts transferred from the Debt Service Fund, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any such designated maturities of Bonds shall not have been surrendered for payment, all obligations of the District, the County, and the Paying Agent with respect to such outstanding Bonds shall cease and terminate, except only the obligation of 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) above, to the Owners of such Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest, by a pledge of the full faith and credit of 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 (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) 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 United States obligations; and (c) the underlying United States obligations 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 all such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either Standard & Poor's Ratings Service, a Standard & Poor's Financial Services LLC business ("Standard & Poor's") or by Moody's Investors Service ("Moody's").

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

	<u>Total</u>
Sources of Funds	
Principal Amount of Bonds	
Original Issue Premium	
Total Sources	
Uses of Funds	
Deposit to Building Fund	
Deposit to Debt Service Fund	
Underwriter's Discount	
Costs of Issuance ⁽¹⁾	
Total Uses	

⁽¹⁾ Reflects all costs of issuance, including the legal and municipal advisory fees, printing costs, rating agencies fees, and the costs and fees of the Paying Agent.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem property taxes levied and collected by the County on taxable property in the District. The District's general fund is not a source for the repayment of the Bonds.

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as county, city and special district property taxes. Assessed valuations are the same for both District and County taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." A supplemental roll is developed when property changes hands or new construction is completed. The County levies and collects all property taxes for property falling within the County's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the Treasurer-Tax Collector of the County (the "Treasurer"). After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of \$10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a \$15 redemption fee, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Treasurer.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecure tax roll after July 31, if unpaid, are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "-- Tax Delinquencies" herein.

State law exempts from taxation \$7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including community college districts, will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

Assessed Valuations

The following table displays the history of assessed valuations in the District for the last 10 fiscal years.

ASSESSED VALUATIONS Fiscal Years 2008-09 through 2017-18 Mt. San Jacinto Community College District

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2008-09	\$75,789,660,535	\$462,633,464	\$2,483,531,806	\$78,735,825,805
2009-10	64,329,199,698	752,033,464	2,274,657,992	67,355,891,154
2010-11	61,179,533,530	712,720,464	2,428,355,787	64,320,609,781
2011-12	60,846,562,024	814,123,688	2,199,906,164	63,860,591,876
2012-13	60,302,802,531	578,983,998	2,315,159,250	63,196,945,779
2013-14	63,199,255,931	441,683,998	2,134,182,772	65,775,122,701
2014-15	69,580,306,531	348,083,998	2,060,403,798	71,988,794,327
2015-16	74,200,255,156	296,483,998	1,977,296,666	76,474,035,820
2016-17	78,220,732,533	255,283,998	2,050,789,335	80,526,805,866
2017-18	83,094,754,400	107,283,998	2,069,681,510	85,271,719,908

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as a general market decline in real property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, drought, flood, fire or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

Appeals and Adjustments of Assessed Valuations. Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the "SBE"), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the County assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIII A. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS — Article XIII A of the California Constitution" herein.

The District does not have information regarding pending appeals of assessed valuation of property within the District. No assurance can be given that property tax appeals currently pending or in the future, or actions by the County assessor, will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor signed into law Assembly Bill 102 ("AB 102"). AB 102 restructures the functions of the SBE and creates two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration will take over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE will continue to perform the duties assigned by the State Constitution related to property taxes, however, beginning January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

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