

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



ITEM  
3.41  
(ID # 8203)

**MEETING DATE:**

Tuesday, November 6, 2018

**FROM :** TREASURER-TAX COLLECTOR:

**SUBJECT:** TREASURER-TAX COLLECTOR: Adopt Resolution No. 2018-207 Authorizing the Issuance and Negotiated Sale of Menifee Union School District 2018 General Obligation Bonds, Series B in the Maximum Principal Amount of \$50,000,000, 5th District. [\$0] (VOTE ON SEPARATELY)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Adopt Resolution No. 2018-207 Authorizing the Issuance and Negotiated Sale of Menifee Union School District 2018 General Obligation Bonds, Series B in the Maximum Principal Amount of \$50,000,000.

**ACTION:** Policy, Separate Vote Required

Jon Christensen, Treasurer-Tax Collector 10/18/2018

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley  
Nays: None  
Absent: None  
Date: November 6, 2018  
xc: Treasurer

Kecia Harper-Ihem  
Clerk of the Board  
By:   
Deputy

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

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$0	\$0	\$0	\$0
<b>NET COUNTY COST</b>	\$0	\$0	\$0	\$0
<b>SOURCE OF FUNDS:</b> n/a			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	18/19

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

Pursuant to California Education Code Section 15140(a), general obligation bonds of a school district shall be offered for sale by the board of supervisors of the county as soon as possible following receipt of a resolution duly adopted by the governing board of the school district.

An election was duly and regularly held in the Menifee Union School District (the "District") on November 8, 2016, in accordance with the California Constitution and related State law. 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 \$135,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization").

On June 8, 2017 the District previously issued through the County an initial series of the Bonds, designated the Menifee Union School District (Riverside County, California), 2017 General Obligation Bonds, Series A in the amount of \$23,395,000.00.

On October 23, 2018 the Board of Education adopted Resolution No. 2019-48 (the "District Resolution") authorizing the issuance of an additional series of the Bonds (the "Series B Bonds") in the aggregate principal amount of not to exceed \$50,000,000 and requesting the Board of Supervisors of Riverside County to sell said Bonds on behalf of the District. The Series B Bond proceeds will be used for the purpose approved by voters pursuant to the November 8, 2016 election. The District Resolution is attached hereto.

The Series B Bonds represent a general obligation of the District and do not constitute a debt, liability, or obligation of Riverside 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. 2018-207 and has approved it as to form.

**Impact on Residents and Businesses**

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

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

ATTACHMENTS:

District Map

County Resolution No. 2018-207 AATF

District Resolution No. 2019-48

Bond Purchase Agreement

Preliminary Official Statement

  
Stephanie Perez, Principal Management Analyst 10/29/2018

  
Gregory V. Priamos, Director County Counsel 10/18/2018

2  
3 RESOLUTION 2018-207

4 RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE  
5 AUTHORIZING THE ISSUANCE AND NEGOTIATED SALE OF MENIFEE UNION SCHOOL  
6 DISTRICT 2018 GENERAL OBLIGATION BONDS, SERIES B, IN A MAXIMUM PRINCIPAL  
7 AMOUNT NOT TO EXCEED \$50,000,000  
8

9 **WHEREAS**, an election was duly and regularly held in the Meniffee Union School District (the  
10 “District”) on November 8, 2016, under the procedures specified in Proposition 39 (Article XIII A Section  
11 1 paragraph (b) of the California Constitution, for the purpose of submitting Measure Q (the “Bond  
12 Measure”) to the qualified electors of the District, authorizing the issuance of general obligation bonds in  
13 the aggregate principal amount of \$135,000,000 (the “Bonds”), and more than 55% of the votes cast were  
14 in favor of the issuance of the Bonds; and

15 **WHEREAS**, Section 15140 of the Education Code of the State of California (the “Education Code”)  
16 allows general obligation bonds of the District to be offered for sale by the Board of Supervisors (the  
17 “Board”) of the County of Riverside (the “County”) following receipt of a resolution adopted by the  
18 Governing Board of the District; and

19 **WHEREAS**, on June 8, 2017, the County issued an initial series of bonds under the Bond Measure  
20 entitled the Meniffee Union School District 2017 General Obligation Bonds, Series A, in the initial principal  
21 amount of \$23,395,000; and

22 **WHEREAS**, there has been filed with the Clerk of the Board a certified copy of the resolution of  
23 the Governing Board of the District adopted on October 23, 2018 (the “District Resolution”) authorizing  
24 the issuance of a second series of the Bonds under the Bond Measure (the “Series B Bonds”) in an aggregate  
25 principal amount not to exceed \$50,000,000; and

26 **WHEREAS**, the Governing Board of the District found and informed the Board in the District  
27 Resolution that all acts, conditions and things required by law to be done or performed have been done and  
28 performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the

FORM APPROVED COUNTY COUNSEL  
BY:  17 Oct. 2018  
DATE  
DAVID M. MCCARTHY

1 District, and the indebtedness of the District, including the proposed issue of the Series B Bonds, is within  
2 all limits prescribed by law; and

3 **WHEREAS**, the Board, in reliance upon the representations of the District, intends to issue and sell  
4 the Series B Bonds, in a principal amount not to exceed \$50,000,000, under this Resolution and in  
5 conformity with the laws of the State of California;

6 **THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE HEREBY**  
7 **RESOLVES, DETERMINES AND ORDERS;**

8  
9 **ARTICLE I**  
10 **DEFINITIONS; AUTHORITY**

11  
12 **Section 1.01. Definitions** The terms defined in this Section 1.01, as used and capitalized herein, shall, for  
13 all purposes of this Resolution, have the meanings given them below, unless the context clearly requires  
14 some other meaning.

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

16 **“Bonds”** means the general obligation bonds approved by voters in the District on November 8,  
17 2016, in the aggregate principal amount of \$135,000,000

18 **“Bond Counsel”** means (a) Jones Hall, A Professional Law Corporation, and (b) any other attorney or firm of attorneys  
19 nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public  
20 entities.

21 **“Bond Law”** means Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California  
22 Government Code, commencing with Section 53506 of said Code, as in effect on the date of adoption hereof  
23 and as amended hereafter.

24 **“Bond Purchase Agreement”** means the Bond Purchase Agreement among the District, the County  
25 and the Underwriter, under which the Underwriter agrees to purchase the Series B Bonds and pay the  
26 purchase price therefor.

27 **“Building Fund”** means the fund established and held by the County under Section 3.03.

28 **“Business Day”** means a day other than a Saturday, Sunday or legal holiday, on which banking

1 institutions are not closed or authorized to be closed in New York, New York or in the State of California.

2 “Closing Date” means the date upon which there is an exchange of Series B Bonds for the proceeds  
3 representing the purchase price of the Series B Bonds by the Underwriter.

4 “Costs of Issuance” means all items of expense directly or indirectly reimbursable to the District  
5 relating to the issuance, execution and delivery of the Series B Bonds including, but not limited to, filing  
6 and recording costs, settlement costs, printing costs, reproduction and binding costs, legal fees and charges,  
7 fees and expenses of the Paying Agent, financial and other professional consultant fees, costs of obtaining  
8 credit ratings, municipal bond insurance premiums, and charges and fees in connection with the foregoing.

9 “County” means the County of Riverside, a political subdivision of the State of California, duly  
10 organized and existing under the Constitution and laws of the State of California.

11 “County Treasurer” means the Treasurer-Tax Collector of the County, or any authorized deputy  
12 thereof.

13 “Debt Service” means the amount of interest thereon which is payable on each Interest Payment  
14 Date and the amount of principal thereof which is payable at maturity or upon the redemption thereof.

15 “Debt Service Fund” means the fund established and held by the County Treasurer under Sections  
16 4.02 and 4.03.

17 “Debt Service Fund” means the fund established and held by the County Treasurer under Sections  
18 4.02 and 2.04.

19 “Depository System Participant” means any participant in the Depository’s book-entry system.

20 “District” means the Menifee Union School District, a school district organized under the  
21 Constitution and laws of the State of California, and any successor thereto.

22 “District Representative” means the Superintendent, Assistant Superintendent, Business, Assistant  
23 Superintendent, Personnel and Director of Fiscal Services of the District, or any other person authorized by  
24 resolution of the Governing Board of the District to act on behalf of the District with respect to this  
25 Resolution and the Series B Bonds.

26 “District Resolution” means the Resolution adopted by the Governing Board of the District on  
27 October 23, 2018, authorizing the issuance of the Series B Bonds and requesting the Board to issue and sell  
28 the Series B Bonds in the name of the District.

1           “DTC” means The Depository Trust Company, New York, New York, and its successors and  
2 assigns.

3           “Education Code” means the Education Code of the State of California, as in effect on the date of  
4 adoption hereof and as amended hereafter.

5           “Federal Securities” means United States Treasury notes, bonds, bills or certificates of indebtedness,  
6 or obligations issued by any agency or department of the United States which are secured, directly or  
7 indirectly, by the full faith and credit of the United States of America.

8           “Interest Payment Date” means each February 1 and August 1, commencing on the date set forth in  
9 the Bond Purchase Agreement.

10          “Office” means the office or offices of the Paying Agent for the payment of the Series B Bonds and  
11 the administration of its duties hereunder. The Office may be re-designated from time to time by written  
12 notice filed with the County and the District by the Paying Agent.

13          “Outstanding,” when used as of any particular time with reference to Series B Bonds, means all  
14 Bonds except:

15           (a) Series B Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent

16                 For cancellation;

17           (b) Series B Bonds paid or deemed to have been paid within the meaning of Section 7.03; and

18           (c) Series B Bonds in lieu of or in substitution for which other Series B Bonds have been authorized,  
19                 executed, issued and delivered under the District Resolution and this Resolution.

20          “Owner,” whenever used herein with respect to a Series B Bond, means the person in whose name  
21 the ownership of such Series B Bond is registered on the Registration Books.

22          “Paying Agent” means the U.S. Bank National Association, which has been appointed to act as  
23 paying agent for the Series B Bonds by the District, including its successors and assigns, and any other  
24 corporation or association which may at any time be substituted in its place.

25          “Record Date” means the 15<sup>th</sup> day of the month preceding an Interest Payment Date, whether or not  
26 such day is a Business day.

27          “Registration Books” means the records maintained by the Paying Agent for the registration of  
28 ownership and registration of transfer of the Series B Bonds under Section 2.09.

1           “Resolution” means this Resolution adopted by the Board on November 6, 2018, including all amendments  
2 hereto and supplements hereof which are duly adopted by the Board from time to time in accordance herewith.

3           “Securities Depositories” means DTC; and, in accordance with then current guidelines of the  
4 Securities and Exchange Commission, such other addresses and/or such other securities depositories as the  
5 District may designate in a Written Request of the District delivered to the Paying Agent.

6           “Series B Bonds” means the bonds authorized to be issued under the District Resolution and this  
7 Resolution.

8           “Supplemental Resolution” means any resolution supplemental to or amendatory of this Resolution,  
9 adopted by the Board in accordance with Article VI.

10          “Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except  
11 as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date,  
12 together with applicable proposed, temporary and final regulations promulgated, and applicable official  
13 public guidance published, under said Code.

14          “Underwriter” means the Stifel, Nicolaus & Company, Incorporated, as the original purchaser of  
15 the Series B Bonds upon the negotiated sale thereof.

16          “Written Request of the District” means an instrument in writing signed by a District Representative  
17 or by any other officer of the District duly authorized by the District and listed on a Written Request of the  
18 District for that purpose.

19 **Section 1.02. Interpretation.**

20          (a) Unless the context otherwise indicates, words expressed in the singular include the plural  
21 and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and  
22 include the neuter, masculine or feminine gender, as appropriate.

23          (b) Headings of articles and sections herein and the table of contents hereof are solely for  
24 convenience of reference, do not constitute a part hereof and shall not affect the meaning,  
25 construction or effect hereof.

26          (c) All references herein to “Articles,” “Sections” and other subdivisions are to the  
27 corresponding Articles, Sections or subdivisions of this Resolution; the words “herein,” “hereof,”  
28 “hereby,” “hereunder” and other words of similar import refer to this Resolution as a whole and not



1 to any particular Article, Section or subdivision hereof.

2 **Section 1.03. Authority for this Resolution.**

3 This Resolution is adopted under provisions of the Bond Law and the Education Code.  
4

5 **ARTICLE II**

6 **AUTHORIZATION AND THERMS OF SERIES B BONDS**  
7

8 **Section 2.01. Authorization.** The Series B Bonds are hereby authorized to be issued in an aggregate  
9 principal amount not to exceed \$50,000,000 under and subject to the terms of the Bond Law, the District  
10 Resolution and this Resolution. The Series B Bonds shall be designated the "Menifee Union School District  
11 (Riverside County, California) 2018 General Obligation Bonds, Series B" (or such other designation as may  
12 be approved by the District pursuant to the District Resolution).

13 The Series B Bonds shall be issued in the form of current interest bonds, in such respective principal  
14 amounts as set forth in the Bond Purchase Agreement.

15 **Section 2.02. Terms of Series B Bonds.**

16 (a) Terms of Series B Bonds. The Series B Bonds shall be issued as fully registered Bonds,  
17 without coupons, in the denomination of \$5,000 each or any integral multiple thereof, but in an amount not  
18 to exceed the aggregate principal amount of Series B Bonds maturing in the year of maturity of the Series  
19 B Bond for which the denomination is specified. Series B Bonds shall be lettered and numbered as the  
20 Paying Agent may prescribe. The Series B Bonds shall be dated as of the Closing Date. The Series B  
21 Bonds will mature on August 1 in each of the years, and bear interest at the rates (calculated on the basis of  
22 a 360-day year comprised of twelve 30-day months) as set forth in the Bond Purchase Agreement.

23 Interest on the Series B Bonds shall be payable semi-annually on each Interest Payment Date. Each Series  
24 B Bond shall bear interest from the Interest Payment Date next preceding the date of registration and  
25 authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it shall  
26 bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close  
27 of business on the Record Date immediately preceding such Interest Payment Date, in which event it shall  
28 bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the first Record Date, in

1 which event it shall bear interest from the Closing Date. Notwithstanding the foregoing, if interest on any  
2 Series B Bond is in default at the time of authentication thereof, such Series B Bond shall bear interest from  
3 the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

4 (b) CUSIP Identification Numbers. CUSIP identification numbers shall be imprinted on the  
5 Series B Bonds, but such numbers do not constitute a part of the contract evidenced by the Series B Bonds  
6 and any error or omission with respect thereto will not constitute cause for refusal of any purchaser to accept  
7 delivery of and pay for the Series B Bonds. In addition, failure on the part of the District to use such CUSIP  
8 numbers in any notice to Owners of the Series B Bonds will not constitute an event of default or any  
9 violation of the District's contract with such Owners and will not impair the effectiveness of any such  
10 notice.

11 (c) Payment. Interest on the Series B Bonds (including the final interest payment upon maturity  
12 or redemption) is payable by check, draft or wire of the Paying Agent mailed to the Owner thereof (which  
13 shall be DTC so long as the Bonds are held in the book-entry system of DTC) at such Owner's address as  
14 it appears on the Registration Books at the close of business on the preceding Record Date; except that at  
15 the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Series B Bonds,  
16 which written request is on file with the Paying Agent as of any Record Date, interest on such Series B  
17 Bonds shall be paid on the succeeding Interest Payment Date by wire transfer in immediately available funds  
18 to such account of a financial institution within the United States of America as shall be specified in such  
19 written request. Debt Service on the Series B Bonds is payable in lawful money of the United States of  
20 America upon presentation and surrender at the Office of the Paying Agent.

21 (d) Provisions of Bond Purchase Agreement to Control. Notwithstanding the foregoing  
22 provisions of this Section 2.02 and the following provisions of Section 2.03, any of the terms of the Series  
23 B Bonds may be established or modified under the Bond Purchase Agreement. In the event of a conflict or  
24 inconsistency between this Resolution and the Bond Purchase Agreement relating to the terms of the Series  
25 B Bonds, the provisions of the Bond Purchase Agreement shall be controlling.

26 **Section 2.03. Redemption.**

27 (a) Optional Redemption Dates and Prices. The Series B Bonds shall be subject to redemption  
28 prior to maturity, at the option of the District, in whole or in part among maturities on such basis as

1 designated by the District and by lot within a maturity, from any available source of funds, on the dates and  
2 at the respective redemption prices as are set forth in the Bond Purchase Agreement.

3 (b) Mandatory Sinking Fund Redemption. If the Bond Purchase Agreement specifies that any one  
4 or more maturities of the Series B Bonds are term bonds that are subject to mandatory sinking fund  
5 redemption, each such maturity of Series B Bonds shall be subject to such mandatory sinking fund  
6 redemption on August 1 in each of the years and in the respective principal amounts as set forth in the Bond  
7 Purchase Agreement, at a redemption price equal to 100% of the principal amount thereof to be redeemed  
8 (without premium), together with interest accrued thereon to the date fixed for redemption. If any such  
9 term bonds are redeemed under the provisions of the preceding clause (a), the total amount of all future  
10 payments under this subsection (b) with respect to such term bonds shall be reduced by the aggregate  
11 principal amount of such term bonds so redeemed, to be allocated among such payments on a pro rata basis  
12 in integral multiples of \$5,000 or as otherwise determined by the District (written notice of which  
13 determination shall be given by the District to the County and the Paying Agent).

14 (c) Selection of Series B Bonds for Redemption. Whenever less than all of the Outstanding Series  
15 B Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding  
16 Series B Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent.  
17 For purposes of such selection, each Series B Bond shall be deemed to consist of individual bonds of \$5,000  
18 denominations each, which may be separately redeemed.

19 (d) Redemption Procedure. The Paying Agent will cause notice of any redemption to be mailed,  
20 by first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for  
21 redemption, to the respective Owners of any Series B Bonds designated for redemption, at their addresses  
22 appearing on the Registration Books. Such mailing is not a condition precedent to such redemption and the  
23 failure to mail or to receive any such notice, or any defect therein, will not affect the validity of the  
24 proceedings for the redemption of such Series B Bonds or the cessation of the accrual of interest thereon. In  
25 addition, the Paying Agent will give notice of redemption (a) by telecopy or certified, registered or overnight  
26 mail to each of the Securities Depositories at least two days prior to such mailing to the Series B Bond  
27 Owners, and (b) by electronic means to the Municipal Securities Rulemaking Board through its EMMA  
28 system.

1 Such notice shall specify: (a) that the Series B Bonds, or a designated portion thereof, are to be redeemed, (b)  
2 the price and CUSIP numbers of the Series B Bonds to be redeemed, (c) the date of notice and the date of  
3 redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding  
4 the Bonds including the issue date, interest rate and stated maturity date. Such notice shall further state that on  
5 the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal  
6 amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any,  
7 and that from and after such date interest with respect thereto shall cease to accrue and be payable. Such notice  
8 shall require that such Series B Bonds be then surrendered at the Office of the Paying Agent for redemption  
9 at the said redemption price.

10 Upon surrender of Series B Bonds redeemed in part only, the District will execute and the Paying Agent  
11 shall authenticate and deliver to the Owner, at the expense of the District, a new Series B Bond or Bonds,  
12 of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed  
13 portion of the Series B Bond or Bonds.

14 From and after the date fixed for redemption, if notice of such redemption has been duly given and funds  
15 available for the payment of the Debt Service and premium, if any, on the Series B Bonds so called for  
16 redemption have been duly provided, the Series B Bonds called for redemption will cease to be entitled to  
17 any benefit under this Resolution other than the right to receive payment of the redemption price, and no  
18 interest will accrue thereon on or after the redemption date specified in the notice. The Paying Agent will  
19 cancel all Series B Bonds redeemed under this Section 2.03 and will furnish a certificate of cancellation to  
20 the District.

21 (e) Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the  
22 optional redemption of Series B Bonds under subsection (a) of this Section by written notice to the Paying  
23 Agent on or prior to the dated fixed for redemption. Any notice of redemption shall be cancelled and  
24 annulled if for any reason funds will not be or are not available on the date fixed for redemption for the  
25 payment in full of the Series B Bonds then called for redemption. The District and the Paying Agent shall  
26 have no liability to the Series B Bond Owners or any other party related to or arising from such rescission  
27 of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as  
28 the original notice of redemption was sent to the respective Owners, Securities Depositories and Municipal

1 Securities Rulemaking Board under subsection (d) of this Section.

2 **Section 2.04. Book-Entry System.**

3 (a) Original Delivery. The Series B Bonds shall be initially delivered in the form of a separate  
4 single fully registered Bond (which may be typewritten) for each maturity of the Series B Bonds. Upon  
5 initial delivery, the ownership of each such Series B Bond shall be registered on the Registration Books in  
6 the name of Cede & Co. (the "Nominee"). Except as provided in subsection (c), the ownership of all of the  
7 Outstanding Series B Bonds shall be registered in the name of the Nominee on the Registration Books.

8 With respect to Series B Bonds the ownership of which is registered in the name of the Nominee, the District  
9 and the Paying Agent have no responsibility or obligation to any Depository System Participant or to any  
10 person on behalf of which the Depository holds an interest in the Series B Bonds. Without limiting the  
11 generality of the immediately preceding sentence, the District and the Paying Agent have no responsibility  
12 or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any  
13 Depository System Participant with respect to any ownership interest in the Series B Bonds, (ii) the delivery  
14 to any Depository System Participant or any other person, other than an Owner as shown in the Registration  
15 Books, of any notice with respect to the Series B Bonds, including any notice of redemption, (iii) the  
16 selection by the Depository of the beneficial interests in the Series B Bonds to be redeemed if the District  
17 elects to redeem the Series B Bonds in part, (iv) the payment to any Depository System Participant or any  
18 other person, other than an Owner as shown in the Registration Books, of any amount with respect to Debt  
19 Service and premium, if any, on the Series B Bonds or (v) any consent given or other action taken by the  
20 Depository as Owner of the Series B Bonds. The District, the Paying Agent and the County may treat and  
21 consider the person in whose name each Series B Bond is registered as the absolute owner of such Series B  
22 Bond for the purpose of payment of Debt Service and premium, if any, on such Series B Bond, for the  
23 purpose of giving notices of redemption and other matters with respect to such Series B Bond, for the  
24 purpose of registering transfers of ownership of such Series B Bond, and for all other purposes whatsoever.  
25 The Paying Agent shall pay the Debt Service and premium, if any, on the Series B Bonds only to the  
26 respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be  
27 valid and effective to fully satisfy and discharge all obligations with respect to payment of Debt Service on  
28 the Series B Bonds to the extent of the sum or sums so paid. No person other than an Owner shall receive

1 a Series B Bond evidencing the obligation of the District to make payments of Debt Service and premium,  
2 if any, under this Resolution. Upon delivery by the Depository to the Nominee of written notice to the  
3 effect that the Depository has determined to substitute a new nominee in its place, and subject to the  
4 provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder  
5 for all purposes; and upon receipt of such a notice the District shall promptly deliver a copy of the same to  
6 the Paying Agent.

7 (b) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue  
8 to act as Depository for the Series B Bonds, or (ii) the District determines to terminate the Depository as  
9 such, then the District shall thereupon discontinue the book-entry system with such Depository. In such  
10 event, the Depository shall cooperate with the District and the Paying Agent in the issuance of replacement  
11 Series B Bonds by providing the Paying Agent with a list showing the interests of the Depository System  
12 Participants in the Series B Bonds, and by surrendering the Series B Bonds, registered in the name of the  
13 Nominee, to the Paying Agent on or before the date such replacement Series B Bonds are to be issued. The  
14 Depository, by accepting delivery of the Series B Bonds, agrees to be bound by the provisions of this  
15 subsection (b). If, prior to the termination of the Depository acting as such, the District fails to identify  
16 another Securities Depository to replace the Depository, then the Series B Bonds shall no longer be required  
17 to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever  
18 name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the  
19 provisions of this Article II. Prior to its termination, the Depository shall furnish the Paying Agent with the  
20 names and addresses of the Participants and respective ownership interests thereof.

21 (c) Payments to the Nominee. Notwithstanding any other provision of this Resolution to the  
22 contrary, but subject to Section 4.06 of this Resolution, so long as any Series B Bond is registered in the  
23 name of the Nominee, all payments by the District or the Paying Agent with respect to Debt Service and  
24 premium, if any, on such Series B Bond and all notices with respect to such Series B Bond shall be made  
25 and given, respectively, as instructed by the Depository.

26 **Section 2.05. Form of Series B Bonds.** The Series B Bonds, the form of the Paying Agent's certificate of  
27 authentication and registration and the form of assignment to appear thereon shall be substantially in the  
28 form, with necessary or appropriate variations, omissions and insertions, as permitted or required by this

1 Resolution and the Bond Purchase Agreement, as set forth in Appendix A attached hereto.

2 **Section 2.06. Execution of Series B Bonds.** The Series B Bonds shall be executed on behalf of the Board  
3 by the facsimile signature of the Chairman of the Board of Supervisors and shall be countersigned by the  
4 facsimile signature of the Clerk of the Board of Supervisors. If any officer whose signature appears on any  
5 Series B Bond ceases to be such officer before delivery of the Series B Bonds to the purchaser, such  
6 signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the  
7 Series B Bonds to the purchaser. Any Series B Bond may be signed and attested on behalf of the Board by  
8 such persons as at the actual date of the execution of such Series B Bond are the proper officers of the  
9 County although at the nominal date of such Series B Bond any such person was not such officer of the  
10 County.

11 Only those Series B Bonds bearing thereon a certificate of authentication and registration in the form set  
12 forth in Appendix A attached hereto, executed and dated by the Paying Agent, are valid or obligatory for  
13 any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent is  
14 conclusive evidence that the Series B Bonds so registered have been duly authenticated, registered and  
15 delivered hereunder and are entitled to the benefits of this Resolution.

16 **Section 2.07. Transfer of Series B Bonds.** Any Series B Bond may, in accordance with its terms, be  
17 transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his  
18 duly authorized attorney, upon surrender of such Series B Bond for cancellation at the Office of the Paying  
19 Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent,  
20 duly executed. The Paying Agent shall require the payment by the Owner requesting such transfer of any  
21 tax or other governmental charge required to be paid with respect to such transfer. Whenever any Series B  
22 Bond or Bonds is surrendered for transfer, the Board shall execute and the Paying Agent shall authenticate  
23 and deliver a new Series B Bond or Bonds, for like aggregate principal amount.

24 No transfers of Series B Bonds are required to be made (a) during the period established by the Paying  
25 Agent for selection of Series B Bonds for redemption or (b) with respect to a Series B Bond that has been  
26 selected for redemption.

27 **Section 2.08. Exchange of Series B Bonds.** Series B Bonds may be exchanged at the Office of the Paying  
28 Agent for a like aggregate principal amount of Series B Bonds of authorized denominations and of the same

1 maturity and interest rate. The District may charge a reasonable sum for each new Series B Bond issued  
2 upon any exchange.

3 No exchanges of Series B Bonds are required to be made (a) during the period established by the Paying  
4 Agent for selection of Series B Bonds for redemption or (b) with respect to a Series B Bond which has been  
5 selected for redemption.

6 **Section 2.09. Registration Books.** The Paying Agent shall keep or cause to be kept sufficient books for  
7 the registration and transfer of the Series B Bonds, which shall at all times be open to inspection by the  
8 District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under  
9 such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred,  
10 on the Registration Books, Bonds as herein before provided.

11  
12 **ARTICLE III**

13 **DELIVERY OF SERIES B BONDS; APPLICATION OF PROCEEDS**

14  
15 **Section 3.01. Delivery of Series B Bonds.** A District Representative is hereby directed to cause the Series  
16 B Bonds to be printed, signed and sealed, and to be delivered to the Underwriter upon the County  
17 Treasurer's receipt of the purchase price therefor and upon the Underwriter's performance of the conditions  
18 imposed by the District. The Paying Agent is hereby authorized to deliver the Series B Bonds to the  
19 Underwriter, upon receipt of a Written Request of the District.

20 **Section 3.02. Application of Proceeds of Sale of Series B Bonds.** The proceeds of the Series B Bonds  
21 shall be applied on the Closing Date as follows:

22 (a) The portion of the proceeds representing the premium (if any) received on the sale of  
23 the Series B Bonds shall be deposited with the County Treasurer in the Debt Service  
24 Fund.

25 (b) All remaining proceeds received by the County Treasurer from the sale of the Series  
26 B Bonds shall be deposited in the Building Fund to be applied as set forth in Section  
27 3.03.

28 At the option of the District, a portion of the proceeds of the Series B Bonds to be used by the District to



1 pay Costs of Issuance may be deposited with the Paying Agent, as provided in Section 15146(h) of the  
2 Education Code, in order to facilitate the payment of Costs of Issuance. A District Representative is  
3 authorized to enter into an agreement with such fiscal agent to facilitate such payment. In addition or  
4 alternatively, the Bond Purchase Agreement may provide that the Underwriter is obligated to pay certain  
5 Costs of Issuance and a District Representative is authorized to review and consent to a schedule of such  
6 costs.

7 **Section 3.03. Building Fund.** The County shall establish a fund designated the “Meniffee Union School  
8 District 2018 Series B Building Fund,” into which the County Treasurer shall deposit the proceeds from the  
9 sale of the Series B Bonds, to the extent required under Section 3.02(b). The County Treasurer shall  
10 maintain separate accounting for the proceeds of the Series B Bonds, including all earnings received from  
11 the investment thereof. Amounts credited to the Building Fund for the Series B Bonds shall be expended  
12 by the District solely for the financing of projects for which the Series B Bond proceeds are authorized to  
13 be expended under the ballot proposition authorizing the issuance thereof, and for payment of Costs of  
14 Issuance. All interest and other gain arising from the investment of proceeds of the Series B Bonds shall  
15 be retained in the Building Fund and used for the purposes thereof. At the Written Request of the District  
16 filed with the County Treasurer, any amounts remaining on deposit in the Building Fund and not needed  
17 for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service  
18 Fund, to be applied to pay the Debt Service on the Series B Bonds.

19 If there remain excess amounts on deposit in the Building Fund after payment in full of the Series B Bonds,  
20 any such excess amounts shall be transferred to the general fund of the District, to be applied for the  
21 purposes for which the Series B Bonds have been authorized or otherwise in accordance with the Bond  
22 Law.

23 **Section 3.04. Security for Bonds.** The Series B Bonds are general obligations of the District, and the  
24 Board has the power to levy ad valorem taxes upon all property within the District subject to taxation  
25 without limitation of rate or amount, for the payment of the Series B Bonds and the interest, and redemption  
26 premium (if any) thereon, in accordance with and subject to Sections 15250 and Section 15252 of the  
27 Education Code.

28 The Board will levy ad valorem taxes, as provided in Section 15250 of the Education Code, so as to enable

1 the District to punctually pay, or cause to be paid, Debt Service on the Series B Bonds in conformity with  
2 the terms of the Series B Bonds and of this Resolution. Nothing herein contained prevents the District from  
3 making advances of its own moneys, howsoever derived, to any of the uses or purposes permitted by law.

4 **Section 3.05. Official Actions.** All actions heretofore taken by the officers and agents of the County with  
5 respect to the issuance and sale of the Series B Bonds are hereby approved, and the County Treasurer and  
6 all other officers of the County are hereby authorized and directed for and in the name and on behalf of the  
7 Board, to do any and all things and take any and all actions relating to the execution and delivery of any  
8 and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem  
9 necessary or advisable in order to consummate the lawful issuance, sale and delivery of the Series B Bonds  
10 in accordance with this Resolution. Whenever in this Resolution any officer of the County is authorized to  
11 execute or countersign any document or take any action, such execution, countersigning or action may be  
12 taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the  
13 case such officer is absent or unavailable.

#### 14 15 **ARTICLE IV**

#### 16 **SALE OF THE SERIES B BONDS; DEBT SERVICE FUND**

17  
18 **Section 4.01. Sale of the Series B Bonds.** In accordance with Section 53508.7 of the Bond Law and  
19 Section 15140 of the Education Code, the District has requested the Board to sell the Series B Bonds to the  
20 Underwriter through a negotiated sale. The Board hereby approves such sale of the Series B Bonds to the  
21 Underwriter pursuant to the Bond Purchase Agreement. The County Treasurer, or any designee thereof, is  
22 hereby authorized to execute and deliver the Bond Purchase Agreement substantially in the form on file  
23 with the Clerk of the Board of Supervisors, with such changes therein, deletions therefrom and  
24 modifications thereto as the County Treasurer or its designee may approve, such approval to be conclusively  
25 evidenced by the execution and delivery thereof. As provided in the District Resolution, the original  
26 principal amount of the Series B Bonds shall not exceed \$50,000,000, the true interest cost of the Series B  
27 Bonds shall not exceed 6.0% per annum, and the Underwriter's discount shall not exceed 0.85% of the  
28 aggregate principal amount of the Series B Bonds.

1 **Section 4.02. Debt Service Fund.** The County Treasurer shall create and maintain while the Series B  
2 Bonds are outstanding an interest and sinking fund for the Series B Bonds, designated the "Menifee Union  
3 School District 2018 Series B Debt Service Fund." The Debt Service Fund shall be maintained by the  
4 County Treasurer as a separate account, distinct from all other funds of the District, into which shall be paid  
5 on receipt thereof, (i) any premium received on the sale of the Series B Bonds, and (ii) the proceeds of any  
6 taxes levied under Section 3.04.

7 **Section 4.03. Disbursements From Debt Service Fund.** The Debt Service Fund shall be administered  
8 and disbursements made in the manner set forth in this Section 4.03. Amounts on deposit in the Debt  
9 Service Fund, to the extent necessary to pay Debt Service when due and payable, shall be transferred by the  
10 County Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay the amount of  
11 Debt Service coming due on the Series B Bonds. DTC will thereupon make payments of Debt Service on  
12 the Series B Bonds to the DTC Participants who will thereupon make payments of Debt Service to the  
13 beneficial owners of the Series B Bonds. Any moneys remaining in the Debt Service Fund after the Series  
14 B Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be  
15 transferred to the General Fund of the District, as provided in Section 15234 of the Education Code. As  
16 provided in Section 15232 of the Education Code, amounts in the Debt Service Fund shall also be applied  
17 to pay the expense of paying the Series B Bonds elsewhere than at the office of the County Treasurer.

18 **Section 4.04. Investment of Funds.** All moneys held in any of the funds or accounts established with the  
19 County hereunder shall be invested in any one or more investments generally permitted to school districts  
20 under the laws of the State of California, consistent with the County investment policy. Such investments  
21 shall be made under the direction and at the discretion of the County Treasurer. Obligations purchased as  
22 an investment of moneys in any fund or account shall be deemed to be part of such fund or account. All  
23 interest or gain derived from the investment of amounts in any of the funds or accounts established  
24 hereunder shall be deposited in the fund or account from which such investment was made, and shall be  
25 expended for the purposes thereof.

26 **Section 4.05. Official Actions.** All actions heretofore taken by the officers and agents of the County with  
27 respect to the sale and delivery of the Series B Bonds are hereby approved, and the County Treasurer and  
28 all other officers of the County are hereby authorized and directed for and in the name and on behalf of the

1 Board, to do any and all things and take any and all actions relating to the execution and delivery of any  
2 and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem  
3 necessary or advisable in order to consummate the lawful sale and delivery of the Series B Bonds in  
4 accordance with this Resolution.

5 **Section 4.06. No Liability of the County.** Notwithstanding anything stated to the contrary in this  
6 Resolution, (a) the Series B Bonds are not a debt of the County, including its Board, officers, officials,  
7 agents and employees, and the County, including its Board, officers, officials, agents and employees, has  
8 no obligation to repay the Series B Bonds; (b) the Board's sole responsibilities hereunder are to issue, sell  
9 and levy a tax for the repayment of the Series B Bonds, as provided in Sections 15140, 15146 and 15250,  
10 respectively, of the Education Code, and (i) neither the County, nor the Board, nor any officer, official,  
11 agent or employee of the County, shall have any obligation or liability hereunder or in connection with the  
12 transactions contemplated hereby other than as specified in said Code Sections; (ii) the Series B Bonds,  
13 including interest thereon, shall be payable solely from taxes levied by the Board under Section 15250 of  
14 the California Education Code; and (iii) the County, including its Board, officers, officials, agents and  
15 employees, shall retain all of their respective constitutional and statutory privileges, immunities, rights and  
16 defenses in carrying out their duties under this Resolution. The County makes no assurances regarding the  
17 use of the proceeds of the Bonds, and has no responsibility and assumes no liability arising from the  
18 expenditure of such proceeds by the District.

19 **Section 4.07. Limited Duties of County; Indemnification.** The County, including its Board, officers,  
20 officials, agents and employees, shall undertake only those duties of the County under this Resolution which  
21 are specifically set forth in this Resolution, and even during the continuance of an event of the District's  
22 default with respect to the repayment of the Series B Bonds, including interest thereon, no implied  
23 covenants or obligations shall be read into this Resolution against the County, including its Board, officers,  
24 officials, agents and employees. In the Bond Purchase Agreement, the District agrees to indemnify, defend  
25 and hold harmless the County, including its Board, officers, officials, agents and employees, against the  
26 payment of any and all liabilities, losses, costs and expenses (including attorneys fees and court costs),  
27 damages and claims which the County, including its Board, officers, officials, agents and employees, may  
28 incur in the exercise and performance of its or their powers and duties hereunder which are not due to its or

1 their negligence or bad faith.

2  
3 **ARTICLE V**

4 **EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS**

5  
6 **Section 5.01. Events of Default.** Any one or more of the following events constitute an “event of default”  
7 under this Resolution:

- 8 (a) default by the District in the due and punctual payment of Debt Service and premium,  
9 if any, on any Series B Bond when and as the same becomes due and payable, whether  
10 at maturity as therein expressed, by declaration or otherwise;
- 11 (b) default by the District in the observance of any of the covenants, agreements or  
12 conditions on its part contained in this Resolution, in the District Resolution or in the  
13 Series B Bonds, and the continuation of such default for a period of 30 days after  
14 written notice thereof has been given to a District Representative; or
- 15 (c) the filing by the District of a petition seeking reorganization or arrangement under the  
16 federal bankruptcy laws or any other applicable law of the United States of America,  
17 or if a court of competent jurisdiction approves a petition, seeking reorganization of  
18 the District under the federal bankruptcy laws or any other applicable law of the United  
19 States of America, or if, under the provisions of any other law for the relief or aid of  
20 debtors, any court of competent jurisdiction assumes custody or control of the District  
21 or of the whole or any substantial part of its property.

22 **Section 5.02. Remedies of Series B Bond Owners.** Upon the occurrence and during the continuation of  
23 any event of default, any Series B Bond Owner has the right, for the equal benefit and protection of all  
24 Series B Bond Owners similarly situated:

- 25 (a) by mandamus, suit, action or proceeding, to compel the District and its members, officers,  
26 agents or employees to perform each and every term, provision and covenant contained in this  
27 Resolution, in the District Resolution and in the Series B Bonds, and to require the carrying  
28 out of any or all such covenants and agreements of the District and the fulfillment of all duties

1 imposed upon it;

2 (b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or  
3 the violation of any of the Series B Bond Owners' rights; or

4 (c) by suit, action or proceeding in any court of competent jurisdiction, to require the District  
5 and its members and employees to account as if it and they were the trustees of an express trust.

6 **Section 5.03. Remedies Not Exclusive.** No remedy herein conferred upon the Owners of Series B Bonds  
7 shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in  
8 addition to every other remedy given hereunder or thereafter conferred on the Series B Bond Owners.

9 **Section 5.04. Non-Waiver.** Nothing in this Article V or in any other provision of this Resolution, or in  
10 the Series B Bonds, affects or impairs the obligation of the District, which is absolute and unconditional, to  
11 pay Debt Service on the Series B Bonds to the respective Owners of the Series B Bonds at the respective  
12 dates of maturity, as herein provided, or affect or impair the right of action against the District, which is  
13 also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment  
14 by virtue of the contract embodied in the Series B Bonds.

15 A waiver of any default by any Series B Bond Owner shall not affect any subsequent default or impair any  
16 rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Series B  
17 Bonds to exercise any right or power accruing upon any default shall impair any such right or power or  
18 shall be construed to be a waiver of any such default or an acquiescence therein, and every power and  
19 remedy conferred upon the Series B Bond Owners by this Article V may be enforced and exercised from  
20 time to time and as often as shall be deemed expedient by the Owners of the Series B Bonds.

21 If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined  
22 adversely to the Series B Bond Owners, the District and the Series B Bond Owners shall be restored to their  
23 former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

24  
25 **ARTICLE VI**

26 **AMENDMENT OF THIS RESOLUTION**

27  
28 **Section 6.01. Amendments Without Consent of the Owners.** For any one or more of the following

1 purposes and at any time or from time to time, a Supplemental Resolution of the Board may be adopted,  
2 which, without the requirement of consent of the Owners of the Series B Bonds, shall be fully effective in  
3 accordance with its terms:

- 4 (a) To add covenants and agreements of the Board in this Resolution, which are not  
5 contrary to or inconsistent with this Resolution as theretofore in effect;
- 6 (b) To add limitations and restrictions in this Resolution, other limitations and restrictions  
7 to be observed by the Board which are not contrary to or inconsistent with this  
8 Resolution as theretofore in effect;
- 9 (c) To confirm, as further assurance, any pledge of the District under this Resolution, of  
10 any moneys, securities or funds, or to establish any additional funds or accounts to be  
11 held under this Resolution;
- 12 (d) To cure any ambiguity, supply any omission, or cure or correct any defect or  
13 inconsistent provision in this Resolution; or
- 14 (e) To make such additions, deletions or modifications as may be necessary to assure the  
15 exclusion from gross income for purposes of federal income taxation of interest on the  
16 Series B Bonds.

17 The Board will adopt a Supplemental Resolution for any one or more of the foregoing purposes only at the  
18 Written Request of the District, and only if the adoption of such Supplemental Resolution is in accordance  
19 with the provisions of this Resolution.

20 **Section 6.02. Supplemental Resolutions Effective With Consent to the Owners.** Any modification or  
21 amendment of this Resolution and of the rights and obligations of the District and of the Owners of the  
22 Series B Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent of  
23 the Owners of a majority in aggregate principal amount of the Series B Bonds Outstanding at the time such  
24 consent is given. No such modification or amendment may permit a change in the terms of maturity of the  
25 principal of any Outstanding Series B Bonds or of any interest payable thereon or a reduction in the principal  
26 amount thereof or in the rate of interest thereon, or reduce the percentage of Series B Bonds the consent of  
27 the Owners of which is required to effect any such modification or amendment, or change any of the  
28 provisions in Section 5.01 hereof relating to Events of Default, or shall reduce the amount of moneys

1 pledged by the District for the repayment of the Series B Bonds without the consent of all the Owners of  
2 such Series B Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without  
3 its written assent thereto.

4  
5 **ARTICLE VII**  
6 **MISCELLANEOUS**  
7

8 **Section 7.01. Provisions Relating to Paying Agent.**

9 (a) Appointment of Paying Agent. Pursuant to the District Resolution, the District has appointed  
10 U.S. Bank National Association to act as authenticating agent, transfer agent, registrar and paying agent for  
11 the Series B Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are  
12 specifically set forth in this Resolution, and even during the continuance of an event of default with respect  
13 to the Series B Bonds, no implied covenants or obligations shall be read into this Resolution against the  
14 Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it  
15 by this Resolution by executing and delivering to the District a certificate to that effect.

16 (b) Removal and Resignation of Paying Agent. The District may remove the Paying Agent  
17 initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any  
18 such successor shall be a bank or trust company doing business and having an office in the State of  
19 California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000,  
20 and subject to supervision or examination by federal or state authority. If such bank or trust company  
21 publishes a report of condition at least annually, under law or to the requirements of any supervising or  
22 examining authority above referred to, then for the purposes of this Section 7.01 the combined capital and  
23 surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth  
24 in its most recent report of condition so published.

25 The Paying Agent may at any time resign by giving written notice to the District and the Series B Bond  
26 Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint  
27 a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and  
28 appointment of a successor Paying Agent will become effective upon acceptance of appointment by the



1 successor Paying Agent.

2 (c) Ownership of Bonds. The Paying Agent may become the owner of any of the Series B Bonds  
3 in its own or any other capacity with the same rights it would have if it were not Paying Agent.

4 (e) Limitation on Liability. The recitals of facts, covenants and agreements herein and in the  
5 Series B Bonds contained shall be taken as statements, covenants and agreements of the District, and the  
6 Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as  
7 to the validity or sufficiency of this Resolution, the Bond Resolution or of the Series B Bonds, nor shall  
8 incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent shall  
9 not be liable in connection with the performance of its duties hereunder, except for its own negligence or  
10 willful default.

11 In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and  
12 the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying  
13 Agent and conforming to the requirements of this Resolution and the Bond Resolution; but in the case of  
14 any such certificates or opinions by which any provision hereof are specifically required to be furnished to  
15 the Paying Agent, the Paying Agent shall be under a duty to examine the same to determine whether or not  
16 they conform to the requirements of the Bond Resolution.

17 The Paying Agent is not liable for any error of judgment made in good faith by a responsible officer unless  
18 it is proved that the Paying Agent was negligent in ascertaining the pertinent facts.

19 No provision of this Resolution or the District Resolution requires the Paying Agent to expend or risk its  
20 own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in  
21 the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of such  
22 funds or adequate indemnity against such risk or liability is not reasonably assured to it.

23 The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly  
24 or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or  
25 negligence on the part of any agent or attorney appointed with due care by it hereunder.

26 (f) Compensation, Indemnification. The District shall pay to the Paying Agent from time to time  
27 reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses,  
28 charges, counsel fees and other disbursements, including those of their attorneys, agents and employees,

1 incurred in and about the performance of their powers and duties under this Resolution.

2 **Section 7.02. Benefits of Resolution Limited to Parties.** Nothing in this Resolution, expressed or implied,  
3 is intended to give to any person other than the Board, the District, the Paying Agent, any bond insurer and  
4 the Owners of the Series B Bonds, any right, remedy, claim under or by reason of this Resolution. Any  
5 covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District  
6 are for the sole and exclusive benefit of the Owners of the Series B Bonds.

7 **Section 7.03. Defeasance.**

8 (a) Manner of Defeasance. Any or all of the Series B Bonds may be paid by the District in any  
9 of the following ways, provided that the District also pays or causes to be paid any other sums payable  
10 hereunder by the District:

11 (i) by paying or causing to be paid all Debt Service and premium, if any, on such Series  
12 B Bonds when due;

13 (ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the  
14 necessary amount (as provided in Section 7.03(c) hereof) to pay or redeem such Series B Bonds; or

15 (iii) by delivering such Series B Bonds to the Paying Agent for cancellation by it.

16 If the District pays all Outstanding Series B Bonds and also pays or causes to be paid all other sums  
17 payable hereunder by the District, then and in that case, at the election of the District (evidenced by  
18 a certificate of a District Representative filed with the Paying Agent, signifying the intention of the  
19 District to discharge all such indebtedness and this Resolution), and notwithstanding that any Series  
20 B Bonds have not been surrendered for payment, this Resolution and all covenants, agreements and  
21 other obligations of the District under this Resolution shall cease, terminate, become void and be  
22 completely discharged and satisfied, except only as provided in Section 7.03(b). In that event, upon  
23 request of the District, the Paying Agent shall cause an accounting for such period or periods as may  
24 be requested by the District to be prepared and filed with the District and shall execute and deliver  
25 to the District all such instruments as may be necessary to evidence such discharge and satisfaction,  
26 and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities  
27 or other property held by it under this Resolution which are not required for the payment or  
28 redemption of Series B Bonds not theretofore surrendered for such payment or redemption.

1 (b) Discharge of Liability on Series B Bonds. Upon the deposit, in trust, at or before maturity, of  
2 money or securities in the necessary amount (as provided in Section 7.03(c) hereof) to pay or redeem any  
3 Outstanding Series B Bond (whether upon or prior to its maturity or the redemption date of such Series B  
4 Bond), provided that, if such Series B Bond is to be redeemed prior to maturity, notice of such redemption  
5 is given as provided in Section 2.03(d) or provision satisfactory to the Paying Agent is made for the giving  
6 of such notice, then all liability of the District in respect of such Series B Bond shall cease and be completely  
7 discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the Debt  
8 Service and premium, if any, on such Series B Bond by the District, and the District shall remain liable for  
9 such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for  
10 such payment.

11 (c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided  
12 or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the  
13 necessary amount to pay or redeem any Series B Bonds, the money or securities so to be deposited or held  
14 may be held by the Paying Agent. Such money or securities may include money or securities held by the  
15 Paying Agent in the funds and accounts established under this Resolution and shall be:

16 (i) lawful money of the United States of America in an amount equal to the amount of  
17 Debt Service coming due on the Series B Bonds to maturity, except that, in the case of Series B  
18 Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption  
19 is given as provided in Section 2.03(d) or provision satisfactory to the Paying Agent is made for the  
20 giving of such notice, the amount to be deposited or held shall be the principal amount or redemption  
21 price of such Series B Bonds and all unpaid interest thereon to the redemption date; or

22 (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal  
23 of and interest on which when due, in the opinion of a certified public accountant delivered to the  
24 County and the District, will provide money sufficient to pay the amount of Debt Service to  
25 maturity, or to the redemption date, as the case may be, and premium, if any, on the Series B Bonds  
26 to be paid or redeemed, as such Debt Service comes due, provided that, in the case of Series B Bonds  
27 which are to be redeemed prior to the maturity thereof, notice of such redemption is given as  
28

1 provided in Section 2.03(d) or provision satisfactory to the Paying Agent is made for the giving of  
2 such notice.

3 (d) Transfer of Funds to District After Discharge of Resolution. Any moneys held by the Paying  
4 Agent in trust for the payment of the Series B Bonds and remaining unclaimed for one year after the  
5 principal of all of the Series B Bonds has become due and payable (whether at maturity or upon call for  
6 redemption), if such moneys were so held at such date, or one year after the date of deposit of such moneys  
7 if deposited after said date when all of the Series B Bonds became due and payable, shall, upon request of  
8 the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the  
9 Paying Agent with respect to such moneys shall thereupon cease; *provided, however,* that before the  
10 repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District)  
11 first mail to the Owners of all Series B Bonds which have not been paid at the addresses shown on the  
12 Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect  
13 to the Series B Bonds so payable and not presented and with respect to the provisions relating to the  
14 repayment to the District of the moneys held for the payment thereof.

15 **Section 7.04. Execution of Documents and Proof of Ownership by Bond Owners.** Any request,  
16 declaration or other instrument which this Resolution may require or permit to be executed by Series B  
17 Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Series B Bond  
18 Owners in person or by their attorneys appointed in writing.

19 Except as otherwise herein expressly provided, the fact and date of the execution by any Series B Bond  
20 Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such  
21 attorney, may be proved by the certificate of any notary public or other officer authorized to take  
22 acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing  
23 such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by  
24 an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

25 Except as otherwise herein expressly provided, the ownership of the Series B Bonds and the amount,  
26 maturity, number and date of holding the same shall be proved by the Registration Books.

27 Any request, declaration or other instrument or writing of the Owner of any Series B Bond shall bind all  
28 future Owners of such Series B Bond in respect of anything done or suffered to be done by the District, the

1 Paying Agent or a District Representative in good faith and in accordance therewith.

2 **Section 7.05. Waiver of Personal Liability.** No Board member, officer, agent or employee of the Board,  
3 the County or the District shall be individually or personally liable for the payment of Debt Service and  
4 premium, if any, on the Series B Bonds.

5 **Section 7.06. Destruction of Canceled Bonds.** Whenever in this Resolution provision is made for the  
6 surrender to the District of any Series B Bonds which have been paid or canceled under the provisions of  
7 this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the  
8 equivalent of the surrender of such canceled Series B Bonds and the District shall be entitled to rely upon  
9 any statement of fact contained in any certificate with respect to the destruction of any such Series B Bonds  
10 therein referred to.

11 **SECTION 7.07. Payment on Business Days.** Whenever in this Agreement any amount is required to be paid on  
12 a day which is not a Business Day, such payment shall be required to be made on the Business Day immediately  
13 following such day, provided that interest shall not accrue from and after such day.

14 **Section 7.08. Partial Invalidity.** If any Section, paragraph, sentence, clause or phrase of this Resolution  
15 is for any reason held illegal or unenforceable, such holding shall not affect the validity of the remaining  
16 portions of this Resolution. The Board hereby declares that it would have adopted this Resolution and each  
17 and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series  
18 B Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences,  
19 clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the  
20 judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and  
21 all of the rights and powers of the District hereunder shall be assumed by and vest in a District  
22 Representative in trust for the benefit of the Series B Bond Owners. Nothing in this Section 7.08 is intended  
23 to create, nor do the other provisions of this Resolution create, any liability or obligation of the Board or  
24 the County beyond those specifically imposed by statute, as specifically referenced in Sections 4.06 and  
25 4.07.

26 **Section 7.09. Effective Date of Resolution.** This Resolution shall take effect from and after the date of  
27 its passage and adoption.

28 \* \* \* \* \*

1 **PASSED AND ADOPTED** at a regular meeting of the Board of Supervisors of the COUNTY OF  
2 RIVERSIDE on the 6th day of November, 2018, by the following vote:

3  
4 AYES, Supervisors: Jeffries, Tavaglione, Washington, Perez and Ashley  
5 NOES, Supervisors: None  
6 ABSENT, Supervisors: None

7  
8 BOARD OF SUPERVISORS  
9 OF RIVERSIDE COUNTY

10  
11  
12 By: 

13  
14 Chairman

15  
16 ATTEST:

17  
18  
19 By: 

20 Clerk of the Board

21  
22 The foregoing is certified to be a true copy of a resolution duly  
23 adopted by said Board of Supervisors on the date therein set forth.

24 KECIA HARPER-IHEM, Clerk of said Board

25 By: 

26 Deputy

27  
28 11.06.18 3.41

§ \_\_\_\_\_  
**MENIFEE UNION SCHOOL DISTRICT**  
**(Riverside County, California)**  
**2018 GENERAL OBLIGATION BONDS, SERIES B**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2018

County of Riverside Treasurer and Tax-Collector  
4080 Lemon Street  
Riverside, California 92501

Board of Trustees  
Menifee Union School District  
29775 Haun Road  
Menifee, California 92586

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated, as Underwriter (the "**Underwriter**"), offers to enter into this Bond Purchase Agreement (this "**Purchase Agreement**") with the County of Riverside, California (the "**County**"), and the Menifee Union School District (the "**District**") which, upon 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 Agreement by the County and the District and delivery of such acceptance to the Underwriter at or prior to 11:59 p.m., California time, on the date hereof.

Capitalized terms used but not defined in this Purchase Agreement have the meanings given in the County Resolution (as defined below).

The County and the District acknowledge and agree that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction among 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 a 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 responsibility to the District or 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 on other matters), (iii) the only obligations the Underwriter has to the District and the County with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission (the "**SEC**") or the rules of the Municipal Securities Rulemaking Board (the "**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 disclosure under Rule G-17 of the MSRB.

**1. Purchase and Sale of the Bonds.**

(a) 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 principal amount of the District's general obligation bonds captioned above (the "**Bonds**").

(b) The Underwriter shall purchase the Bonds at a price of \$\_\_\_\_\_, which is equal to the \$\_\_\_\_\_ principal amount of the Bonds, plus a net original issue premium of \$\_\_\_\_\_, less an Underwriter's discount of \$\_\_\_\_\_. [In addition, the Underwriter shall retain and utilize amounts to be applied as set forth in Section 16 hereof, including payment of bond insurance premium paid directly to \_\_\_\_\_ (the "**Bond Insurer**"), as further set forth in Section 16 herein.]

**2. The Bonds.**

(a) The Bonds shall be issued as current interest bonds and shall bear interest at the rates, shall mature in the years and shall pay principal and accrued interest on the dates as set forth on Exhibit A attached to this Purchase Agreement and incorporated herein by this reference. The Bonds shall be dated their date of delivery.

(b) The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of, the resolution of the District, adopted on [October 23], 2018 (the "**District Resolution**"), the resolution of the Board of Supervisors of the County, adopted on [November 6], 2018 (the "**County Resolution**" and collectively with the District Resolution, the "**Resolutions**"), certain provisions of the California Constitution, California Government Code Sections 53506, et seq., and, to the extent applicable, the California Education Code Sections 15266(b), 15100 et seq., and 15140 et seq. (collectively, the "**Act**"), and other applicable provisions of law.

(c) Certain provisions for the optional and mandatory sinking fund redemption of the Bonds, not otherwise specified in the Resolutions, are shown in Exhibit A hereto, all as provided in the Resolutions.

(d) The Bonds shall be executed and delivered under and in accordance with this Purchase Agreement and the Resolutions. The Bonds shall be in book-entry form, shall bear CUSIP® numbers and shall be in fully-registered form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"). The Bonds shall initially be in authorized denominations of \$5,000 maturity value each or any integral multiple of \$5,000. The forms of the Bonds shall be made available to the Underwriter for purposes of inspection at least three business days prior to the Closing (as defined below).



(e) U.S. Bank National Association (the "**Paying Agent**") shall serve as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds.

**3. Use of Documents.**

(a) The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Agreement, the Official Statement (defined below) and the District Resolution, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement (except as such documents otherwise provide).

(b) The County hereby authorizes the Underwriter to use this Purchase Agreement and the County Resolution, and all information contained herein and therein and all of the documents, certificates or statements furnished by the County to the Underwriter in connection with the transactions contemplated by this Purchase Agreement (except as such documents otherwise provide).

**4. Public Offering of the Bonds.** The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields to be set forth on the inside cover page of the Official Statement and Exhibit A hereto. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as it deems necessary in connection with the marketing of the Bonds subject to Section 15 herein. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Underwriter reserves the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market; and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

**5. Preliminary and Final Official Statement; Continuing Disclosure.**

(a) The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated \_\_\_\_\_, 2018 (the "**Preliminary Official Statement**"). The District represents that it deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), yield(s) to maturity, selling compensation, aggregate principal amount, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("**Rule 15c2-12**") and consents to and ratifies the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriter.

(b) The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed to by the District and the Underwriter. The District confirms that it does not object to distribution of the Preliminary Official Statement or the Official Statement in

electronic form. A copy of the most recent Preliminary Official Statement sent to a potential purchaser shall be sent by first class mail or electronically (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

(c) The Underwriter hereby represents that it will provide, consistent with the requirements of MSRB Rule G-32, for the delivery of a copy of the Official Statement to each customer who purchases any Bonds during the underwriting period (as such term is defined in MSRB Rule G-11), and deliver a copy of the Official Statement to a national repository on or before the Closing Date (as defined below), and that it will otherwise comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and Rule 15c2-12. References herein to the Preliminary Official Statement and the final Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto.

(d) To assist the Underwriter in complying with Rule 15c2-12(b)(5), the District will undertake, under a continuing disclosure certificate (the "**Continuing Disclosure Certificate**"), to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

6. **Closing.** At 9:00 a.m., California time, on November \_\_\_\_, 2018, or at such other time or on such other date as may be mutually agreed upon by the County, the District and the Underwriter, the County and the District will deliver to the Underwriter (except as otherwise provided in the Resolutions), through the facilities of DTC utilizing DTC's FAST delivery system, or at such other place as the County, 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 Jones Hall, A Professional Law Corporation ("**Bond Counsel**") in San Francisco, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to the County, on behalf of the District. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "**Closing**" and the date on which the Closing occurs is herein called the "**Closing Date**."

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 school district duly organized and validly existing under the laws of the State of California, with the power to request the issuance of the Bonds pursuant to the Act.

(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 Agreement and the Continuing Disclosure Certificate, to adopt the District Resolution, to perform its obligations under the District Resolution and the County Resolution; and (iii) this Purchase Agreement and the Continuing Disclosure Certificate constitute valid and legally binding obligations of the District.

(c) **Consents.** Except for the actions of parties hereto, 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 execution and delivery of this Purchase Agreement or the Continuing Disclosure Certificate, the issuance, delivery or sale of the Bonds or the consummation of the other transactions 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.

(d) Internal Revenue Code. The District has covenanted to comply with the Internal Revenue Code of 1986, as amended, with respect to the Bonds and the District shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax, of the interest on the Bonds.

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Agreement, the Continuing Disclosure Certificate, the Resolutions and the Bonds, and the compliance with the provisions hereof or thereof, do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State of California or any existing law, charter, ordinance, regulation, decree, order or resolution, and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the 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 and based on the advice of Fagen, Friedman & Fulfrost LLP, District Counsel ("**District Counsel**"), no action, suit, proceeding, hearing or formal governmental investigation is pending or, to the best knowledge of the designated officers 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 officers of the District required to execute any documents, certificates or official statements in connection with the delivery of the Bonds 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 collection of taxes of the District pledged or to be pledged or available to pay the principal of and interest on the Bonds, or the pledge thereof, or, the levy of any taxes contemplated by the Resolutions; or

(iii) in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Continuing Disclosure Certificate or the Resolutions, or contesting the powers of the District or its authority with respect to the Bonds, the Resolutions, this Purchase Agreement or the Continuing Disclosure Certificate or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or

(iv) in which a final adverse decision could (a) materially adversely affect the consummation of the transactions contemplated by this Purchase Agreement or the Resolutions, (b) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California

personal income taxation, or (c) declare this Purchase Agreement or the Continuing Disclosure Certificate to be invalid or unenforceable in whole or in material part.

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

(h) Prior Continuing Disclosure Undertakings. Except as disclosed in the Preliminary Official Statement, the District has not failed to comply in all material respects with any prior undertakings under Rule 15c2-12(b)(5) within the past five years.

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

(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. At the date hereof and on the Closing Date, the Final 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 Final 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, the payment of the Bonds and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide, or arrange to provide, the following to the Auditor-Controller and the Treasurer-Tax Collector of the County, all in accordance with and to the extent required by Education Code Section 15140(c): (A) a copy of the District Resolution, (B) a copy of Exhibit A hereto, and (C) the full debt service schedule for the Bonds.

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

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

(b) Due Authorization. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to enter into this Purchase Agreement, to adopt the County Resolution, to issue and deliver the Bonds to the Underwriter on behalf of the

District and to perform its obligations under each such document or instrument; and (iii) assuming the due authorization, execution and delivery by the other parties thereto, this Purchase Agreement constitutes a valid and legally binding obligation of the County.

(c) No Conflicts. To the best knowledge of the County, the issuance of the Bonds, the execution, delivery and performance of this Purchase Agreement, the County Resolution, and the Bonds, and the compliance with the provisions hereof, do not conflict with or constitute on the part of the County a violation of or default under the Constitution of the State of California or any existing charter, ordinance, 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.

(d) Litigation. To the best knowledge of the County, as of the time of acceptance hereof, no action, suit, proceeding, hearing or formal governmental investigation is pending against the County or 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 who will be required to execute documents and certificates in connection with the delivery of the Bonds 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 or the pledge thereof contemplated by the Resolutions, or

(iii) in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement or the County Resolution or contesting the powers of the County or its authority with respect to the Bonds, the County Resolution or this Purchase Agreement; or

(iv) in which a final adverse decision could (a) result in any material adverse change in the ability to pay debt service on the Bonds, (b) materially adversely affect the operations of the County related to the transactions contemplated by this Purchase Agreement or the Resolutions or (c) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part.

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

(f) Official Statement. The information in the Official Statement in APPENDIX F — "COUNTY OF RIVERSIDE POOLED INVESTMENT FUND" and APPENDIX G — "COUNTY OF RIVERSIDE OFFICE OF THE TREASURER TAX-COLLECTOR STATEMENT OF INVESTMENT POLICY" to the best of the County's knowledge, as of the Closing, contains no 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.

(g) Certificates. Any certificates signed by an authorized officer of the County

and delivered to the Underwriter shall be deemed a representation by the County to the Underwriter, but not by the person signing the same, as to the statements made therein.

9. **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 Agreement and to take any action under this Purchase Agreement 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. The Underwriter is in compliance with MSRB Rule G-17 with respect to the District.

(c) The Underwriter has, and has had, no financial advisory relationship with the County or the District 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.

(d) The Underwriter has reasonably determined that the District's undertaking in the Continuing Disclosure Certificate to provide continuing disclosure with respect to the Bonds is sufficient to effect compliance with Rule 15c2-12.

10. **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, and at the expense of, 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 of 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 for which the Bonds were authorized and as described in the Official Statement.

(c) **Official Statement.** The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the 7th business day following the date this Purchase Agreement is signed, and in sufficient time to accompany any confirmation that requests payment from any customer, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as are accepted by the Underwriter and the District, (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto being herein called the "**Official Statement**") in such quantities (including a representative number of originally executed copies) as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the MSRB

and the District authorizes the Underwriter to file, to the extent required by applicable Securities and Exchange Commission or MSRB rule, and the Underwriter agrees to file or cause to be filed, the Official Statement with the MSRB or its designee (including the MSRB's Electronic Municipal Market Access system) or other repositories approved from time to time by the Securities and Exchange Commission (either in addition to or in lieu of the filings referred to above).

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect in any material respect the accuracy or completeness of any information set forth in the Official Statement relating to the District, until the date which is 90 days following the Closing or until such time (if earlier) as the Underwriter no longer holds any of the Bonds for sale.

(e) Amendments to Official Statement. During the period ending on the twenty-fifth day after the End of the Underwriting Period (as defined below), the District (i) will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter objects in writing or which is disapproved by the Underwriter (the Underwriter's approval of such amendment or supplement may not be unreasonably withheld); 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 immediately prepare and furnish to the Underwriter (at the expense of the District) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time such supplemental Official Statement is delivered to a purchaser, not misleading. If any such amendment or supplement of the Official Statement shall occur after the Closing Date, 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 amendment or supplement to the Official Statement. For purposes hereof, the phrase "**End of the Underwriting Period**" shall occur on the later of (a) the Closing Date or (b) when the Underwriter no longer retains an unsold balance of the Bonds. Unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the District and the Underwriter, the District may assume that the End of the Underwriting Period is the Closing Date.

**11. Division of Responsibility between District and County.** It is specifically acknowledged and agreed by and between the District and the County that the County shall have no responsibility or liability to ensure or provide compliance with those provisions of this Purchase Agreement which are to be performed solely by the District.

**12. Conditions to Closing.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the County and the District contained herein

and the performance by the County and the District of their obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Purchase Agreement are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the 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 shall be true, complete and correct in all material respects on the date of the Closing; and each of the County and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement.

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

(c) Adverse Rulings. No decision, ruling or finding may be entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, may be pending or threatened which would constitute a ground for termination of this Purchase Agreement by the Underwriter, or which contests in any way the completeness or accuracy of the Official Statement.

(d) Delivery of Documents. At or prior to the date of the Closing, the District shall deliver (or cause to be delivered) sufficient copies of the following documents, in each case dated as of the Closing Date 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 District.

(2) Reliance Letter. A reliance letter from Bond Counsel, dated the date of the Closing, to the effect that the Underwriter can rely upon the approving opinion described above.

(3) Supplemental Opinion of Bond Counsel. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter, dated as of the Closing Date, substantially to the following effect:

(i) This Purchase Agreement and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the Underwriter and the County, and each such agreement is a legally valid and binding obligation of the District enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization,



moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State.

(ii) The statements contained in the Official Statement on the cover and under the captions "INTRODUCTION", "THE BONDS," "APPLICATION OF PROCEEDS OF BONDS" and "TAX MATTERS," and in Appendix D thereto, insofar as such statements purport to describe certain provisions of the Bonds, the Resolutions or to state legal conclusions and Bond Counsel's opinion regarding the tax-exempt nature of the Bonds are accurate in all material respects.

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

(4) Disclosure Counsel Letter. A letter of James F. Anderson Law Firm, A Professional Corporation, as disclosure counsel to the District ("**Disclosure Counsel**"), addressed to the Underwriter, the County and the District, dated the Closing Date, to the effect that without passing upon or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Final Official Statement and making no representation that they have independently verified the accuracy, completeness or fairness of any such statements, based upon the information made available to them in the course of their participation in the preparation of the Final Official Statement, nothing has come to such counsel's attention which would lead them to believe that Preliminary Official Statement (except for the completion of pricing information and any other matters or terms of the Bonds relating thereto) as of its date or as of \_\_\_\_\_, 2018 or the Official Statement as of its date or as of the date hereof (except that no opinion is expressed as to any financial, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, maps, estimates, projections, assumptions or expressions of opinion, any information about feasibility, valuation, appraisals, assessed values, market absorption, real estate, ownership, environmental or archaeological matters, Appendices B, C, D, F, G, H or I thereto, or any information regarding DTC and its book-entry only system, [the Bond Insurer, Bond Insurance] and the investment policies of the County, as to which no opinion need be expressed) 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.

(5) Certificate of the District. A certificate signed by an appropriate official of the District to the effect that:

(i) such officials are authorized to execute this Purchase Agreement and the Continuing Disclosure Certificate;

(ii) the representations, agreements and warranties of the District in this Purchase Agreement are true and correct in all material respects as of the date of Closing;

(iii) the District has complied with all the terms of the District Resolution, the County Resolution and this Purchase Agreement to be complied with by the

District prior to or concurrently with the Closing and such documents are in full force and effect;

(iv) the District has reviewed the Preliminary Official Statement and the Official Statement and on such basis certifies that the Preliminary Official Statement as of its date did not, and the Official Statement as of its date and as of the Closing Date does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, excepting therefrom those sections of the Official Statement describing [Bond Insurance, the Bond Insurer], DTC and its Book-Entry-Only System, the investment policies of the County and any other information provided by the County; and

(v) 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 light of the circumstances in which they were made not misleading.

(6) Certificate of the County. A certificate signed by appropriate officials of the County to the effect that:

(i) such officials are authorized to execute this Purchase Agreement;

(ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing;

(iii) the County has complied with all the terms of the County Resolution and this Purchase Agreement to be complied with by the County prior to or concurrently with the Closing and such documents are in full force and effect; and

(iv) to the best of its knowledge, as of the Closing, the information set forth in Appendix F to the Preliminary Official Statement and the Official Statement, describing the Riverside County Investment Pool, does not contain any untrue statements of a material fact concerning the County, or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances in which they were made, not misleading.

(7) Arbitrage. A non-arbitrage (tax) certificate of the District in a form satisfactory to Bond Counsel.

(8) District Resolution. A certificate, together with fully executed copies of the District Resolution, of the Clerk of the District's Governing Board 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.

(9) County Resolution. An original adopted County Resolution or a certificate, together with fully executed copies of the County Resolution, of the Executive Officer-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) the County 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.

(10) District Counsel Opinion. An opinion of Counsel to the District in the form attached as Exhibit B.

(11) County Counsel Opinion. An opinion of Counsel to the County in substantially the form attached hereto as Exhibit C.

(12) Underwriter's Counsel Opinion. An opinion dated the Closing Date, addressed to the Underwriter, of Kutak Rock LLP, counsel to the Underwriter ("Underwriter's Counsel"), in form and substance satisfactory to the Underwriter.

(13) 15c2-12 Certificate. A certificate of the appropriate official of the District evidencing his or her determinations respecting the Preliminary Official Statement in accordance with Rule 15c2-12.

(14) Continuing Disclosure Certificate. An execution copy of the Continuing Disclosure Certificate of the District in substantially the form attached as an appendix to the Preliminary Official Statement.

(15) Underwriter's Certifications. At or before Closing, and contemporaneously with the acceptance of delivery of the Bonds and the payment of the purchase price thereof, the underwriter will provide (or cause to be provided) to the District:

(i) the receipt of the Underwriter, in form satisfactory to the County and the District and signed by an authorized officer of the Underwriter, confirming delivery of the Bonds to the Underwriter, receipt of all documents required by the Underwriter, and the satisfaction of all conditions and terms of this Purchase Agreement by the County and the District, respectively, and confirming to the County and the District that as of the Closing Date all of the representations of the Underwriter contained in this Purchase Agreement are true, complete and correct in all material respects; and

(ii) the certification of the Underwriter in substantially the form attached as Exhibit D.

(16) [Municipal Bond Insurance]. Evidence satisfactory to the Underwriter that the payment of the Bonds shall have been insured by a policy of municipal bond insurance ("**Bond Insurance**") by the Bond Insurer that unconditionally guarantees the timely payments of the debt service on the Bonds].

(17) [Bond Insurer's Certificate]. A certified copy of a certificate of the Bond Insurer in form and substance satisfactory to Bond Counsel and the Underwriter].

(18) [Bond Insurer's Counsel Opinion]. An opinion dated the Closing Date, addressed to the Underwriter, of Counsel to the Bond Insurer in form and substance satisfactory to Bond Counsel and the Underwriter].

(19) Rating(s). Evidence satisfactory to the Underwriter that the Bonds have been rated the rating(s) set forth in the Official Statement and evidence that none of such rating(s) have been revoked or downgraded.

(20) Letter of Representations. A copy of the signed Blanket Letter of Representations as filed with DTC.

(21) Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing.

(22) CDIAC Statements. A copy of the filings with the California Debt and Investment Advisory Commission pursuant to the applicable provisions of the California Government Code.

(23) 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 (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 County and the District.

If the County or the District are unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations are terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled 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 facsimile, 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.

### **13. Underwriter's Right to Terminate.**

(a) 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 provided in Section 6 hereof, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 16 hereof.

(b) In addition, the Underwriter has the right to terminate this Purchase Agreement, without liability therefor, by notification to the District if at any time at or prior to the Closing, upon the occurrence of any of the following events:

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States or a member of the President's Cabinet, or a decision rendered by a court established under Article III of the Constitution of the United States

or by the United States Tax Court, or any order, ruling, regulation (final, temporary or proposed) or official statement issued or made 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;

(2) an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

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

(4) the declaration of war or engagement in major military hostilities by the United States or the occurrence of any other national emergency or calamity relating to the effective operation of the government or the financial community in the United States;

(5) the declaration of a general banking moratorium by federal, New York or California authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(6) 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;

(7) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, 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, 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;

(8) the withdrawal or downgrading or placement on credit watch of any rating of the District's outstanding indebtedness by a national rating agency or any rating of the Bond Insurer is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency;

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

(10) 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 taxes to pay principal of, or interest on the Bonds;

(11) 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;

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

(13) the commencement or threat against the District or the County of any action, suit, proceeding, hearing or formal governmental investigation described in Sections 7(f) or 8(d).

14. **Conditions to Obligations of the County and the District.** The performance by the County and the District of their respective obligations under this Purchase Agreement 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 District.

15. **Establishment of Issue Price.**

(a) The Underwriter agrees to assist the District 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 Exhibit D, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel (defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Exhibit A attached hereto, the 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. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to 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 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 Closing Date has occurred, until either (i) the Underwriter has sold

all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the "**initial offering price**"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow 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:

(1) the close of the fifth (5th) business day after the sale date; or

(2) 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 will advise the District promptly after the close of the fifth (5th) business day after the sale date whether 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.

(d) The Underwriter confirms that:

i. any selling group agreement and any third-party 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 third-party distribution agreement, as applicable:

(A) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter

participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

ii. any selling group 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 that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The District acknowledges that, in making the representation set forth in this section, 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 requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party 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 requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) 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 third-party 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) more than 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 Agreement by all parties.

#### **16. Expenses and Other Matters.**

(a) [The Underwriter shall pay \$ \_\_\_\_\_ directly to the Bond Insurer for the Bond Insurance premium, such amount derived from original issue premium retained and utilized by the Underwriter for this purpose at the direction of the District.] The District shall pay from the proceeds of the Bonds the other costs and expenses incurred in the issuance and sale of the Bonds, as described in subsection (b) below in an aggregate amount estimated at \$ \_\_\_\_\_. The District directs the Underwriter to pay to U.S. Bank National Association, as custodian pursuant to a custodian agreement between the District and U.S. Bank National Association, \$ \_\_\_\_\_ from the net proceeds of the Bonds which the District anticipates to use for such purposes. If the proceeds allocated to such purpose exceed the costs of issuance, such excess amount shall be paid over to the County, on behalf of the District, for deposit in the Debt Service Fund for the Bonds established pursuant to the County Resolution. If the costs of issuance exceed the bond proceeds allocated to such purpose, such excess costs of issuance shall be paid by the District as set forth in Section 16(d), below.

(b) Costs of issuance of the Bonds include, but are not limited to, the following: (i) the cost of the preparation and reproduction of the Resolutions; (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel, District Counsel, Financial Advisor and other consultants to the District; (iii) the cost of the preparation and delivery of the Bonds; (iv) the fees, if any, for bond ratings, including all necessary travel expenses; (v) the cost of the printing and distributing the Preliminary Official Statement and the Official Statement; (vi) the initial fees, if any, of the Paying Agent; (vii) the fees and expenses of the County with respect to its participation in the issuance of the Bonds; and (viii) the premium for the Bond Insurance insuring payment of the Bonds; provided that the Bond Insurance premium is to be paid from original issue premium directly by the Underwriter as described above.

(c) All out-of-pocket expenses of the Underwriter, including, without limitation, the fees and expenses of Underwriter's Counsel, the California Debt and Investment Advisory Commission fee, travel and other expenses (except as provided above), shall be paid by the Underwriter. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an

expense of the transaction and included in the expense component of the Underwriter's discount.

(d) The District shall pay any expenses incident to the performance of its obligations hereunder from the proceeds of the Bonds. The District and the Underwriter intend that the District will pay all expenses of the District's employees that are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation and lodging of those employees, and the District shall reimburse the Underwriter if the Underwriter pays for any of such expenses on behalf of the District, provided a written invoice for such is timely presented.

(e) Notices. Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing as follows:

If to the County:       Treasurer and Tax Collector of the County of Riverside  
4080 Lemon Street  
Riverside, CA 92501  
Attn: Don Kent

If to the District:     Assistant Superintendent, Business Services  
Menifee Union School District  
29775 Haun Road  
Menifee, CA 92586

If to the Underwriter: Stifel, Nicolaus & Company, Incorporated  
515 South Figueroa Street, Suite 1800  
Los Angeles, CA 90071  
Attn: Dawn Vincent, Managing Director

Notices may be given by personal or courier delivery, registered or certified mail, facsimile transmission or electronic communication, provided that delivery by facsimile transmission or electronic communication must be confirmed by the sender.

**17. Parties in Interest; Survival of Representations and Warranties.**

(a) This Purchase Agreement when accepted by the County and the District in writing as set forth above, shall constitute the entire agreement among the County, the District and the Underwriter. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). The term "successor" shall not include any owner of any Bonds merely by virtue of such holding. No person shall acquire or have any rights hereunder or by virtue hereof

(b) All representations, warranties and agreements of the County and the District in this Purchase Agreement shall survive regardless of (i) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, and (ii) delivery of and payment by the Underwriter for the Bonds hereunder.

18. **Severability.** If any provision of this Purchase Agreement is held to be invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

19. **Execution in Counterparts.** The Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute but one and the same document.

20. **Nonassignment.** Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior consent of the other party hereto.

21. **Entire Agreement.** This Purchase Agreement, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto, including their permitted successors and assigns, respectively

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;  
EXECUTION PAGE FOLLOWS]

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

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

By \_\_\_\_\_  
Managing Director

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

**COUNTY OF RIVERSIDE**

By: \_\_\_\_\_  
Don Kent  
Treasurer and Tax Collector

ACCEPTED at \_\_\_\_\_ p.m. Pacific Time

**MENIFEE UNION SCHOOL DISTRICT**

By: \_\_\_\_\_  
Authorized Officer

ACCEPTED at \_\_\_\_\_ p.m. Pacific Time

**EXHIBIT A**

**\$ \_\_\_\_\_**

**MENIFEE UNION SCHOOL DISTRICT  
(Riverside County, California)  
2018 GENERAL OBLIGATION BONDS, SERIES B**

**MATURITY SCHEDULE**

<b><u>Maturity (August 1)</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>	<b><u>10% Test Used</u></b>	<b><u>HTP Rule Used</u></b>
	\$	%	%	%		

<sup>(1)</sup> Term Bond.

<sup>(c)</sup> Priced to first par call date of August 1, 20[ ].

**EXHIBIT B**

**FORM OF DISTRICT COUNSEL OPINION**

**[Closing Date]**

Board of Trustees of the  
Menifee Union School District  
29775 Haun Road  
Menifee, CA 92586

Stifel, Nicolaus & Company, Incorporated  
515 South Figueroa Street, Suite 1800  
Los Angeles, CA 90071

Re: \$ \_\_\_\_\_ Menifee Union School District  
2018 General Obligation Bonds, Series B  
Opinion of District Counsel

Ladies and Gentlemen:

We have acted as District Counsel for the Menifee Union School District ("District") in connection with the proceedings for the issuance and sale by the District of \$ \_\_\_\_\_ principal amount of Menifee Union School District 2018 General Obligation Bonds, Series B ("Bonds"). The Bonds are being issued pursuant to a Resolution of the Board of Trustees of the District, adopted on October 23, 2018 ("District Resolution"), and a resolution adopted by the Board of Supervisors of the County of Riverside ("County"), adopted on November 6, 2018 ("County Resolution" and, collectively with the District Resolution, the "Bond Resolution"), in accordance with the provisions of the California Constitution, the statutory authority set forth in Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the State of California Government Code, commencing with Section 53506, California Education Code Sections 15264, 15266(b), and, as applicable, the provisions of Title 1, Division 1, Part 10, Chapters 1 and 2 of the California Education Code, commencing with Section 15100 and related California law.

This letter is delivered to you pursuant to Section 12(d)(10) of the Bond Purchase Agreement for the Bonds dated \_\_\_\_\_, 2018 ("Purchase Agreement"), entered into by and among the District, the County and Stifel, Nicolaus & Company, Incorporated ("Underwriter").

Capitalized terms used herein and not otherwise defined herein shall have the meaning(s) given such term(s) in the Purchase Agreement.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. As to questions of fact material to our opinions, we have relied upon the documents and matters referred to herein, and we have not undertaken by independent investigation to verify the

authenticity of signatures or the accuracy of the factual matters represented, warranted or certified therein. Whenever our opinion herein is qualified by the phrase "to the best of our knowledge," it is intended to indicate that in the course of our representation of the District in connection with the issuance, sale and delivery of the Bonds, no information has come to the attention of the lawyers in our firm which would give them current actual knowledge (as distinguished from constructive or inquiry knowledge) of the existence of such fact. In making our examination of the documents referenced herein, we have assumed that each party to one or more of the documents referenced herein, other than the District, has the power to enter into and perform its obligations thereunder, has duly authorized, executed and delivered such documents, and that such documents constitute the legal, valid and binding obligations of such party. Furthermore, we have assumed all compliance with all covenants contained in the Resolutions and in certain other documents. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum or waiver provisions contained in the documents described herein. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

As District Counsel, we have examined a record of the proceedings in connection with the execution and delivery of the Bonds, including, without limitation, the following:

- (i) the proceedings relating to the call and conduct of the general obligation bond election conducted on November 8, 2016, within the boundaries of the District ("Election");
- (ii) the District Resolution;
- (iii) the County Resolution;
- (iv) the Purchase Agreement;
- (v) the Continuing Disclosure Certificate executed and delivered by the District with respect to the Bonds, dated the date hereof ("Continuing Disclosure Certificate"); and
- (vi) such other documents, including, but not limited to, certificates of the District and the County delivered in connection with the issuance of the Bonds, as we have deemed necessary to render the opinions set forth below.

In connection with the opinions expressed herein, we have assumed, without investigation: (i) the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of all documents submitted to us as certified or photostatic copies and the authenticity of the originals from which such copies were made, and (ii) the truth and accuracy of the representations, covenants and warranties made by the District in the District Resolution.

With regard to the opinion expressed in paragraph (3) below, we have conducted a search for existing civil actions as against the District, which has consisted of electronic searches of records within the Riverside County Superior Court, the Federal District Court with jurisdiction over the boundaries of the District and an electronic search for any such civil proceedings. We have also expressly relied upon the factual representations made to us by the District as to such

matters. With respect to the provision of such opinion, we have presumed that the District maintains normal and customary liability insurance, insurance coverage or equivalent self-insurance, and requires normal and customary liability coverage to be carried or provided by its contractors and consultants, with respect to the protection of the District's financial position. This opinion may be affected by actions or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether (or not) any such actions or events occur.

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

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

It is to be understood that the rights and obligations of the District under the Bond Resolution and related documents are subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and remedies heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to exercise of judicial discretion in appropriate cases and to limitations on legal remedies against school districts in the State of California ("State") and to the application of equitable principles.

Based on and subject to the foregoing, and in reliance thereon and our consideration of such questions of law as we have deemed relevant to the circumstances, and under existing law, we are of the following opinions:

1. The District is a public school district duly organized and existing under the Constitution and the laws of the State;
2. The District Resolution was duly adopted at a meeting of the Board of Trustees of the District which was called and held pursuant to law and with all public notice required by law and, in each case, at which a quorum was present and acting throughout and which has not been modified, amended or rescinded and remains in full force and effect as of the date hereof;
3. To the best of our knowledge, based on the litigation search and other informational sources referenced herein, 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 District (i) impacting the existence of the District or the titles of its officers to their respective offices, (ii) which would materially adversely impact the District'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 pledged for the repayment of the Bonds or in any way contesting or affecting the validity of the Election, the Purchase Agreement, the Bond Resolution,



the Bonds or the transaction, described in and contemplated by the Official Statement wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the Election, the Purchase Agreement, the Bond Resolution or the Bonds or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, or (iii) contesting the status of the interest on the Bonds as excludable from gross income for federal income tax purpose or as exempt from any applicable State tax, in each case as described in the Official Statement;

4. To the best of our knowledge, the obligations of the District under the Bonds, and the approval of the Official Statement and compliance with the provisions thereof, and the execution of and performance of the provisions of the Purchase Agreement and the Continuing Disclosure Certificate, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District a breach of or default under any agreement or other instrument to which the District is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the District is subject;

5. The Election was validly ordered and, to the best of our knowledge, the proceedings relating thereto were conducted in compliance with all requirements of the Constitution and the laws of the State; and

6. No authorization, approval, consent, or other order of the State, or other governmental authority or agency within the State, is required, other than any which have been obtained or secured, for the valid authorization of the Bonds, the execution of the Purchase Agreement or the Continuing Disclosure Certificate by the District or the approval of the Official Statement.

We express no opinion with respect to the effect of laws, other than the laws and regulations of the State in full force and effect on the date hereof upon any matter set forth in this opinion.

We have not undertaken any duty and expressly disclaim any responsibility to advise you as to events occurring after the date hereof with respect to the Bonds. We have not undertaken any duty and expressly disclaim any responsibility to supplement or update this opinion letter nor to advise you or any other party if there is a change in law or facts or new facts come to our attention subsequent to the date hereof which may affect the opinions expressed above and/or which may cause us to amend any portion of this opinion letter in full or in part. Furthermore, future acts or omissions of the parties may serve to modify, alter or change the circumstances under which this opinion letter was prepared and upon which the opinions herein were rendered. We have not undertaken to determine, or to inform any person, whether (or not) any such actions or events occur. Also, actions, conduct or omissions by a party may create a situation of waiver, estoppel or novation which would supplant the opinions set forth in this opinion letter.

The opinions expressed herein are based on the facts (as we know, believe or have assumed them to be) and law as in effect on the date of this opinion and, as such, this opinion shall be effective only as of the date of this letter. This opinion is limited to the matters expressly set forth above, and no opinion is implied or may be inferred beyond the matters expressly so stated. We bring to your attention the fact that our legal opinions are an expression of professional judgment and are not a guarantee of a result. No attorney-client relationship has

existed or exists between our firm and the Underwriter, and in connection with the authorization, issuance and delivery of the Bonds or related matters thereto. This opinion is issued with all the exclusions and limitations set forth herein. This letter is not to be used, circulated, quoted, or otherwise referred to by you for any other purpose whatsoever or delivered to any other person without our prior written consent; provided, however, that a copy of this letter may be included in the transcript of documents prepared in connection with the issuance and sale of the Bonds.

Very truly yours,

**EXHIBIT C**

**FORM OF OPINION OF COUNTY COUNSEL**

Board of Supervisors  
County of Riverside Treasurer and Tax-Collector  
4080 Lemon Street  
Riverside, California 92501

Board of Trustees of the  
Menifee Union School District  
29775 Haun Road  
Menifee, CA 92586

Stifel, Nicolaus & Company, Incorporated  
515 South Figueroa Street, Suite 1800  
Los Angeles, California 90071

Re:     \$ \_\_\_\_\_ Menifee Union School District  
          (Riverside County, California)  
          2018 General Obligation Bonds, Series B

Dear Ladies and Gentlemen:

This opinion is rendered and delivered in connection with the issuance by the Board of Supervisors of the County of Riverside (the "County") on behalf of the Menifee Union School District (the "District") of the bonds designated "\$ \_\_\_\_\_ Menifee Union School District, 2018 General Obligation Bonds, Series B" (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County of Riverside, California, adopted on November 6, 2018 (the "County Resolution"), at the request of the District made pursuant to a resolution adopted on October 23, 2018, by the Board of Trustees of the District (the "District Resolution").

In rendering this opinion, we have examined the County Resolution, the Bond Purchase Agreement dated \_\_\_\_\_, 2018 (the "Purchase Agreement"), among the District, the County and Stifel, Nicolaus & Company, Incorporated, as Underwriter, 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 validly existing under the Constitution and the laws of the State of California.
  
2.     The County Resolution approving and authorizing the execution, sale and delivery of the Purchase Agreement and the issuance of the Bonds 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 at the time of adoption and

has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof.

3. To the best of our knowledge, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending in which service of process has been completed or threatened against the County (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution of the Purchase Agreement or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the Purchase Agreement or the County Resolution; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Resolution or the Purchase Agreement; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds.

4. The Purchase Agreement has been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, the Purchase Agreement will constitute the legal, valid and binding agreement of the County enforceable against the County in accordance with its terms.

With respect to the opinions we have expressed above, enforcement of the rights and obligations under the County Resolution, the Purchase Agreement and the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles if equitable remedies are sought and by limitations on legal remedies imposed in actions against public entities in the State. We express no opinion as to the availability of equitable remedies in connection with enforcement of the County Resolution, the Purchase Agreement or the Bonds.

County Counsel, County of  
Riverside, California

By: \_\_\_\_\_

[Principal Deputy County Counsel]  
Government Services Division

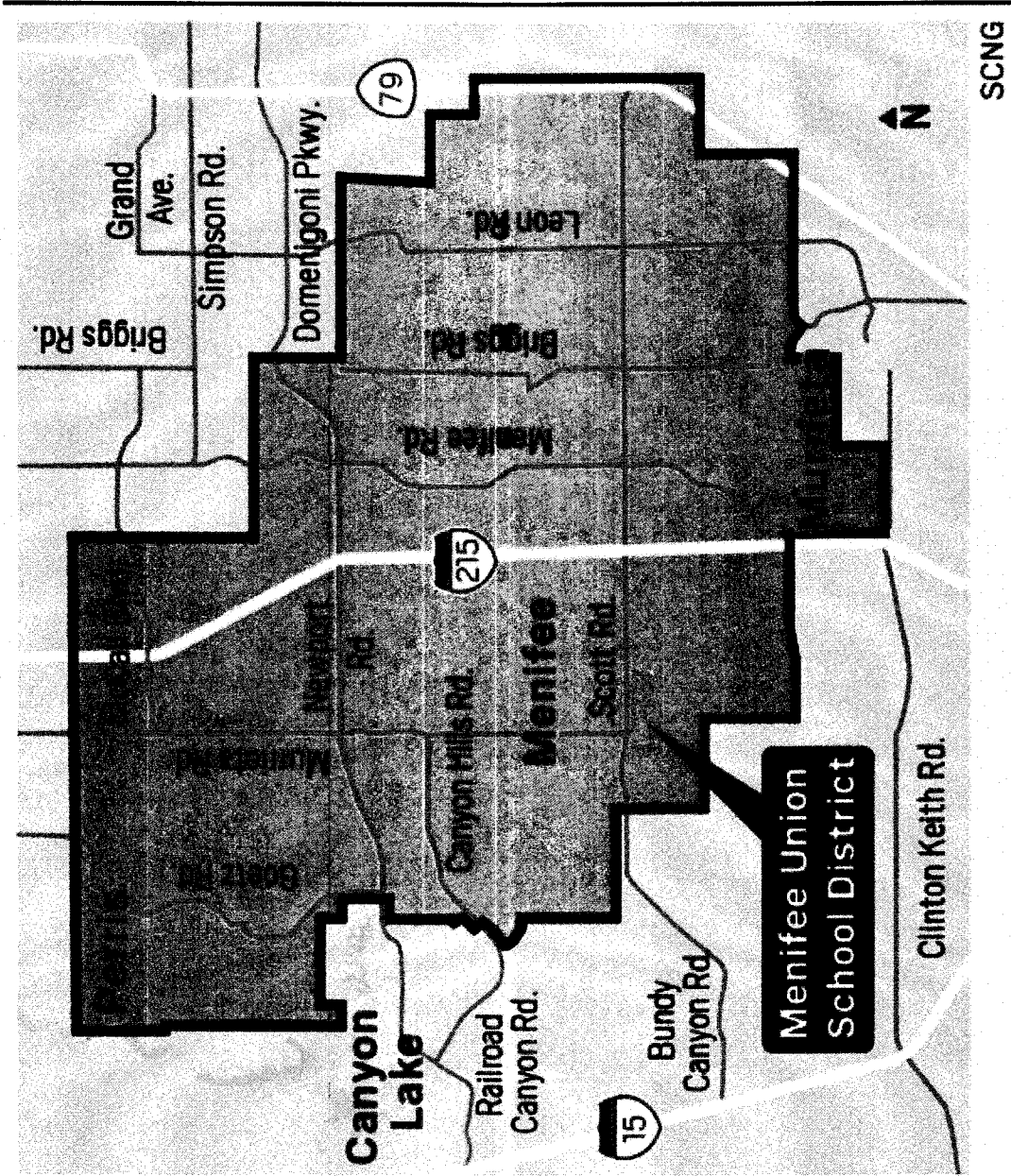
**EXHIBIT D**

**FORM OF UNDERWRITER ISSUE PRICE CERTIFICATE**

**§  
MENIFEE UNION SCHOOL DISTRICT  
(Riverside County, California)  
2018 GENERAL OBLIGATION BONDS, SERIES B**

**ISSUE PRICE CERTIFICATE**

**[TO COME FROM BOND COUNSEL]**

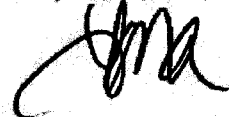


SCNG

APPROVED BY  
THE GOVERNING BOARD

DATE

10/23/18



RESOLUTION NO. 2019-48

**RESOLUTION OF THE GOVERNING BOARD OF THE  
MENIFEE UNION SCHOOL DISTRICT AUTHORIZING THE ISSUANCE  
AND SALE OF ITS 2018 GENERAL OBLIGATION BONDS, SERIES B,  
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED  
\$50,000,000, AND REQUESTING THE BOARD OF SUPERVISORS  
OF RIVERSIDE COUNTY TO SELL THE BONDS ON BEHALF  
OF THE DISTRICT**

**WHEREAS**, an election was duly and regularly held in the Menifee Union School District (the "District") on November 8, 2016, under the procedures specified in Proposition 39 (Article XIII A Section 1 paragraph (b) of the California Constitution, for the purpose of submitting Measure Q (the "Bond Measure") to the qualified electors of the District, authorizing the issuance of general obligation bonds in the aggregate principal amount of \$135,000,000 (the "Bonds"), and more than 55% of the votes cast were in favor of the issuance of the Bonds; and

**WHEREAS**, the Governing Board of the District (the "Board") is authorized to provide for the issuance and sale of any series of Bonds under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), provided that pursuant to Section 53508.7 of the Bond Law, the negotiated sale of any series of Bonds may be sold by the Board of Supervisors of the County of Riverside (the "County") pursuant to Sections 15140 or 15146 of the Education Code of the State of California (the "Education Code"); and

**WHEREAS**, under the authority of the Bond Measure, on June 8, 2017, the District issued its 2017 General Obligation Bonds, Series A, in the aggregate principal amount of \$23,395,000, for the purpose of financing the acquisition and construction of school facilities approved by voters pursuant to the Bond Measure; and

**WHEREAS**, the Board of the District wishes at this time to institute proceedings for the issuance and sale of a second series of Bonds in an aggregate principal amount not to exceed \$50,000,000, and to request that such series of Bonds be sold by the County in accordance with the Education Code; and

**WHEREAS**, in accordance with California Government Code Section 5852.1, the Board has obtained and disclosed the information set forth in Appendix A hereto;

**NOW, THEREFORE, BE IT RESOLVED** by the Governing Board of the Menifee Union School District as follows:

**Section 1. Authorization and Terms of Series B Bonds.** The Board hereby authorizes the issuance of a series of Bonds to be designated the "Menifee Union School District (Riverside County, California) 2018 General Obligation Bonds, Series B" (or such other designation as may be approved by the Superintendent) in an aggregate principal amount not to exceed \$50,000,000 (the "Series B Bonds"). The Series B Bonds shall be issued under the Bond Law. The Superintendent, the Assistant Superintendent, Business and the Director of Fiscal Services of the District (each, an "Authorized Officer") are each hereby authorized and directed to determine the exact principal amount of the Bonds that the Board of Supervisors is requested to issue and sell, and to confirm such principal amount in written notice to the County.

**Section 2. Request to County to Sell Bonds.** In accordance with Section 15140 of the Education Code, the Governing Board hereby requests the Board of Supervisors of the County to sell the Series B Bonds in the name and on behalf of the District. Proceeds of the Series B Bonds shall be expended by the District for purposes authorized under the Bond Measure.

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

**Section 4. Sale of the Series B Bonds.** The Board hereby requests the County to authorize the issuance of the Series B Bonds through a negotiated sale with Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), under a bond purchase agreement among the Underwriter, the County and the District, in substantially the form on file with the Clerk of the Board (the "Bond Purchase Agreement"), together with any additions thereto or changes therein approved by an Authorized Officer, whose execution thereof shall be conclusive evidence of approval of any such additions or modifications; provided, however, that the original principal amount of the Bonds shall not exceed \$50,000,000, the amount of Underwriter's discount for the Bonds shall not exceed 0.85% of the principal amount thereof, and the true interest rate of the Bonds shall not exceed 6.0% per annum. The Board hereby authorizes and directs the execution and delivery of the Bond Purchase Agreement by an Authorized Officer on behalf of the District.

In accordance with Section 53508.9 of the Bond Law and Section 15146 of the Education Code of California, the Board hereby requests the County to sell the Series B Bonds at negotiated sale for the following reasons: (i) the Underwriter is familiar with the financial condition and operations of the District, and (ii) a negotiated sale provides more flexibility to choose the time and date of the sale which is advantageous in a volatile municipal bond market.

**Section 5. Security for the Series B Bonds.** The Series B Bonds shall be general obligations of the District, payable solely from the levy of ad valorem taxes upon all property within the District subject to taxation, without limitation of rate or amount (except for certain personal property which is taxable at limited rates), in accordance with Sections 15250 and Section 15252 of the Education Code. The District hereby requests the County to levy such ad valorem taxes for the payment of the Series B Bonds and the interest thereon, without limitation as to rate or amount.

**Section 6. Estimated Financing Costs.** Cooperative Strategies, LLC, has previously been engaged as municipal advisor to the District, Jones Hall, A Professional Law Corporation, has previously been engaged as bond counsel to the District, James F. Anderson Law Firm has previously been engaged as disclosure counsel to the District, and Fagen, Friedman & Fulfroft LLP, has previously been engaged as general counsel to the District. The estimated costs of issuance associated with the bond sale are \$205,000, which includes the municipal advisor fees and expenses, bond counsel, disclosure counsel and district counsel fees and expenses, costs of printing the Official Statement related to the Series B Bonds (the "Official Statement"), bond insurance premium (if any), County fees and expenses, rating agency fees and paying agent fees, but which do not include underwriting fees.



## **Section 7. Tax Covenants.**

(a) **Generally.** The District shall not take any action or permit to be taken any action within its control that would cause or which, with the passage of time if not cured would cause, interest on the Series B Bonds to become includable in gross income for federal income tax purposes.

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

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

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

(e) **Rebate of Excess Investment Earnings to United States.** The District shall calculate or cause to be calculated excess investment earnings with respect to the Series B Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, and shall pay the full amount of such excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, if and to the extent such Section 148(f) is applicable to the Series B Bonds. Such payments shall be made by the District from any source of legally available funds of the District. The District shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Series B Bonds, records of the determinations made under this subsection (e). In order to provide for the administration of this subsection (e), the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District deems appropriate.

**Section 8. Approval of Official Statement.** The Board hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934 (the "Rule"), the preliminary Official Statement describing the Series B Bonds in the form on file with the Clerk of the Board. An Authorized Officer is hereby authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Board's determination that the preliminary Official Statement has been deemed nearly final within the meaning of the Rule. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Board hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed in the name and on behalf of the District by an Authorized Officer.

**Section 9. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, in the form on file with the Clerk of the Board, to be executed by the District and dated the Closing Date.

**Section 10. Appointment of Paying Agent.** The District hereby appoints U.S. Bank National Association to act as authenticating agent, transfer agent, registrar and paying agent for the Series B Bonds (the "Paying Agent"). The Paying Agent shall perform such duties as are imposed on it under the County Resolution.

**Section 11. Findings.** The Board hereby finds and determines that all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of the Series B Bonds is within all limits prescribed by law.

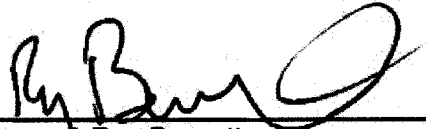
**Section 12. Official Actions.** The President of the Board, the Clerk of the Board, the Superintendent, the Assistant Superintendent, Business, the Assistant Superintendent, Personnel, the Director of Fiscal Services, and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series B Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 13. Effective Date of Resolution.** This Resolution shall take effect from and after the date of its passage and adoption.

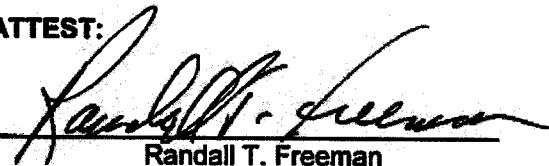
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ADOPTED, SIGNED AND APPROVED this 23rd day of October, 2018.

**MENIFEE UNION SCHOOL DISTRICT**

By:   
Reg Bennett  
Vice-President of the Board

**ATTEST:**

  
Randall T. Freeman  
Clerk of the Board

STATE OF CALIFORNIA )  
 ) SS  
COUNTY OF RIVERSIDE )

I, Randall T. Freeman, Clerk of the Governing Board of the Menifee Union School District, do hereby certify that the foregoing Resolution was duly and regularly adopted by the Governing Board of said District at a regular meeting thereof held on the 23rd day of October, 2018, and that it was so adopted by the following vote.

AYES: 4  
NOES: 0  
ABSENT: 1  
ABSTAIN: 0

By:   
Randall T. Freeman  
Clerk of the Board

## **APPENDIX A**

### **Government Code Section 5852.1 Disclosure**

The following information consists of estimates that have been provided by the underwriter and municipal advisor, in good faith:

- (A) True interest cost of the Bonds: 4.02%
- (B) Finance charge of the Bonds (sum of all costs of issuance and fees/charges paid to third parties, including the Underwriter's discount): \$438,525
- (C) Net proceeds to be received (net of finance charges, reserves and capitalized interest, if any): \$46,500,000
- (D) Total payment amount through maturity: \$88,190,289

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a 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.

PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2018

**NEW ISSUE – FULL BOOK-ENTRY**

Rating: Moody's: \_\_\_\_\_  
(See "RATING" herein.)

*In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" herein regarding certain other tax considerations.*

**[\$[Principal Amount] \*  
MENIFEE UNION SCHOOL DISTRICT  
(Riverside County, California)  
2018 GENERAL OBLIGATION BONDS, SERIES B**

**Dated: Date of Delivery**

**Due: August 1, as shown on the inside cover**

The Meniffee Union School District (Riverside County, California) 2018 General Obligation Bonds, Series B (the "Bonds") in the aggregate principal amount of \$[Principal Amount] are being issued by the County of Riverside (the "County"), on behalf of the Meniffee Union School District (the "District") (i) to finance the acquisition and construction of eligible school facilities, (ii) to fund a deposit to the Debt Service Fund (as defined herein) to pay interest on the Bonds for a period of time, and (iii) to pay certain costs of issuing the Bonds. On November 8, 2016, more than the requisite 55% of District voters approved the election to authorize up to \$135,000,000 principal amount of general obligation bonds of the District (the "2016 Authorization"). On June 8, 2017, the County, on behalf of the District, issued \$23,395,000 of 2017 General Obligation Bonds, Series A (the first series of bonds issued pursuant to the 2016 Authorization). The County, on behalf of the District, will issue the second series of bonds pursuant to the 2016 Authorization, leaving \$[ ] of the 2016 Authorization authorized but unissued.

The Bonds are general obligation bonds of the District, payable solely from *ad valorem* property taxes to be levied on all taxable property with the District pursuant to the State Constitution and other State law. The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* taxes upon taxable property subject to taxation, without limitation of rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds. See "THE BONDS – Security" herein.

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 (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interests in the Bonds. Interest accrues from their date of issuance and is payable semiannually by check or draft mailed on February 1 and August 1 of each year, commencing February 1, 2019. The Bonds are issuable as fully-registered bonds in denominations of \$5,000 or any integral multiple thereof. Payment to registered owners of \$1,000,000 or more in principal amount of the Bonds, at the registered owner's written request, will be by wire transfer to an account in the United States of America.

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

**The Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described herein.** See "THE BONDS – Redemption" herein.

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

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District and subject to certain other conditions. James F. Anderson Law Firm, A Professional Corporation, Laguna Hills, California, is acting as Disclosure Counsel to the District. Certain legal matters will be passed on for the District by Fagen, Friedman & Fulfroost LLP, Carlsbad, California, and for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, 2018.

**STIFEL**

The date of this Official Statement is \_\_\_\_\_, 2018.

\* Preliminary, subject to change.

**\$(Principal Amount)\***  
**MENIFEE UNION SCHOOL DISTRICT**  
**(Riverside County, California)**  
**2018 GENERAL OBLIGATION BONDS, SERIES B**

**MATURITY SCHEDULE**  
**Base CUSIP® No. 586807†**

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP® No.†
2019	\$	%	%		
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
20__					

\$ \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_ % Price \_\_\_\_\_ CUSIP® No. † 586807 \_\_\_\_\_  
 \$ \_\_\_\_\_ % Term Bonds due August 1, 20\_\_ – Yield \_\_\_\_\_ % Price \_\_\_\_\_ CUSIP® No. † 586807 \_\_\_\_\_

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services (“CGS”) which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. CUSIP® data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriter, the Municipal Advisor or the District is responsible for the selection, correctness or uses of the CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriter and CUSIP® numbers are provided for convenience of reference only. The CUSIP® number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

\* Preliminary, subject to change.

**MENIFEE UNION SCHOOL DISTRICT**

**BOARD OF TRUSTEES/TRUSTEE AREA**

[\_\_\_\_\_] *, President, Trustee Area 3*  
Reg Bennett, *Vice President, Trustee Area 1*  
Randall T. Freeman, Ph.D., *Clerk, Trustee Area 4*  
Jerry Bowman, *Deputy Clerk, Trustee Area 5*  
Robert O'Donnell, *Member, Trustee Area 2*

**DISTRICT ADMINISTRATION**

Dr. Steve Kennedy, *Superintendent*  
Ambur Borth, *Assistant Superintendent, Business*  
James Sellers, *Director of Facilities*

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**PROFESSIONAL SERVICES**

**BOND COUNSEL**

Jones Hall, A Professional Law Corporation  
*San Francisco, California*

**DISCLOSURE COUNSEL**

James F. Anderson Law Firm, A Professional Corporation  
*Laguna Hills, California*

**DISTRICT COUNSEL**

Fagen, Friedman & Fulfrost LLP  
*Carlsbad, California*

**MUNICIPAL ADVISOR**

Cooperative Strategies, LLC  
*Irvine, California*

**PAYING AGENT**

U.S. Bank National Association  
*Los Angeles, California*



NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE DISTRICT TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION WITH RESPECT TO THE BONDS, OTHER THAN AS CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DISTRICT OR THE UNDERWRITER. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER OF ANY SECURITIES OTHER THAN THOSE DESCRIBED ON THE COVER PAGE AND INSIDE COVER OR AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH 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 time 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 information set forth herein has been furnished by the District, or other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The Underwriter has provided the following sentence for inclusion in this Official Statement. "The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information." The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, 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 securities referred to herein and may not be reproduced or used, as a whole or in part, for any other purpose. All information for investors regarding the District and the Bonds is contained in this Official Statement. While the District maintains an internet website for various purposes, the information presented on the website is not part of this Official Statement and none of the information on such website is intended to assist investors in making any investment decision or to provide any continuing information with respect to the Bonds or any other bonds or obligations of the District and such information should not be relied upon to make investment decisions with respect to the Bonds.

**IN CONNECTION WITH OFFERING THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL 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 AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.**

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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**[\$[Principal Amount] \***  
**MENIFEE UNION SCHOOL DISTRICT**  
**(Riverside County, California)**  
**2018 GENERAL OBLIGATION BONDS, SERIES B**

**INTRODUCTION**

*This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, 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 Bonds to potential investors is made only by means of the entire Official Statement.*

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of the Menifee Union School District 2018 General Obligation Bonds, Series BA in the principal amount of \$[Principal Amount] (the “**Bonds**”).

**The District**

The Menifee Union School District (the “**District**”) is located in the southwestern portion of Riverside County (the “**County**”), partially in the City of Menifee (the “**City**”). The District was originally formed in 1890 as the Menifee School District and in 1951 the Menifee School District and the Antelope School District merged into a single school district. The District currently operates two preschools, ten elementary schools and three middle schools, serving approximately 10,394 students in Fiscal Year 2017-18.

The District is governed by a five-member Governing Board of the District (the “**District Board**”), whose members are elected based on specified geographic trustee areas to overlapping four-year terms. Elections for positions to the District Board are held every two years, alternating between three and two available positions. The management and policies of the District are administered by a Superintendent appointed by the District Board who is responsible for day-to-day District operations, as well as the supervision of the District’s other key personnel. Dr. Steve Kennedy is the current District Superintendent.

The administration headquarters of the District are located at 29775 Haun Road, Menifee, California. For further information on the District, see its Internet home page at [www.menifeeusd.org](http://www.menifeeusd.org). *This internet address is included for convenience of reference only and the information on the Internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement.*

See “TAX BASE FOR REPAYMENT OF BONDS” herein for more information regarding the District’s assessed valuation, and APPENDIX A – “INFORMATION RELATING TO THE MENIFEE UNION SCHOOL DISTRICT’S OPERATIONS AND FINANCIAL INFORMATION” and APPENDIX B – “DISTRICT’S AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDING JUNE 30, 2017” herein for more general information regarding the District and its finances.

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\* Preliminary, subject to change.

## **Authority for Issuance**

The Bonds are issued in accordance with provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, Sections 53506 *et seq.*, and to the extent applicable, the Constitution of the State of California (the “State”), the State Education Code (“Education Code”) Sections 15100 *et seq.* and other applicable law and pursuant to the resolution (Resolution No. 201[8-\_\_\_], adopted by the District Board on [October [23], 2018 (the “District Resolution”) and Resolution No. 201[9-\_\_\_], adopted by the Board of Supervisors of the County (the “County Board”) on November [6], 2018 (the “County Resolution” and together with the District Resolution, the “Bond Resolution”). The District received authorization at an election held on November 8, 2016, by at least 55% of the votes cast by eligible voters in the District, to authorize the issuance of \$135,000,000 maximum principal amount of general obligation bonds of the District (the “2016 Authorization”). See “THE BONDS – Authority for Issuance” herein. On June 8, 2017, the County, on behalf of the District, issued \$23,395,000 of 2017 General Obligation Bonds, Series A (the first series of bonds issued pursuant to the 2016 Authorization). The County, on behalf of the District, will issue the second series of bonds pursuant to the 2016 Authorization, leaving \$[\_\_\_\_\_] of the 2016 Authorization authorized but unissued.

The District has previously issued general obligation bonds pursuant to prior authorizations. See “AGGREGATE DEBT SERVICE SCHEDULE” for debt service for outstanding general obligation bonds and APPENDIX A – “INFORMATION RELATING TO THE MENIFEE UNION SCHOOL DISTRICT’S OPERATIONS AND FINANCIAL INFORMATION” for a description of the prior bond issuances.

## **Sources of Payment for the Bonds**

The Bonds are general obligation bonds of the District, payable solely from *ad valorem* property taxes levied and collected by the County pursuant to law. The Board of Supervisors of the County is obligated to annually levy *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all taxable property within the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). Although the County is obligated to levy an *ad valorem* tax for the payment of the Bonds and the Bonds are issued by the County on behalf of the District, the Bonds are not a debt of the County. See “THE BONDS – Security” herein.

## **Purpose of Issue**

The Bonds are being issued (i) to finance the acquisition and construction of eligible school facilities, (ii) to fund a deposit to the Debt Service Fund (as defined herein) to pay interest on the Bonds for a period of time, and (iii) to pay certain costs of issuing the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “APPLICATION OF PROCEEDS OF BONDS” herein.

## **Description of the Bonds**

The Bonds mature on August 1 in the years indicated on the inside cover page hereof. Interest on the Bonds is payable semiannually on February 1 and August 1 of each year, commencing on [February 1, 2019.

Registration. The Bonds will be issued in fully-registered form only, registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations set forth on the cover page hereof, under the book-entry-only system maintained by DTC, only through brokers and dealers who are

or act through DTC Participants as described herein (“**DTC Participants**”). Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See THE BONDS – Book-Entry-Only System” and APPENDIX H – “BOOK-ENTRY ONLY SYSTEM.” In the event that the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Bond Resolution. See “THE BONDS – Registration, Transfer and Exchange of Bonds.”

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

Redemption. The Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity. See “THE BONDS – Redemption.”

### **Tax Matters**

Assuming compliance with certain covenants and provision of the Internal Revenue Code of 1986 (the “**Tax Code**”), in the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes, although it may be includable in the calculation for certain taxes. In the further opinion of Bond Counsel, such interest is exempt from State personal income taxes. For additional detail, please see “TAX MATTERS” herein.

### **Offering and Delivery of the Bonds**

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, 2018.

### **Continuing Disclosure**

The District will covenant for the benefit of bondowners to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events, in compliance with the Securities and Exchange Commission (“**S.E.C.**”) Rule 15c2-12(b)(5). The specific nature of the information to be made available and of the notices of enumerated events is summarized under “OTHER LEGAL MATTERS – Continuing Disclosure” and as set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

### **Professionals Involved in the Bond Offering**

Several professional firms have provided services to the District with respect to the sale and delivery of the Bonds. Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, will deliver its legal opinions in substantially the forms set forth in APPENDIX D. James F. Anderson Law Firm, A Professional Corporation, Laguna Hills, California, has served as disclosure counsel (“**Disclosure Counsel**”) to the District with respect to the Bonds. Fagan, Friedman & Fulfrost LLP, Carlsbad, California, is acting as counsel to the District on certain matters related to the Bonds. Cooperative Strategies, LLC is acting as Municipal Advisor (“**Municipal Advisor**”) to the District. Kutak Rock LLP, Irvine, California, is acting as counsel to the Underwriter. U.S. Bank National Association will act as Paying Agent for the Bonds. The payment of fees and expenses of Bond Counsel, Disclosure Counsel, the Municipal Advisor, Underwriter’s counsel and the Paying Agent with respect to the Bonds is contingent on the sale and delivery of the Bonds. The District’s financial statements for the Fiscal Year ending June 30, 2017, which are included as APPENDIX B, have been audited by Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants, Rancho Cucamonga, California.

## **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 the Superintendent of the Menifee Union School District, 29775 Haun Road, Menifee, California 92586, telephone number (951) 672-1851. There may be a charge for copying, mailing and handling.

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 entireties by reference to each of such documents, statutes and constitutional provisions.

The information from sources other than the District set forth herein has been obtained from 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.

## **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 Exchange Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. 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.

All terms used in this Official Statement and not otherwise defined shall have the meanings given such terms in the Bond Resolution.

## THE BONDS

### Authority for Issuance

The Bonds are authorized to be issued by the County, on behalf of the District, pursuant to the provisions of the State Government Code Sections 53506 *et seq.* and, to the extent applicable, the State Education Code Sections 15100 *et seq.*, and other applicable law and pursuant to the Bond Resolution. At an election held on November 8, 2016, the District received the 2016 Authorization. On June 8, 2017, the County, on behalf of the District, issued \$23,395,000 of 2017 General Obligation Bonds, Series A (the first series of bonds issued pursuant to the 2016 Authorization). The County, on behalf of the District, will issue the second series of bonds pursuant to the 2016 Authorization, leaving \$[ ] of the 2016 Authorization authorized but unissued.

### Security

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 is obligated to annually 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 within the District subject to taxation by the District (except certain personal property which is taxable at limited rates). Such taxes, when collected, shall be deposited and kept separate and apart in the funds established and held by the Treasurer and designated as the "Menifee Union School District 2018 Series A Debt Service Fund" (the "**Debt Service Fund**"). The Debt Service Fund shall be used by the County for the payment of the principal of and interest on the Bonds when due and for no other purpose. Although the County is obligated to levy an *ad valorem* tax for the payment of the Bonds, the Bonds are issued by the District and are not a debt or obligation of the County. See "TAX BASE FOR REPAYMENT OF BONDS" herein.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of, interest on and redemption premium, if any, on the Bonds as it becomes due and payable, shall be transferred by the County Treasurer to the Paying Agent, which, in turn, will pay such moneys to DTC to pay the principal of and interest on the Bonds. DTC will thereupon make payments of debt service on the Bonds to the DTC Participants (as defined herein) who will thereupon make payments of principal of and interest on the Bonds to the beneficial owners of the Bonds.

Pursuant to State Government Code Section 53515, general obligation bonds payable as to principal and interest from the proceeds of *ad valorem* property taxes will be further secured by a statutory lien on all revenues received pursuant to the levy and collection of such *ad valorem* property taxes. The lien will automatically attach, without further action or authorization by the governing board of the local agency, and will be valid and binding from the time such 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 local agency, 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.

The rate of the annual *ad valorem* 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 rate to fluctuate. Economic and other factors beyond the District's control, such as general market decline in land 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

educational, 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, wildfire, 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. The District expects to issue additional series of bonds pursuant to the 2016 Authorization and may also refund bonds issued pursuant to the 2016 Authorization. For further information regarding the District's assessed valuation, tax rates, overlapping debt and other matters concerning taxation, see APPENDIX A – "INFORMATION RELATING TO THE MENIFEE UNION SCHOOL DISTRICT'S OPERATIONS AND FINANCIAL INFORMATION – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the State Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

### **Statutory Lien on *Ad Valorem* Tax Revenues – SB 222**

Senate Bill 222 ("SB 222") was enacted into law to clarify the process of lien perfection for general obligation bonds issued by or on behalf of State school and community college districts, including the District. SB 222 removes the extra step between (a) the issuance of general obligation bonds by cities, counties, cities and counties, school districts, community college districts, authorities and special districts; and (b) the imposition of a lien on the future *ad valorem* property taxes that are the source of repayment of the general obligation bonds. By clarifying that the lien created with each general obligation bond issuance is a "statutory" lien (consistent with bankruptcy statutory law and case precedent), SB 222, while it does not prevent default, should reduce the ultimate bankruptcy risk of non-recovery on local general obligation bonds.

The *ad valorem* property tax is levied by the County on taxable property in the District in an amount sufficient to pay the principal of and interest on the Bonds when due. When collected, moneys will be placed in the Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the principal of and interest on the Bonds when and as the same fall due.

### **Description of the Bonds; Payment**

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee of DTC. Beneficial Owners will not receive physical certificates representing their interests in the Bonds.

Payment of principal of and interest on any Bonds, shall be payable at maturity upon surrender at the office of the Paying Agent as designated by the Paying Agent to the District in writing. The principal of and interest on the Bonds shall be payable in lawful money of the United States of America.

Interest on the Bonds is payable on February 1 and August 1 of each year, commencing [February 1, 2019 (each an "Interest Payment Date") next preceding the date of registration and authentication thereof unless (i) a Bond is authenticated as of an Interest Payment Date, in which event it will bear interest from such Interest Payment Date, (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the 15<sup>th</sup> day of the month (whether or not such day is a business day) (the "Record Date"), immediately preceding such Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the first Record Date, in which event it will bear interest from the date of issuance of such Bond. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid in full or made available for payment thereon.



Interest on the Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months. The Bonds are issuable as fully registered Bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof.

Interest on the Bonds (including the final interest payment upon maturity or redemption) is payable by check or draft of the Paying Agent mailed to the Owner thereof (which will be DTC so long as the Bonds are held in the book-entry system of DTC) at such Owner's address as it appears on the registration books maintained by the Paying Agent at the close of business on the preceding Record Date; except that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. The principal of the Bonds at maturity is payable in lawful money of the United States of America upon presentation and surrender at the Principal Office of the Paying Agent.

See the maturity schedule on the inside cover page hereof and "DEBT SERVICE SCHEDULE."

### **Book-Entry-Only System**

DTC 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 through the facilities of DTC. Principal of, premium, if any, on the Bonds and payment of interest on the Bonds is payable by the Paying Agent to DTC. DTC is responsible for disbursing such payments to the Beneficial Owners in accordance with the DTC book-entry-only system. See APPENDIX H – "BOOK-ENTRY ONLY SYSTEM."

### **Paying Agent**

Pursuant to the Bond Resolution, the District has appointed U.S. Bank National Association as the initial authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "**Paying Agent**") for the Bonds. As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to Owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of any Bonds called for redemption or of any other action covered by such notice.

The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity and to cancel all Bonds upon payment thereof. The Bonds are obligations of the District. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

The Paying Agent, the District, the County and the Underwriter of the Bonds shall have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records related to beneficial ownership, of interests in the Bonds.

**Redemption**

***Optional Redemption***

The Bonds maturing on or before August 1, 20\_\_, are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20\_\_, are subject to redemption prior to maturity, at the option of the District, in whole, or in part among maturities on such basis as designated by the District and by lot within a maturity, from any available source of funds, on any date on or after August 1, 20\_\_, at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, without premium, together with accrued interest to the redemption date.

***Mandatory Sinking Fund Redemption***

The Term Bonds maturing on August 1, 20\_\_, are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following table at a redemption price equal to 100% of the principal amount to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If any such Term Bonds are redeemed pursuant to optional redemption, the total amount of all future payments shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 or as otherwise determined by the District (written notice of which determination will be given by the District to the County and the Paying Agent).

Sinking Fund Redemption Date (August 1)	Principal Amount To be Redeemed
20__	\$
20__	
20__	
20__	
20__ (maturity)	

The principal amount of any term Bond to be redeemed in each year shown above will be reduced proportionately, in integral multiples of \$5,000, by any portion of such term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

**Selection of Bonds for Redemption**

Whenever less than all the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent will select the Outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Bond will be deemed to consist of individual bonds of \$5,000 denominations each of which may be separately redeemed.

## Notice of Redemption

*While the Bonds are subject to DTC's book-entry only system, the Paying Agent will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the District and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the beneficial owners of the Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Bond Resolution.*

The Paying Agent will cause notice of any redemption to be mailed, by first-class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the registration books. Such mailing is not a condition precedent to such redemption and the failure to mail or to receive any such notice or any defect therein will not affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. In addition, the Paying Agent will give notice of redemption (a) by telecopy or certified, registered or overnight mail to each of the Securities Depositories at least two days prior to such mailing to the Bond Owners, and (b) by electronic means to the Municipal Securities Rulemaking Board through its EMMA system.

Such notice shall state the redemption date and the redemption price and if less than all of the then Outstanding Bonds are to be called for redemption, will designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the Principal Office of the Paying Agent for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Upon surrender of Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Right to Rescind Notice of Redemption. The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. The District and the Paying Agent have no liability to the Owners or any other party related to or arising from such rescission of redemption.

Effect of Redemption. From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the debt service on the Bonds so called for redemption have been duly provided, the Bonds called for redemption will cease to be entitled to any benefit under the Bond Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice. The Paying Agent will cancel all Bonds redeemed as described herein and will furnish a certificate of cancellation to the District.

## Defeasance of Bonds

Any or all of the Bonds may be paid by the District in any of the following ways pursuant to the Bond Resolution, provided that the District also pays or causes to be paid any other sums payable under the Bond Resolution by the District:

- (i) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, when due;
- (ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in “ – the *Deposit of Money or Securities with Paying Agent*” below) to pay or redeem such Bonds; or
- (iii) by delivering such Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Bonds and also pays or causes to be paid all other sums payable under the Bond Resolution by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and the Bond Resolution), and notwithstanding that any Bonds have not been surrendered for payment, the Bond Resolution and other assets made under the Bond Resolution and all covenants, agreements and other obligations of the District under the Bond Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in “ – *Deposit of Money or Securities with Paying Agent*” below. In that event, upon request of the District, the Paying Agent will cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and will execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent will pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to the Bond Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

*Discharge of Liability on Bonds.* Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described in provided in “ – *Deposit of Money or Securities with Paying Agent*” below,) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption is given as described above or provision satisfactory to the Paying Agent is made for the giving of such notice, then all liability of the District in respect of such Bond shall cease and be completely discharged, except only that thereafter the Owner thereof will be entitled only to payment of the debt service on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

*Deposit of Money or Securities with Paying Agent.* Whenever in the Bond Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established pursuant to the Bond Resolution and shall be:

- (i) lawful money of the United States of America in an amount equal to the amount of debt service coming due on the Bonds to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or
- (ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the County and the District, will provide money sufficient to pay the debt service to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such debt service and premium, if any, comes due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

“**Federal Securities**” means United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations issued by any agency or department of the United States which are secured, directly or indirectly, by the full faith and credit of the United States of America.

#### **Registration, Transfer and Exchange of Bonds**

*Registration Books.* The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which will at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the registration books, Bonds as provided in the Bond Resolution.

Subject to the provisions of the Bond Resolution, the District and the Paying Agent may treat and consider the person in whose name each Bond is registered in the registration books kept by the Paying Agent as the absolute owner of such Bond for the purpose of payment of debt service and premium, if any, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes whatsoever.

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

*Transfer of Bonds.* Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, 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 Principal Office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent will require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds is surrendered for transfer, the District will execute and the Paying Agent will authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

*Exchange of Bonds.* Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity and interest rate. The District may charge a reasonable sum for each new Bond issued upon any exchange.

*Limitation on Transfers and Exchanges.* No transfers or exchanges are required to be made: (a) during a period established by the Paying Agent for selection of Bonds for redemption; or (b) with respect to any Bond which has been selected for redemption.

**ESTIMATED SOURCES AND USES OF FUNDS**

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

<b>Sources of Funds</b>	
Principal Amount of Bonds	\$
Net Original Issue [Premium/Discount]	
Total Sources	\$
 <b>Uses of Funds</b>	
Deposit to Building Fund	\$
Deposit to Debt Service Fund <sup>(1)</sup>	
Costs of Issuance <sup>(2)</sup>	
Total Uses	\$

<sup>(1)</sup> Deposit to the Debt Service Fund to fund interest on the Bonds through [August 1, 2019 and a portion of the interest due on [February 1, 2020.

<sup>(2)</sup> Includes, among other things, the fees and expenses of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Paying Agent, District consultants, Underwriter's discount, the rating fees, the cost of printing the preliminary and final Official Statements and other costs associated with issuing, selling and delivering the Bonds.

### DEBT SERVICE SCHEDULE

The following table shows the debt service schedule with respect to the Bonds (assuming no optional redemptions are made).

<u>Year Ending August 1</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Total Annual Debt Service</u>
2019	--	\$	\$
2020	\$		
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
<u>Total</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

## AGGREGATE DEBT SERVICE SCHEDULE

*Aggregate Debt Service Schedules.* The following table shows the annual debt service requirements of the District for all of its outstanding general obligation bonds (assuming no optional redemptions), including general obligation bonds issued under the authorizations received in 2002 and 2008, general obligation refunding bonds and the Bonds, after the issuance of the Bonds through August 1 of each applicable year.

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Table 1

TOTAL OUTSTANDING GENERAL OBLIGATION BONDED DEBT  
Menifee Union School District

Year Ending August 1	2002 Authorization			2008 Authorization			2016 Authorization			2017 Authorization			2018 Authorization		
	2002 Election Series B Bonds	2013 Gen. Obl. Ref. Bonds	2014 Gen. Obl. Ref. Bonds	2008 Election Series B Bonds	2008 Election Series C Bonds	2016 Gen. Obl. Ref. Bonds	2017 Series A Bonds	2018 Series B Bonds (1)	2017 Series A Bonds	2018 Series B Bonds (1)	2017 Series A Bonds	2018 Series B Bonds (1)	Total Annual Debt Service	2017 Series A Bonds	2018 Series B Bonds (1)
2019	--	\$768,925.00	\$282,687.50	\$391,875.00	--	\$1,381,631.26	\$3,689,181.26	--	--	\$3,689,181.26	--	\$6,514,300.02	\$3,689,181.26	--	
2020	--	817,825.00	318,187.50	--	--	1,820,281.26	1,697,781.26	--	--	1,697,781.26	--	4,654,075.02	1,697,781.26	--	
2021	--	880,525.00	327,487.50	--	--	1,892,081.26	1,506,581.26	--	--	1,506,581.26	--	4,606,675.02	1,506,581.26	--	
2022	--	935,000.00	331,337.50	--	--	1,994,281.26	844,081.26	--	--	844,081.26	--	4,104,700.02	844,081.26	--	
2023	--	1,001,000.00	344,887.50	--	--	2,070,481.26	882,831.26	--	--	882,831.26	--	4,299,200.02	882,831.26	--	
2024	--	1,065,650.00	348,137.50	--	--	2,191,481.26	914,331.26	--	--	914,331.26	--	4,519,600.02	914,331.26	--	
2025	--	1,142,600.00	355,637.50	--	--	2,320,281.26	953,831.26	--	--	953,831.26	--	4,772,350.02	953,831.26	--	
2026	--	1,206,400.00	382,137.50	--	--	2,431,281.26	990,831.26	--	--	990,831.26	--	5,010,650.02	990,831.26	--	
2027	--	1,282,350.00	407,837.50	--	--	2,560,756.26	1,030,331.26	--	--	1,030,331.26	--	5,281,275.02	1,030,331.26	--	
2028	--	--	1,197,487.50	--	--	2,706,006.26	1,072,081.26	--	--	1,072,081.26	--	4,975,575.02	1,072,081.26	--	
2029	\$1,000,000.00	--	485,275.00	--	--	2,865,006.26	1,115,831.26	--	--	1,115,831.26	--	5,466,112.52	1,115,831.26	--	
2030	--	--	--	1,850,000.00	--	2,865,006.26	1,161,331.26	--	--	1,161,331.26	--	4,415,737.52	1,161,331.26	--	
2031	--	--	--	2,100,000.00	--	1,404,406.26	1,208,331.26	--	--	1,208,331.26	--	4,749,162.52	1,208,331.26	--	
2032	--	--	--	2,250,000.00	--	1,440,831.26	1,254,281.26	--	--	1,254,281.26	--	5,023,406.26	1,254,281.26	--	
2033	--	--	--	2,400,000.00	--	1,519,125.00	1,303,281.26	--	--	1,303,281.26	--	5,261,281.26	1,303,281.26	--	
2034	--	--	--	--	\$4,500,000.00	1,558,000.00	1,355,181.26	--	--	1,355,181.26	--	5,855,181.26	1,355,181.26	--	
2035	--	--	--	--	4,500,000.00	--	1,409,831.26	--	--	1,409,831.26	--	5,909,831.26	1,409,831.26	--	
2036	--	--	--	--	4,500,000.00	--	1,465,925.00	--	--	1,465,925.00	--	5,965,925.00	1,465,925.00	--	
2037	--	--	--	--	4,500,000.00	--	1,528,100.00	--	--	1,528,100.00	--	6,028,100.00	1,528,100.00	--	
2038	--	--	--	--	4,500,000.00	--	1,587,187.50	--	--	1,587,187.50	--	6,087,187.50	1,587,187.50	--	
2039	--	--	--	--	4,500,000.00	--	1,649,187.50	--	--	1,649,187.50	--	6,149,187.50	1,649,187.50	--	
2040	--	--	--	--	--	--	1,719,625.00	--	--	1,719,625.00	--	1,719,625.00	1,719,625.00	--	
2041	--	--	--	--	--	--	1,792,712.50	--	--	1,792,712.50	--	1,792,712.50	1,792,712.50	--	
2042	--	--	--	--	--	--	1,862,925.00	--	--	1,862,925.00	--	1,862,925.00	1,862,925.00	--	
2043	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Total	\$1,000,000.00	\$9,100,275.00	\$4,781,100.00	\$8,991,875.00	\$27,000,000.00	\$30,155,931.38	\$33,995,613.92	\$	\$	\$33,995,613.92	\$	\$115,024,775.30	\$33,995,613.92	\$	

(1) Deposit to the Debt Service Fund funds interest on the Bonds through August 1, 2019 and a portion of the interest due on February 1, 2020.  
Source: Menifee Union School District.

## APPLICATION OF PROCEEDS OF BONDS

### Building Fund

A portion of the proceeds from the sale of the Bonds, shall be paid to the County to the credit of the "Menifee Union School District 2018 Series A Building Fund" (the "**Building Fund**"). Proceeds of the Bonds shall be used solely for authorized purposes, which include (i) acquisition of land and building two new elementary schools and one middle school to reduce overcrowding at existing schools, repair and renovation of Menifee Valley Middle School and existing elementary/middle schools, fixing roofs, heating, air conditioning, plumbing and electrical systems and improving access for students with disabilities, (ii) funding interest on the Bonds for a period of time and (iii) the payment of certain costs of issuance of the Bonds. The District intends to use the net construction proceeds of the Bonds as described above in "INTRODUCTION – Purpose of Issue." Any excess proceeds of the Bonds not needed for the authorized purposes 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. Interest earned on the investment of moneys held in the Building Fund shall be retained in the Building Fund.

### Debt Service Fund

Any tax revenues collected by the County pursuant to the Bond Resolution and Section 15250 *et seq.* of the Education Code, with respect to the Bonds shall be deposited in the Debt Service Fund and shall be used only for payment of principal of and interest on the Bonds.

### Permitted Investments

The Riverside County Treasurer ("**County Treasurer**") is authorized to invest the proceeds of the sale of the Bonds and all proceeds of taxes for payment of the Bonds in the County of Riverside Pooled Investment Fund (the "**County Pooled Investment Fund**") (or other investment pools of the County into which the District may lawfully invest its funds). Upon the written direction of the District, the County Treasurer may invest proceeds of taxes collected for payment of the Bonds in any investment permitted by law, including, but not limited to investment agreements which comply with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds or in the Local Agency Investment Fund established by the State Treasurer.

## RIVERSIDE COUNTY TREASURY POOL

Unless the District provides the County Treasurer with other instructions, all amounts held under the Bond Resolution will be invested in the County Pooled Investment Fund. In addition, in accordance with State Education Code Section 41001, substantially all District operating funds are required to be held by the County Treasurer. See APPENDIX F and APPENDIX G for a description of the County Pooled Investment Fund and the current County of Riverside Office of the Treasurer Tax-Collector Statement of Investment Policy (the "**County Treasurer's Statement of Investment Policy**").

The information in APPENDIX F and APPENDIX G has been provided by the County Treasurer. Neither the District nor the Underwriter has made an independent investigation of the investments in the County Pooled Investment Fund and neither the District nor the Underwriter has made any assessment of the current County Treasurer's Statement of Investment Policy. The value of the various investments in the County Pooled Investment Fund will fluctuate on a daily basis as a result of a multitude of factors, including the investments in the County Pooled Investment Fund, generally prevailing interest rates and other economic conditions. The County Treasurer's Statement of Investment Policy is approved annually by the Riverside County Board of Supervisors as required by State Government Code Section 53646 (a) (1) and reviewed annually by the Investment Oversight Committee, pursuant to the requirements of State

Government Code Section 27133. The County Treasurer, with the consent of the Investment Oversight Committee and the approval of the Riverside County Board of Supervisors, may change the County Treasurer's Statement of Investment Policy at any time. Finally, there are proposed, from time to time in the State Legislature, bills which could modify the currently authorized investments and/or place restrictions on the ability of public agencies, including the County, to invest in various securities. Therefore, there can be no assurance that the values of the various investments in the County Pooled Investment Fund will not vary significantly from the values described herein.

## **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 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**

The collection of property taxes is significant to the Owners of the Bonds and the District in two respects. First, the County Board of Supervisors will levy and collect *ad valorem* taxes on all taxable parcels within the District which are pledged specifically to the repayment of the Bonds. Second, the general *ad valorem* property tax levy levied in accordance with Article XIII A of the State Constitution and its implementing legislation is taken into account in connection with the State's Local Control Funding Formula ("LCFF") which determines the amount of funding received by the District from the State to operate the District's educational programs. The LCFF replaces revenue limit and most categorical program funding previously used to determine the amount of funding received by the District from the State. The LCFF consists primarily of base, supplemental and concentration funding formulas that focus resources based on a school district's student demographics. See APPENDIX A – "INFORMATION RELATING TO THE MENIFEE UNION SCHOOL DISTRICT'S OPERATIONS AND FINANCIAL INFORMATION – EFFECT OF STATE BUDGET ON DISTRICT REVENUES – Local Control Funding Formula" and "– 2018-19 State Budget" below. As described below, the general *ad valorem* property tax levy and the additional *ad valorem* property tax levy pledged to repay the Bonds will be collected on the annual tax bills distributed by the County to the owners of parcels within the boundaries of the District.

**Method of Property Taxation.** Beginning in Fiscal Year 1978-79, Article XIII A and its implementing legislation permitted each county to levy and collect all property taxes (except for levies to support prior voter approved indebtedness) and prescribed the way in which levies on county-wide property values were to be shared with local taxing entities within each county. All property is assessed using "full cash value" as defined by Article XIII A of the State Constitution. State law, however, provides exemptions from ad valorem property taxation for certain classes of property, such as churches, colleges, non-profit hospitals and charitable institutions.

For purposes of allocating a county's 1% base property tax levy, future assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, up to 2% inflation) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" sources from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The availability of revenue from growth in the tax bases of such entities may be affected by the existence of redevelopment agencies (including their successor agencies) which, under certain circumstances, may be entitled to sources resulting from the increase in certain property values. See "APPENDIX A – INFORMATION RELATING TO THE MENIFEE UNION SCHOOL DISTRICT'S OPERATIONS AND FINANCIAL INFORMATION – DISTRICT FINANCIAL INFORMATION – Other Funding

Sources – *Redevelopment Revenues*” and “ – *Dissolution of Redevelopment Agencies*” hereto regarding dissolution of redevelopment agencies. State law exempts \$7,000 of the assessed valuation of an owner-occupied principal residence. This exemption does not result in any loss of revenue to local agencies since an amount equivalent to the taxes that would have been payable on such exempt values is supplemented by the State.

***Ad Valorem Property Taxation.*** Taxes are levied by the County for each fiscal year on taxable real and personal property in the District which is situated in the County as of the preceding January 1. The valuation of secured real property is established as of January 1 and is subsequently equalized in August.

The valuation of secured real property which changes ownership or is newly constructed is revalued at the time the change in ownership occurs or the new construction is completed. The current year property tax rate will be applied to the reassessment, and the taxes will then be adjusted by a proration factor to reflect the portion of the remaining tax year for which taxes are due. 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 utility property and property (real or personal) for which there is a tax lien on such property sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.” Boats and airplanes are examples of unsecured property. Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as “utility” property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of delinquent taxes and the delinquency penalty, plus costs and redemption penalty of one and one-half percent 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 County Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll and if unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of 1.5% per month begins to accrue on November 1 and a lien may be recorded against the assessee. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county clerk and county recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements or possessory interests belonging or assessed to the assessee. See also “ – Tax Levies, Collections and Delinquencies” herein.

Future assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and K-14 school districts 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. The availability of revenue from growth in tax bases to such entities may be affected by the existence of successor agencies to redevelopment agencies or by similar entities which, under certain circumstances, may be entitled to revenues resulting from the increase in certain property values in the District.

## Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization ("SBE"). See " - *Taxation of State-Assessed Utility Property*" below and APPENDIX A. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIII A of the State Constitution. For a discussion of how properties currently are assessed, see APPENDIX A - "INFORMATION RELATING TO THE MENIFEE UNION SCHOOL DISTRICT'S OPERATIONS AND FINANCIAL INFORMATION."

Certain classes of property, such as churches, colleges, not-for-profit hospitals and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions. Both the general *ad valorem* property tax levy and the additional *ad valorem* levy for the Bonds are based upon the assessed valuation of the parcels of taxable property in the District. Property taxes allocated to the District are collected by the County at the same time and on the same tax rolls as are county, city and special district taxes. The assessed valuation of each parcel of property is the same for both the District and County taxing purposes. The valuation of secured property by the County Assessor is established as of January 1 and is subsequently equalized in September of each year.

***Taxation of State-Assessed Utility Property.*** A portion of property tax revenue of the District is derived from utility property subject to assessment by the SBE. State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions that are assessed as part of a "going concern" rather than as individual pieces of real or personal property. This may include railways, telephone companies and companies transmitting or selling gas or electricity. The assessed value of unitary and certain other state-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating non-unitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as occurred under electric power deregulation in the State, affects how those assets are assessed and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

***Tax Collections and Delinquencies.*** A school district's share of the 1% county-wide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in Fiscal Year 1978-79, as adjusted according to a complicated statutory scheme enacted since that time. Revenues

derived from special ad valorem taxes for voter-approved indebtedness are reserved to the taxing jurisdiction that approved and issued the debt and may only be used to repay that debt.

The County only provides information for tax charges and corresponding delinquencies by local agencies with respect to debt service levies for voter approved indebtedness. It does not provide such information for the 1% general tax levy. See “ – Alternative Method of Tax Distribution – Teeter Plan” and “ – Tax Levies, Collections and Delinquencies” below.

Property within the District had a total assessed valuation for Fiscal Year 2018-19 of \$10,253,289,610. The following table sets forth the history of assessed valuations in the District from Fiscal Year 2009-10 through Fiscal Year 2018-19.

**Table 2**

**ASSESSED VALUATIONS  
Fiscal Years 2009-10 through 2018-19  
Menifee Union School District**

<u>Year</u>	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total Before Rdv. Increment</u>	<u>Percent of Change</u>
2009-10	\$6,285,536,952	\$97,631	\$71,590,829	\$6,357,225,412	–
2010-11	5,987,366,893	97,631	76,739,655	6,064,204,179	-4.61%
2011-12	6,130,925,142	97,631	72,327,770	6,203,350,543	2.29
2012-13	6,123,664,627	28,271	112,975,895	6,236,668,793	0.54
2013-14	6,525,587,107	28,271	158,508,183	6,684,123,561	7.17
2014-15	7,411,969,085	28,271	119,304,638	7,531,301,994	12.67
2015-16	8,078,132,654	28,271	113,381,919	8,191,542,844	8.77
2016-17	8,504,012,283	28,271	82,458,521	8,586,499,075	4.82
2017-18	9,291,185,917	28,271	93,826,105	9,385,040,293	9.30
2018-19	10,145,626,237	0	107,663,373	10,253,289,610	9.25

*Source: California Municipal Statistics, Inc.*

As indicated above, assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control, such as a general market decline in 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 educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by a natural or manmade disaster, such as earthquake, flood, drought, fire, toxic contamination, dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. 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.

The State in recent years experienced a 5-year drought, however, from October 1, 2016 through the spring of 2017, most of the State experienced above-average rainfall. On April 7, 2017, Governor Brown issued an executive order which lifted the drought emergency in all State counties, except Fresno, Kings, Tulare and Tuolumne, where emergency drinking water projects will continue to help address diminished groundwater supplies. In a related action, State agencies on April 7, 2017, issued a plan to continue to make conservation a way of life in the State, as directed by Governor Brown in May 2016. The framework requires new legislation to establish long-term water conservation measures and improved

planning for more frequent and severe droughts. As of March 1, 2018, urban areas of Southern California and areas in central California continue to experience largely dry conditions. The State's five-year drought underscored the need for permanent improvements in long-term efficient water use and drought preparedness, as called for in a previous executive order made by Governor Brown. On May 31, 2018, the Governor signed Assembly Bill 1668 and Senate Bill 606, which impose new and expanded requirements on state water agencies and local water suppliers, including provisions for the establishment by the State Water Resources Control Board of long-term urban water use efficiency standards by June 30, 2022, and starting in 2027, authorization of fines for failure to comply with the State Water Resources Control Board's adopted long-term standards. The actions taken over the last several years are intended to help to ensure all communities have sufficient water supplies and are conserving water regardless of the conditions of any one year. The District cannot predict if and when the State will experience drought conditions again in the future, what effect such conditions may have on property values or whether or to what extent any water reduction requirements may affect homeowners within the District or their ability or willingness to pay Special Taxes.

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIII A of the State Constitution. Prior to 1981-82, assessed valuations were reported at 25% of the full value of property. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" in APPENDIX A herein.

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

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## Assessed Valuation and Parcels by Land Use

The following table provides a distribution per taxable property located in the District on the tax roll by principal purpose for which the land is used, as measured by assessed value and number of parcels.

**Table 3**

**ASSESSED VALUATION AND PARCELS BY LAND USE  
Fiscal Year 2018-19  
Menifee Union School District**

	2018-19 Assessed Valuation <sup>(1)</sup>	% of Total	No. of Parcels	% of Total
<b>Non-Residential:</b>				
Agricultural/Rural	\$ 58,696,302	0.58%	259	0.63%
Commercial/Industrial	988,647,896	9.74	333	0.81
Vacant Commercial/Industrial	195,343,837	1.93	265	0.64
Other Vacant/Miscellaneous	<u>48,778,654</u>	<u>0.48</u>	<u>2,067</u>	<u>5.00</u>
Subtotal Non-Residential	\$1,291,466,689	12.73%	2,924	7.07%
<b>Residential:</b>				
Single Family Residence	\$7,931,299,974	78.17%	28,859	69.78%
Condominium/Townhouse	158,024,682	1.56	1,142	2.76
Mobile Home/Lots	222,539,602	2.19	2,543	6.15
2-4 Residential Units	43,369,836	0.43	66	0.16
5+ Residential Units/Apartments	187,425,445	1.85	31	0.07
Miscellaneous Residential	27,168,526	0.27	112	0.27
Vacant Residential	<u>284,331,483</u>	<u>2.80</u>	<u>5,680</u>	<u>13.73</u>
Subtotal Residential	\$8,854,159,548	87.27%	38,433	92.93%
<b>Total</b>	<b>\$10,145,626,237</b>	<b>100.00%</b>	<b>41,357</b>	<b>100.00%</b>

<sup>(1)</sup> Local Secured Assessed Valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.



**Assessed Valuation of Single Family Homes**

The following table shows the assessed valuation of single-family homes within the District for Fiscal Year 2018-19.

**Table 4**

**ASSESSED VALUATION OF SINGLE FAMILY HOMES  
Fiscal Year 2018-19  
Menifee Union School District**

	No. of <u>Parcels</u>	2018-19 <u>Assessed Valuation</u>		<u>Average</u> <u>Assessed Valuation</u>	<u>Median</u> <u>Assessed Valuation</u>		
Single Family Residential	28,859	\$7,931,299,974		\$274,829	\$275,859		
	<u>2018-19</u> <u>Assessed Valuation</u>	<u>No. of</u> <u>Parcels <sup>(1)</sup></u>	<u>% of</u> <u>Total</u>	<u>Cumulative</u> <u>% of Total</u>	<u>Total</u> <u>Valuation</u>	<u>% of</u> <u>Total</u>	<u>Cumulative</u> <u>% of Total</u>
	\$0 - \$24,999	49	0.170%	0.170%	\$ 765,698	0.010%	0.010%
	\$25,000 - \$49,999	177	0.613	0.783	7,158,476	0.090	0.100
	\$50,000 - \$74,999	449	1.556	2.339	28,819,130	0.363	0.463
	\$75,000 - \$99,999	880	3.049	5.388	78,240,559	0.986	1.450
	\$100,000 - \$124,999	1,155	4.002	9.390	130,828,040	1.650	3.099
	\$125,000 - \$149,999	1,496	5.184	14.574	206,863,035	2.608	5.707
	\$150,000 - \$174,999	1,768	6.126	20.701	287,754,574	3.628	9.336
	\$175,000 - \$199,999	2,094	7.256	27.957	392,552,882	4.949	14.285
	\$200,000 - \$224,999	2,061	7.142	35.098	437,647,869	5.518	19.803
	\$225,000 - \$249,999	2,209	7.654	42.753	525,005,872	6.619	26.422
	\$250,000 - \$274,999	2,023	7.010	49.763	530,948,761	6.694	33.117
	\$275,000 - \$299,999	1,940	6.722	56.485	557,584,125	7.030	40.147
	\$300,000 - \$324,999	2,143	7.426	63.911	669,117,008	8.436	48.583
	\$325,000 - \$349,999	2,349	8.140	72.050	792,813,585	9.996	58.579
	\$350,000 - \$374,999	2,245	7.779	79.830	812,922,145	10.250	68.829
	\$375,000 - \$399,999	2,182	7.561	87.390	843,830,882	10.639	79.468
	\$400,000 - \$424,999	1,506	5.218	92.609	619,849,617	7.815	87.283
	\$425,000 - \$449,999	969	3.358	95.967	422,328,024	5.325	92.608
	\$450,000 - \$474,999	489	1.694	97.661	225,984,948	2.849	95.457
	\$475,000 - \$499,999	275	0.953	98.614	133,609,080	1.685	97.142
	\$500,000 and greater	400	1.386	100.000	226,675,664	2.858	100.000
	Total	28,859	100.000%		\$7,931,299,974	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Source: California Municipal Statistics, Inc.

The following table shows the assessed valuations by jurisdiction in Fiscal Year 2018-19 in the District.

**Table 5**

**ASSESSED VALUATION BY JURISDICTION  
Fiscal Year 2018-19  
Menifee Union School District**

<u>Jurisdiction:</u>	<u>Assessed Valuation in School District</u>	<u>% of School District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in School District</u>
City of Lake Elsinore	\$ 510,759,146	4.98%	\$6,198,621,290	8.24%
City of Menifee	7,767,526,071	75.76	\$9,736,108,638	79.78
City of Murrieta	965,315,661	9.41	\$13,416,976,229	7.19
City of Perris	6,863,997	0.07	\$6,277,259,688	0.11
City of Wildomar	35,913,953	0.35	\$3,414,552,519	1.05
Unincorporated Riverside County	<u>966,910,782</u>	<u>9.43</u>	\$43,011,850,793	2.25
Total District	\$10,253,289,610	100.00%		
Riverside County	\$10,253,289,610	100.00%	\$280,327,986,244	3.66%

*Source: California Municipal Statistics, Inc.*

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## Largest Property Owners

The following table shows the 20 largest owners of taxable property in the District as determined by secured assessed valuation in Fiscal Year 2018-19:

**Table 6**

**20 LARGEST LOCAL SECURED PROPERTY OWNERS  
Fiscal Year 2018-19  
Menifee Union School District**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2018-19 Assessed Valuation</u>	<u>% of Total <sup>(1)</sup></u>
1.	Donahue Schriber Realty Group	Commercial	\$ 54,235,362	0.53%
2.	Carrington Place Ltd.	Apartments	48,828,885	0.48
3.	RSI Communities	Residential Development	44,816,081	0.44
4.	Cantabria Development	Apartments	44,543,400	0.44
5.	Health Care REIT Inc.	Medical Facilities	43,391,295	0.43
6.	Kaiser Foundation Hospitals	Medical Offices	41,634,443	0.41
7.	KB Home Coastal Inc.	Residential Development	37,778,996	0.37
8.	Pardee Homes	Residential Development	32,150,888	0.32
9.	Western Pacific Housing Inc.	Residential Development	30,939,203	0.30
10.	Mapleton Commons	Apartments	27,152,970	0.27
11.	MEF Homes	Residential Development	25,313,963	0.25
12.	Target Corp.	Commercial	24,551,934	0.24
13.	Fairfield Winchester 1800	Apartments	22,623,463	0.22
14.	Encanto Apartment Homes	Apartments	22,031,453	0.22
15.	Beazer Homes Holding Corp.	Residential Development	20,988,829	0.21
16.	HCP HB2 Carrington Cherry Hills	Senior Housing	20,974,223	0.21
17.	Stater Bros. Market	Commercial	19,980,125	0.20
18.	Menifee Lakes Plaza	Commercial	19,481,902	0.19
19.	WRI Golden State	Commercial	17,548,885	0.17
20.	Lowes HIW Inc.	Commercial	<u>16,380,836</u>	<u>0.16</u>
			\$615,347,136	6.07%

<sup>(1)</sup> 2018-19 Local Secured Assessed Valuation: \$10,145,626,237

Source: California Municipal Statistics, Inc.

### 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 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 such application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the State Constitution" in APPENDIX A herein.