

the State Department of Education, as well as \$150 million in ongoing Proposition 98 funding to make permanent the State's Career Technical Education Incentive Grant Program.

- *One-Time Discretionary Funding* – An increase of \$1.1 billion in one-time Proposition 98 funding for school districts, charter schools and county offices of education to use at local discretion. Similar to features included in prior State budgets, these funds would offset any applicable mandate reimbursement claims for these entities.
- *Special Education, Bilingual, and STEM Teachers* – \$75 million in one-time Proposition 98 funding to support locally sponsored, one-year intensive, mentored, clinical teacher preparation programs with \$50 million aimed at preparing and retaining special education teachers and \$25 million aimed at bilingual and STEM teachers; and \$50 million in one-time Proposition 98 funding to provide one-time competitive grants to local educational agencies to develop and implement new, or expand existing, locally identified solutions that address a local need for special education teachers.
- *Classified School Employee Summer Assistance Program* – \$50 million one-time Proposition 98 funding to provide state matching funds to classified school employees that elect to have a portion of their monthly paychecks withheld during the school year and then paid during the summer recess period.
- *Classified School Employee Professional Development Block Grant Program* – \$50 million one-time Proposition 98 funding for professional development opportunities for classified staff, with a priority on professional development for the implementation of school safety plans.
- *Charter School Facility Grant Program* – \$21.1 million one-time and \$24.8 million ongoing Proposition 98 funding to reflect increases in programmatic costs.
- *Kids Code After School Program* – \$15 million one-time Proposition 98 funding to increase opportunities for students in after-school programs to access computer coding education.
- *Fire-Related Support* – \$4.4 million Proposition 98 funding over two years in property tax relief to schools impacted by the fires in Northern and Southern California in 2017, and an additional \$25 million Proposition 98 funding relief through the LCFF. The 2018-19 State Budget also holds harmless the ADA used in calculating the LCFF for these counties for three years.
- *Fiscal Crisis and Management Assistance Team (FCMAT)* – \$972,000 Proposition 98 funding to allow FCMAT to coordinate with county offices of education to offer more proactive and preventive services to fiscally distressed school districts, specifically those with a qualified interim budget status.

For additional information regarding the 2018-19 State Budget, see the State Department of Finance website at www.dof.ca.gov. The information presented on such website is not incorporated herein by reference.

Future Budget Impacts. The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State Budget will be affected by national and State economic conditions and other factors. The District cannot predict how State income or State education funding will vary over the term to maturity of the Bonds, and the District takes no responsibility for informing owners of the Series Bonds

as to actions the State Legislature or Governor may take affecting a budget after its adoption. The Bonds, however, are not payable from such revenue. The Bonds will be payable solely from the proceeds of an *ad valorem* property tax which is required to be levied by the County in an amount sufficient for the payment thereof. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. Information about the State budget and State spending for education is regularly available at various State-maintained websites. See, " – EFFECT OF STATE BUDGET ON REVENUES – Information regarding State Education Spending" above.

To the extent negatively impacted by actions taken by the Governor and the State Legislature to address changing State revenues generally or by State revenues available for education specifically, the District may need to develop and implement different or additional budgetary adjustments to contend with its projected spending in the future.

Limitation on School District Reserves. Included in the Fiscal Year 2014-15 State Budget trailer bills was a provision which caps the amount of money school districts may set aside for economic crises if state-level reserves reach certain levels if the State electorate approved the Rainy Day Fund, which the electorate did approve. The District is in compliance with the requirement. On October 11, 2017, the Governor signed new legislation ("**SB 751**") amending Section 42127.01 of the California Education Code, effective January 1, 2018. SB 751 raises the reserve cap established under SB 858 to no more than 10% of a school district's combined assigned or unassigned ending general fund balance and provides that the reserve cap will be triggered only if there is a minimum balance of 3% of the Proposition 98 reserve. Basic aid school districts (also known as "**community funded districts**") and small districts with fewer than 2,501 units of ADA are exempt from the reserve cap. The District cannot predict if or when the reserve cap enacted by SB 751 will be triggered and what impact it may have on the District's reserves.

Dissolution of Redevelopment Agencies. On July 18, 2011, the California Redevelopment Association, the League of California Cities, and the Cities of Union City and San Jose filed petition for a writ of mandate in *California Redevelopment Association et al. v. Ana Matosantos et al.* ("**Matosantos**") with the Supreme Court of California alleging that ABX1 26 and ABX1 27 violate the State Constitution, as amended by Proposition 22 (the Local Taxpayer, Public Safety and Transportation Protection Act, approved by the voters of the State on November 2, 2010, hereafter referred to as "**Proposition 22**"). The petitioners alleged, among other things, that ABX1 26 and ABX1 27 seek to illegally divert tax increment revenue from redevelopment agencies by threatening such agencies with dissolution if payments are not made to support the State's obligation to fund education. The petition was accompanied by an application for a stay seeking to delay implementation of the provisions of ABX1 26 and ABX1 27 until the claims were adjudicated.

On December 29, 2011, the State Supreme Court issued its ruling in *Matosantos*. The Court upheld ABX1 26, the bill that dissolves all redevelopment agencies and directs the resolution of their activities. However, it found that ABX1 27, which allows redevelopment agencies to avoid elimination by making certain payments to offset State budget expenses, is unconstitutional. As a result, all redevelopment agencies were required to dissolve and transfer their assets and liabilities to "successor agencies" that will wind down the redevelopment agencies' affairs. Based on the decision, all redevelopment agencies were dissolved as of February 1, 2012.

Tax increment revenues that would have been directed to redevelopment agencies will be distributed to make "Pass-Through Payments" to local agencies that they would have received under prior law and to successor agencies for retirement of the redevelopment agencies' debts and for limited administrative costs. The remaining revenues will be distributed as property tax revenues to cities, counties, school districts, community college districts and special districts. The District cannot predict whether, or

to what extent, the elimination of redevelopment agencies will affect the Pass-Through Payments or whether amounts received will be offset against other funds the State would otherwise have paid to the District. See "THE BONDS – Security."

The District entered into agreements with several redevelopment agencies formed pursuant the State Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.) (generally, "**Redevelopment Agencies**"), pursuant to which the District has, in the past, received "pass-through" tax increment revenues (the "**Redevelopment Revenues**"). See "DISTRICT FINANCIAL INFORMATION – Revenue Sources – *Redevelopment Revenues*" for information regarding amounts of Redevelopment Revenues received in Fiscal Years 2016-17 and an estimate of the amount to be received in Fiscal Year 2017-18.

The District, however, can make no representations that Redevelopment Revenues will continue to be received by the District in amounts consistent with prior years, or as currently projected, particularly in light of the legislation eliminating redevelopment agencies.

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DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the District and the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in the District in an amount sufficient for the payment thereof. See "THE BONDS – Security" herein.

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all State school districts. Significant accounting policies followed by the District are explained in Note 1 to the District's audited financial statements for the Fiscal Year ended June 30, [2018, which are included as APPENDIX B.

The District's expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Delinquent taxes not received after the fiscal year-end are not recorded as revenue until received. Revenues from specific State and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The District's accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the "General Fund" which accounts for all financial resources not requiring a special type of fund. The District's fiscal year begins on July 1 and ends on June 30.

Financial Statements

The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements for the District for the Fiscal Year ended June 30, [2018, and prior fiscal years are on file with the District and available for public inspection at the office of the Superintendent of the Jurupa Unified School District, 4850 Pedley Road, Riverside, California 92509. The audited financial statements for the Year ending June 30, [2018, are included in APPENDIX B herein.

Nigro & Nigro has not been requested to consent to the use or to the inclusion of its reports in this Official Statement and they have neither audited nor reviewed this Official Statement. The District is required by law to adopt its audited financial statements after a public meeting to be conducted no later than January 31, following the close of each fiscal year.

The following table shows information from the District's audited financial statements for Fiscal Years 2013-14 through 2017-18. The figures in the table below are taken from the District's audited financial statements. Revenue and expenditure items are categorized by function category. The function category classifies the activity for which a service or material is acquired, e.g., instruction, school administration, pupil transportation, and general administration See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE JURUPA UNIFIED SCHOOL DISTRICT FOR FISCAL YEAR ENDING JUNE 30, [2018]" for District financial information as of June 30, [2018].

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Table A-8
JURUPA UNIFIED SCHOOL DISTRICT
General Fund Revenues, Expenditures and Fund Balances – Fiscal Years 2013-14 through 2017-18

	Audited 2013-14	Audited 2014-15	Audited 2015-16	Audited 2016-17	Audited 2017-18
Revenues					
General Revenues:					
Revenue Limit sources/LCFF ⁽¹⁾	\$127,768,671	\$147,938,341	\$145,032,266	\$181,709,659	\$185,775,279
Property taxes	-	-	25,354,254	-	-
Federal sources	13,460,797	12,561,171	13,012,981	13,040,344	12,033,549
Other state sources	11,459,268	15,294,433	24,821,525	21,460,538	20,598,428
Other local sources	<u>10,309,140</u>	<u>11,859,745</u>	<u>11,398,413</u>	<u>11,762,556</u>	<u>11,908,337</u>
Total Revenues	\$162,997,876	\$187,653,690	\$219,619,439	\$227,973,097	\$230,315,593
Expenditures					
Instructional Services:					
Instruction	\$106,724,703	\$121,505,430	\$137,271,176	\$145,560,893	\$147,530,560
Instruction – Related Services:					
Supervision of instruction	5,344,554	6,715,527	7,833,866	8,685,421	8,695,195
Instructional library, media, and technology	1,256,467	1,981,090	1,986,535	2,402,407	2,364,829
School site administration	9,418,049	10,389,620	11,326,865	12,069,485	12,508,367
Pupil Support Services:					
Home-to school transportation	4,064,936	4,472,735	5,336,263	5,304,497	5,195,979
Food services	83,996	83,878	97,375	230,585	161,106
All other pupil services	7,715,792	8,417,612	10,479,830	11,888,847	12,052,240
General Administration Services:					
Data processing services	1,208,069	1,530,328	1,967,454	2,177,998	2,508,583
Other general administration	4,316,512	4,410,285	5,262,830	5,602,800	5,445,291
Plant services:					
Facility acquisition and construction	0	-	-	-	-
Ancillary services	761,049	790,548	1,205,800	1,246,762	1,332,949
Community services	17,722	23,243	18,316	12,814	3
Enterprise Activities	0	0	200,000	200,000	1,000,000
Transfers of indirect costs/Transfers between agencies	(302,616)	(389,559)	(295,908)	(245,264)	(393,915)
All other outgo	-	-	-	-	-
Capital Outlay	34,159	1,403,732	716,881	2,677,698	1,246,222
Intergovernmental Transfers	896,951	936,193	729,238	724,051	719,105
Debt Service – Principal	1,408,262	1,582,931	1,704,096	1,812,557	1,668,651
Debt Service - Interest	913,461	883,457	824,870	1,003,785	939,680
Debt Service – Issuance costs	<u>162,727</u>	<u>111,305</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>\$159,697,708</u>	<u>\$183,943,406</u>	<u>\$207,162,733</u>	<u>\$221,998,835</u>	<u>\$222,842,164</u>
Excess (Deficiency) of Revenues Over (Under)	<u>\$3,300,168</u>	<u>\$3,710,284</u>	<u>\$12,456,706</u>	<u>\$5,974,262</u>	<u>\$7,473,429</u>
Expenditures					
Other Financing Sources (Uses)					
Interfund transfers in ⁽²⁾	\$473,583	\$473,583	\$473,583	\$473,583	1,400
Interfund transfers out ⁽³⁾	(3,271,965)	(3,305,939)	(13,471,854) ⁽⁴⁾	(8,151,832)	(5,683,373)
Proceeds from capital leases	396,749	0	0	0	431,150
Proceeds from long term debt	-	-	-	-	-
Total Other Financing Sources and Uses	<u>(\$2,401,633)</u>	<u>(\$2,832,356)</u>	<u>(\$12,998,271)</u>	<u>(\$7,678,269)</u>	<u>(\$5,250,823)</u>
Net Change in Fund Balances	<u>\$898,535</u>	<u>\$877,928</u>	<u>(\$541,565)</u>	<u>(\$1,704,007)</u>	<u>\$2,222,606</u>
Fund Balance, as originally stated, July 1	<u>\$24,281,639</u>	<u>\$25,180,174</u>	<u>\$26,058,102</u>	<u>\$25,516,537</u>	<u>\$23,918,084</u>
Adjustment for Restatement	-	-	-	-	-
Fund Balance, as restated, July 1	<u>\$24,281,639</u>	<u>\$25,180,174</u>	<u>\$26,058,102</u>	<u>\$25,516,537</u>	<u>\$23,918,084</u>
Fund Balance, June 30	<u>\$25,180,174</u>	<u>\$26,058,102</u>	<u>\$25,516,537</u>	<u>\$25,812,530</u>	<u>\$26,140,690</u>

⁽¹⁾ The LCFF was implemented beginning in Fiscal Year 2013-14.

⁽²⁾ [Explain Transfers In source: "Transfers In" amounts generally represents the transfer of moneys in the [deferred maintenance] fund to the School District General Fund due to statutory change which allowed more flexibility in use of funds and removed a requirement to separately account for [deferred maintenance].

⁽³⁾ [Explain Transfers out: "Transfers out" generally relate to [redevelopment] funds received by the School District into its General Fund, but which are restricted in use to capital facilities, and are transferred to a [capital facilities] fund.

⁽⁴⁾ In Fiscal Year 2015-16, there was a large amount transferred from the General Fund to Fund 40, which was a portion of one-time state funding received in Fiscal Year 2015-16, in anticipation of spending such moneys on capital outlay projects.

⁽⁵⁾ [Difference between Fiscal Year 2016-17 ending balance of \$25,812,250 and Fiscal Year 2017-18 beginning balance of \$23,918,014 due to audit adjustment regarding decrease due to program revenues recognized in wrong fund.]

Source: Jurupa Unified School District Audited Financial Statements for Fiscal Years 2013-14 through 2017-18.

District Budget Process and County Review

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the County of Riverside Superintendent of Schools.

The county superintendent must review and approve, conditionally approve or disapprove the budget no later than August 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget, and file it with the county superintendent no later than September 8. Pursuant to State law, the county superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the county superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the county superintendent determines that a district cannot meet its current or the subsequent year's obligations, the county superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations, or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the county superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) develop and impose, after also consulting with the district's governing board, revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the county superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent assumed authority.

A State law adopted in 1991 (known as "AB 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of AB 1200, each school district is required to file interim certifications with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or certificates of participation without approval by the county superintendent in that fiscal year or in the next succeeding year.

For school districts under fiscal distress, the county superintendent of schools is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget

revisions. However, the county superintendent is not authorized to approve any diversion of revenue from ad valorem taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent of schools, receive an emergency appropriation from the State, the acceptance of which constitutes an agreement to submit to management of the school district by a Superintendent appointed administrator.

In the event the State elects to provide an emergency appropriation to a school district, such appropriation may be accomplished through the issuance of "State School Fund Apportionment Lease Revenue Bonds" to be issued by the California Infrastructure and Economic Development Bank, on behalf of the school district. State law provides that so long as such bonds are outstanding, the recipient school district (via its State-appointed administrator) cannot file for bankruptcy.

Since the first interim certification for Fiscal Year 2014-15 through the first interim certification for Fiscal Year 2018-19, the District filed positive certifications and the County Superintendent concurred with the positive certifications. As of October 1, 2018, based on State law, the multi-year projections have balanced budgets in all fiscal years and exceed a 3% reserve in Fiscal Years 2018-19, 2019-20 and 2020-12.

The accounting policies of the District conform to generally accepted accounting principles and are in accordance with the policies and procedures of the State School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all State school districts. See APPENDIX B – "AUDITED FINANCIAL STATEMENTS OF THE JURUPA UNIFIED SCHOOL DISTRICT FOR FISCAL YEAR ENDING JUNE 30, [2018]."

Full implementation of the LCFF has occurred over a period of several years, during which an annual transition adjustment was calculated for each district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. Full implementation of the LCFF is expected to occur in 2018-19. For a complete discussion of the LCFF implementation plan, see "EFFECT OF STATE BUDGET ON REVENUES – Local Control Funding Formula" herein. However, in the absence of either the full implementation of the LCFF as currently projected by the State or a reduction of general fund expenditures, there can be no assurances that the District will have positive ending fund balances in future years.

General Fund Budget

The following table shows information from the School District's adopted budgets and audited financial statements for the Fiscal Years 2014-15 and 2017-18, from the School District's adopted budget and 1st Interim Budget from the School District's adopted budget for Fiscal Year 2018-19. Revenue and expenditure items are categorized by object category. The object category classifies revenues by source and type, e.g., Local Control Funding Formula (LCFF) sources, federal revenue, other state revenue, fees, and contracts and classifies expenditures by type of commodity or service, e.g., certificated salaries, classified salaries, employee benefits, books, and supplies.

**Table A-9
JURUPA UNIFIED SCHOOL DISTRICT
General Fund Budgets for Fiscal Years 2014-15 through 2016-17, and First Interim Budget for Fiscal Year 2018-19,
and Audited Actuals for Fiscal Years 2014-15 through Fiscal Year 2017-18**

	2014-15 Adopted Budget	2014-15 Audited Actuals	2015-16 Adopted Budget	2015-16 Audited Actuals	2016-17 Adopted Budget	2016-17 Audited Actuals	2017-18 Adopted Budget	2017-18 Audited Actuals	2018-19 First Interim Budget
REVENUES									
LCFF									
Federal Revenue	\$146,404,633	\$147,938,341	\$170,917,421	\$170,386,520	\$182,522,175	\$181,709,659	\$185,500,106	\$185,775,279	\$
Other State Revenue	13,766,528	12,494,708	12,916,168	13,012,981	13,133,128	13,040,344	13,424,983	12,033,549	
Local Revenues	8,901,554	10,960,934	6,690,703	24,821,525	20,194,238	21,460,538	17,558,521	20,598,428	
	10,512,795	11,859,745	9,503,339	11,398,413	10,272,088	11,762,556	9,189,830	11,908,147	
Total Revenues	<u>\$179,585,510</u>	<u>\$183,253,728</u>	<u>\$200,027,631</u>	<u>\$219,619,439</u>	<u>\$226,121,629</u>	<u>\$227,973,097</u>	<u>\$225,673,440</u>	<u>\$230,315,403</u>	<u>\$</u>
EXPENDITURES									
Certificated Salaries	\$87,063,438	\$87,446,674	\$94,154,830	\$96,031,058	\$100,901,811	\$100,767,331	\$102,714,540	\$102,396,227	\$
Classified Salaries	25,286,729	25,650,008	30,056,311	30,326,397	32,285,289	33,399,269	33,016,009	33,872,679	
Employee Benefits	33,988,577	32,949,373	36,785,454	42,889,368	49,106,435	48,486,058	54,543,587	52,422,563	
Books and Supplies	10,281,667	8,572,123	10,641,842	12,069,809	10,985,738	11,686,668	8,302,168	7,667,484	
Services and Other Operating	21,427,812	21,867,664	19,443,372	22,079,360	22,210,368	23,214,461	23,035,418	21,817,824	
Expenditures									
Capital Outlay	1,539,235	64,580	228,593	804,444	188,940	1,149,919	284,533	1,434,599	
Transfers of Indirect Costs	2,490,523	(389,559)	(270,000)	(295,908)	(270,000)	(245,264)	(273,509)	(393,915)	
Other Outgo	(270,000)	-	3,559,676	3,258,205	3,646,777	724,051	3,324,642	377,211	
Intergovernmental Transfers	-	-	-	-	-	-	-	-	
Debt Service	-	3,402,581	-	-	-	2,816,342	-	2,816,342	
Total Expenditures	<u>\$181,807,981</u>	<u>\$179,543,444</u>	<u>\$194,880,078</u>	<u>\$207,162,733</u>	<u>\$219,055,358</u>	<u>\$221,998,835</u>	<u>\$224,947,388</u>	<u>\$222,411,014</u>	<u>\$</u>
Excess Revenues Over (Under) Expenditures	<u>(\$2,222,471)</u>	<u>\$3,710,284</u>	<u>\$5,447,553</u>	<u>\$12,456,706</u>	<u>\$7,066,271</u>	<u>\$5,974,262</u>	<u>\$726,052</u>	<u>\$7,904,389</u>	<u>\$</u>
OTHER FINANCING SOURCES									
Interfund Transfer In ⁽¹⁾	\$473,583	\$473,583	\$473,583	\$473,583	\$473,583	473,583	\$873,583	\$1,400	
Interfund Transfers (Out) ⁽²⁾	2,733,813	(3,305,939)	(3,000,000)	(13,471,854)	(5,322,443)	(8,151,852)	(3,200,000)	(7,584,379)	
Other financing sources	-	-	-	-	-	-	-	-	
Proceeds from long term debt	-	-	-	-	-	-	-	-	
Proceeds from capital lease	-	-	-	-	-	-	-	-	
Total Other Financing Sources	<u>(\$2,260,230)</u>	<u>(\$2,832,356)</u>	<u>(\$2,526,417)</u>	<u>(\$12,998,271)</u>	<u>(\$4,848,860)</u>	<u>(\$1,678,269)</u>	<u>(\$2,326,417)</u>	<u>(\$7,582,979)</u>	<u>(\$)</u>
Net change in Fund Balances	(\$4,482,701)	\$877,928	\$2,921,136	(\$541,565)	\$2,217,411	(\$1,704,007)	(\$1,600,365)	\$321,410	(\$)
Fund Balances - Beginning	\$21,925,636	\$25,180,173	\$21,468,187	\$26,058,102	\$24,588,629	\$25,516,537	\$20,463,425	\$23,918,084	\$
Fund Balances - Ending	<u>\$17,442,935</u>	<u>\$26,058,101</u>	<u>\$24,389,323</u>	<u>\$25,516,537</u>	<u>\$26,806,040</u>	<u>\$23,812,530</u>	<u>\$18,863,060</u>	<u>\$24,239,494</u>	<u>\$</u>

⁽¹⁾ Explain Transfers In source. "Transfers In" amounts generally represents the transfer of moneys in the [deferred maintenance] fund to the School District General Fund due to statutory change which allowed more flexibility in use of funds and removed a requirement to separately account for [deferred maintenance].
⁽²⁾ [Explain Transfers out: "Transfers out" generally relate to [redevelopment] funds received by the School District into its General Fund, but which are restricted in use to capital facilities, and are transferred to a [capital facilities] fund.]

Source: Jurupa Unified School District.

General Fund Assets, Liabilities and Fund Balance

The following table shows information from the District's audited financial statements for the Fiscal Years 2013-14 through 2017-18, from the District's audited Total Governmental Funds balance sheet.

**Table A-10
JURUPA UNIFIED SCHOOL DISTRICT
Summary of Total Governmental Funds Balance Sheet
Fiscal Years 2013-14 through 2017-18**

	<u>Audited 2013-14</u>	<u>Audited 2014-15</u>	<u>Audited 2015-16</u>	<u>Audited 2016-17</u>	<u>Audited 2017-18</u>
ASSETS					
Cash	\$34,499,885	\$81,561,421	\$78,436,824	\$138,699,737	\$117,850,246
Investments	5,621,252	43,151,493	39,015,010	35,550,020	17,700,005
Accounts receivable	20,385,028	7,948,349	7,810,495	4,950,047	7,678,390
Due from other funds	389,831	1,273,111	1,021,954	1,277,479	5,790,189
Stores Inventories	264,714	315,559	115,988	161,769	155,173
Prepaid expenditures	-	-	-	164,710	1,261,698
Total Assets	<u>\$61,160,710</u>	<u>\$134,249,933</u>	<u>\$126,400,271</u>	<u>\$180,803,762</u>	<u>\$150,435,701</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$4,605,556	\$13,236,483	\$10,382,921	\$13,147,976	\$19,876,218
TRANS Payable	10,170,000	-	-	-	-
Due To Other Funds ⁽¹⁾	389,831	1,473,111	1,021,954	1,274,484	5,027,412
Deferred/Unearned Revenues	186,744	489,885	1,174,360	2,338,306	2,773,579
Total Liabilities	<u>\$15,352,131</u>	<u>\$15,199,479</u>	<u>\$12,579,235</u>	<u>\$16,760,766</u>	<u>\$27,677,209</u>
FUND BALANCES					
Reserved for:					
Nonspendable	\$269,714	\$320,559	\$120,988	\$331,479	\$1,441,871
Restricted	27,149,085	98,206,387	94,753,076	146,155,455	101,220,740
Assigned	13,514,118	15,038,026	12,327,934	10,651,540	13,046,029
Unassigned	4,875,662	5,485,482	6,619,038	6,904,522	7,049,852
Total Fund Balances	<u>\$45,808,579</u>	<u>\$119,050,454</u>	<u>\$113,821,036</u>	<u>\$164,042,996</u>	<u>\$122,758,492</u>
Total Liabilities/Fund Balances	<u>\$61,160,710</u>	<u>\$134,249,933</u>	<u>\$126,400,271</u>	<u>\$180,803,762</u>	<u>\$150,435,701</u>

⁽¹⁾ The California Education Code permits school districts to temporarily transfer moneys held in any fund or account to another fund or account of the district for payment of obligations. The transfer is accounted for as temporary borrowing between funds or accounts. Amounts transferred must be repaid either in the same fiscal year or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year. The District has used and expects to use interfund borrowing each fiscal year for the foreseeable future to manage reductions in funding to education.

Source: Jurupa Unified School District Audited Financial Statements for Fiscal Years 2012-13 through 2016-17.

Revenue Sources

The District generally categorizes its general fund revenues into four sources: (i) LCFF sources (consisting of a mix of State and local revenues), (ii) federal revenues, (iii) other State revenues, and (iv) other local revenues. Each of these revenue sources is described below.

LCFF Sources. In Fiscal Year 2013-14, the State implemented a new funding system, referred to as "Local Control Funding Formula." Funding of the District's local control funding is provided by a mix of local property taxes and State aid. Local Control Funding Formula revenues are expected to comprise approximately 81.7% of the District's general fund revenues in 2018-19. The District anticipates that it will receive approximately \$147.5 million in base grant funding, \$43.6 million in supplemental grant funding, \$5.6 million in grade span adjustment, and \$1.7 million in home-to-school transportation funding in 2018-19. See APPENDIX A – "INFORMATION RELATING TO THE JURUPA UNIFIED SCHOOL DISTRICT'S OPERATIONS AND BUDGET – EFFECT OF STATE BUDGET ON REVENUES – 2018-19 State Budget" and " – EFFECT OF STATE BUDGET ON REVENUES – State Education Funding; Proposition 98" above.

Enrollment can fluctuate due to factors such as population growth or decline, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the school district to make adjustments in fixed operating costs.

Beginning in Fiscal Year 1978-79, Proposition 13 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 how levies on county-wide property values were to be shared with local taxing entities within each county. Property taxes collected by the County which are used to pay the principal of and interest on the general obligation bonds do not constitute local property taxes for purposes of being applied toward the District's LCFF limit.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under the Every Student Succeeds Act enacted in 2015, and specialized programs such as Drug Free Schools, Education for Economic Security, and the free and reduced lunch program. The federal revenues, most of which are restricted, are projected to equal approximately \$13.5 million in Fiscal Year 2018-19.

Other State Revenues. In addition to State apportionments through the Local Control Funding Formula, the District receives substantial other State revenues ("**Other State Revenues**"). Some of the Other State Revenues are restricted to specific types of program uses, such as special education. These Other State Revenues are primarily restricted revenues funding items such as the Special Education Master Plan, California Clean Energy Jobs Act and the State on behalf contributions to STRS. Other State Revenues, which include State Lottery Revenue, comprised approximately 1.6% of General Fund revenues in 2016, 1.6% of general fund revenues in 2017-18, and are expected to comprise approximately 1.5% of such revenues in 2018-19."

As mentioned above, Other state Revenues include the California State Lottery (the "**Lottery**"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction or the financing of research. Lottery revenues comprised a nominal amount (less than 2%) of general fund revenues.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as the leases and rentals, interest earnings, transportation fees, interagency services, Special Education Local Plan Area ("**SELPA**"), apportionments and other local sources. In Fiscal Years 2016-17 and 2017-18, Other local revenues comprised approximately 4.5% and 4.1%, respectively, of total general fund revenues. In Fiscal Year 2018-19, other local revenues are projected to comprise approximately 3.6% of total general fund revenues.

Developer Fees. The District maintains a capital project fund, separate and apart from the general fund, to account for developer fees collected by the District. The District's developer fees may be utilized for any capital purpose related to growth.

Collection of such fees followed a formal declaration by the Board of Education which addressed the overcrowding of District schools as a result of new development. These fees are collected pursuant to certain provisions of the California Education Code. The square-foot amounts are periodically adjusted for inflation and the current Level I (for residential additions) developer fee is \$3.48 per square foot of habitable space on domestic housing developments. The current Level II (new residential dwelling or second unit) developer fee is suspended effective January 19, 2018. The current developer fee on commercial and industrial developments is \$0.56 per square foot. As of June 30, 2018, a balance of \$6,883,714 existed in the District's Capital Facilities Fund.

For Fiscal Years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17 and 2017-18, the District collected \$370,506, \$239,701, \$2,026,912, \$2,438,355, \$908,281, \$660,690.97 and \$837,606.25 in developer fees. The budgeted developer revenue for Fiscal Year 2018-19 is \$300,000.

Redevelopment Revenues. See " - Dissolution of Redevelopment Agencies" above regarding the dissolution of redevelopment agencies. The District entered into agreements with several redevelopment agencies formed pursuant to the State Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.) (generally, "**Redevelopment Agencies**"), pursuant to which the District has, in the past, received "pass-through" tax increment revenues (the "**Redevelopment Revenues**").

The District received \$4,182,535 in Redevelopment Revenues for Fiscal Year 2016-17 and \$4,728,063 for Fiscal Year 2017-18. The projection for Fiscal Year 2018-19 is expected to be approximately \$3,602,791.

The District, however, can make no representations that Redevelopment Revenues will continue to be received by the District in amounts consistent with prior years, or as currently projected, particularly in light of the legislation eliminating redevelopment agencies. See "EFFECT OF STATE BUDGET ON DISTRICT REVENUES – 2018-19 State Budget – *Dissolution of Redevelopment Agencies*," "DISTRICT FINANCIAL INFORMATION – Current State Education Funding – Local Control Funding Formula" and "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A" and " – Proposition 22" herein. The Bonds, however, are not payable from such revenue. The Bonds are payable solely from the proceeds of an *ad valorem* tax required to be levied by the County in an amount sufficient for the payment thereof. See "INTRODUCTION – Sources of Payment for the Bonds" and "THE BONDS – Security" herein.

The District can make no representations as to the extent to which its LCFF apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies any other surplus property tax revenues pursuant to the legislation dissolving redevelopment agencies.

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District Debt Structure

Long-Term Debt. As of June 30, 2018, the District had \$[] of long-term debt outstanding (not including debt of Mello-Roos community facilities districts (the "CFDs") within the District). The debt of the CFDs is payable from special taxes levied on the taxable parcels within those districts. The District's general obligation bond debt, including the Bonds are payable from *ad valorem* taxes levied on the taxable parcels within the District, and not from general revenues of the District. The District leases equipment, portable classrooms and school buses pursuant to capital leases.

A schedule of changes in long-term debt for the year ending June 30, 2018, is set forth in the table below.

Table A-11
JURUPA UNIFIED SCHOOL DISTRICT
Schedule of Changes in Long-Term Debt as June 30, 2018

	Balance as of July 1, 2017	Additions	Deductions	Balance as of June 30, 2018	Amount Due in One Year
General Obligation					
Bonds:					
Bond principal	\$131,777,972	-0-	\$7,190,000	\$124,587,972	\$7,230,000
Accreted interest component	6,763,831	703,008	-0-	7,466,839	-0-
Unamortized issuance premium	<u>11,482,191</u>	<u>-0-</u>	<u>643,719</u>	<u>10,838,472</u>	<u>643,719</u>
Sub-Total Bonds	<u>\$150,023,994</u>	<u>\$703,008</u>	<u>\$7,833,719</u>	<u>\$142,893,283</u>	<u>\$7,873,719</u>
Lease Revenue Bonds:					
Bond principal	\$29,988,476	\$-0-	\$-0-	\$29,988,476	\$-0-
Accreted interest component	223,953	120,823	-0-	344,776	-0-
Unamortized issuance premium	<u>2,268,819</u>	<u>-0-</u>	<u>88,110</u>	<u>2,180,709</u>	<u>88,110</u>
Sub-Total Lease Rev Bonds	<u>\$32,481,248</u>	<u>\$120,823</u>	<u>\$88,110</u>	<u>\$32,513,961</u>	<u>\$88,110</u>
Certificates of Participation	\$5,070,000	\$-0-	\$510,000	\$4,560,000	\$540,000
Site Lease Agreement	1,435,000	-0-	340,000	1,095,000	350,000
Energy Efficiency Financing	26,796,104	-0-	1,407,332	25,388,772	1,468,622
Capital Leases	200,337	431,150	261,319	370,168	86,441
Redevelopment Agency	1,000,000	-0-	200,000	800,000	200,000
Compensated Absences	2,853,704	86,618	-0-	2,940,322	-0-
Early Retirement Incentives	146,375	-0-	12,956	133,419	133,419
Other Postemployment Benefits	<u>47,112,127</u>	<u>4,784,414</u>	<u>2,259,105</u>	<u>49,637,436</u>	<u>-0-</u>
TOTALS	<u>\$267,118,889</u>	<u>\$6,126,013</u>	<u>\$12,912,541</u>	<u>\$260,332,361</u>	<u>\$10,740,311</u>

Source: Jurupa Unified School District.

Repayment schedules for certain of the debts/obligations are contained in APPENDIX B — "AUDITED FINANCIAL STATEMENTS OF THE JURUPA UNIFIED SCHOOL DISTRICT FOR FISCAL YEAR ENDING JUNE 30, 2017."

General Obligation Bonds.

Election of 2001. The District received authorization at an election held on November 6, 2001 (Measure C), by an affirmative vote of 64.7% of the votes cast by eligible voters within the District to issue general obligation bonds in an amount not to exceed \$58 million. The proceeds of the bonds were authorized to be used for the acquisition and construction of school facilities and equipment, specifically: repair roofing, plumbing and electrical systems, improve school safety and security, upgrade classroom technology, build and expand science laboratories and libraries, and build new schools and classrooms. As of June 30, 2018, \$4,922,972 of such bonds remained outstanding. See ["Summary of Outstanding Bonds" in paragraph A in Note 7 in APPENDIX B.

Election of 2014. Pursuant to a regularly scheduled election of the registered voters of the District held on November 4, 2014, at least 55% of the persons voting on the proposition (Measure EE) voted to authorize the issuance and sale of not to exceed \$144 million principal amount of general obligation bonds of the District to finance the construction of new facilities and renovation and improvement at existing schools and to pay costs of issuance of the bonds. As of June 30, 2018, \$87,280,000 of such bonds remained outstanding. See ["Summary of Outstanding Bonds" in paragraph A in Note 7 in APPENDIX B.

Refunding Bonds. In prior years the District has issued refunding bonds. The net proceeds of the refunding bonds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the District's liabilities. Amounts paid to the refunded bond escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred amounts on refunding on the statement of net position and are amortized to interest expense over the life of the liability. Deferred amounts on refunding of \$696,765 remain to be amortized as of June 30, 2018. All principal amounts on the defeased debt have been paid in full. As of June 30, 2018, \$32,385,000 of such refunding bonds remained outstanding. See ["Summary of Outstanding Bonds" in paragraph A in Note 7 in APPENDIX B.

The annual debt service requirements on all of the District's outstanding general obligation bonded debt are payable from *ad valorem* taxes levied to pay such general obligation bonds.

The table in the body of the Official Statement under the caption "AGGREGATE DEBT SERVICE SCHEDULE" shows the respective debt service for each series of outstanding general obligation bonds by election authorization and the aggregate debt service of the District's general obligation bonds.

Lease Revenue Bonds. On April 2, 2015, the District issued \$29,988,476 in Lease Revenue Bonds. The net proceeds of \$32,455,543 (after issuance costs of \$609,957 and premium of \$2,467,067) were deposited into the Special Reserve Fund for Capital Outlay to finance school facilities, fund capitalize interest, provide a debt service reserve insurance policy and pay for costs incurred in connection with the issuance of the Lease Revenue Bonds, including the premiums for a municipal bond insurance policy and the debt service reserve insurance policy. As of June 30, 2018, \$29,988,476 of such Lease Revenue Bonds remained outstanding. For information regarding future payments on the Lease Revenue Bonds, see [paragraph B, in Note 7 in APPENDIX B.

Certificates of Participation.

2011 Refunding. On November 2, 2011, the District issued \$7,220,000 of Refunding Certificates of Participation (the "Refunding Certificates"). The Refunding Certificates bear fixed interest rates

ranging from 2.0% to 4.375% with annual maturities from August 2012 through August 2024. The net proceeds of \$6,915,818 (after delivery costs, underwriter's discount, and original issue discount of \$304,182) were used to prepay the District's outstanding Certificates of Participation (1999 Education Center Project).

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded certificates. As a result, the refunded certificates are considered to be defeased, and the related liability for the certificates has been removed from the District's liabilities.

Amounts paid to the escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred charges on refunding on the statement of net position and are amortized to interest expense over the life of the liability. Deferred amounts on refunding of [\$45,329] remain to be amortized. As of June 30, 2016, the principal balance on the defeased debt was completely paid. As of June 30, 2018, \$4,560,000 of principal payment with respect to such Refunding Certificates remained outstanding. For information regarding future payments with respect to the Refunding Certificates, see [paragraph C. in Note 7 in APPENDIX B.

2012 Site Lease Agreement. On July 1, 2011, the District entered into a site lease agreement with Municipal Asset Finance Corporation. Under the agreement, the Corporation has agreed to finance the acquisition of a warehouse and the costs of certain tenant improvements for the District, and in exchange the District has agreed to lease the Peralta Elementary School property. The financing is evidenced by the issuance of \$3,200,000 certificates of participation. As of June 30, 2018, \$1,095,000 of principal payments with respect to such site lease agreement remained outstanding. For information regarding future payments under the site lease, see [paragraph C. in Note 7 in APPENDIX B.

Energy Efficiency Financing (Chevron). On September 30, 2011, the District approved an energy conservation measure, authorizing approval of the execution and delivery of an equipment/lease purchase agreement for \$27,105,376. The agreement is for the acquisition, purchase, financing and leasing of certain equipment for the public benefit. As of June 30, 2018, \$25,388,772 of principal payments with respect to such equipment/lease purchase agreement remained outstanding. For information regarding future payments with respect to the equipment/lease purchase agreement, see [paragraph D. in Note 7 in APPENDIX B.

Capital Leases. The District leases equipment, a portable classroom and school buses having a value of approximately \$750,000 under agreements that provide for title to pass upon expiration of the lease period.

Redevelopment Agency. On February 21, 2007, the District entered into a contract with the Redevelopment Agency for the County of Riverside. The contract is for the building of a new stadium at Rubidoux High School. The agreement called for the Redevelopment Agency for the County of Riverside to provide up to \$5 million to the District on a reimbursement basis. \$3 million of the loan is being repaid in annual installments of \$200,000, beginning June 15, 2008. The remaining \$2 million will be repaid from incremental pass through funds received by the District from the successor agency to the Redevelopment Agency for the County of Riverside that exceed the amount received in fiscal year 2005-06. As of June 30, 2018, \$800,000 was the outstanding balance on this obligation.

Early Retirement Incentives. The District has entered into various agreements for early retirement incentives for eligible employees. Eligibility requirements are that employees must have 25 years of service with the District and must be 55 years of age. The agreements require the District to make 5 equal annual

installment payments or a \$10,000 lump sum for the retirees that participate in the plan. As of June 30, 2018, only one payment of \$133,419 remains.

Accumulated Unpaid Employee Vacation. The accumulated unpaid employee vacation for the District at June 30, 2018, amounted to approximately \$2.9 million.

Short-Term Debt; Tax and Revenue Anticipation Notes. In the past, the District has issued tax and revenue anticipation notes to supplement cash flow and has paid such tax and revenue anticipation notes in accordance with their terms. [Confirm: The District has no tax and revenue anticipation note outstanding at this time but may issue tax and revenue anticipation notes in the future.

Community Facilities District Debt/Non-Obligatory Debt. Non-obligatory debt relates to debt issuances by the Community Facility Districts, as authorized by the Mello-Roos Community Facilities Act of 1982 as amended, and the Mark-Roos Local Bond Pooling Act of 1985, and are payable from special taxes levied on property within the boundaries of the community facilities districts of the District (the "**Community Facilities Districts**") according to a methodology approved by the voters within the respective Community Facilities Districts. Neither the faith and credit nor taxing power of the District is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the District has no duty to pay the delinquency out of any available funds of the District. The District acts solely as an agent for those paying taxes levied and for the bondholders, and may initiate foreclosure proceedings. Special tax debt of \$74,765,000, as of June 30, 2018, does not represent debt of the District and, as such, does not appear in the financial statements. Set forth in the table in "TAX BASE FOR REPAYMENT OF BONDS – Direct and Overlapping Debt" in the body of the Official Statement are the balances of outstanding bonds for the Community Facilities Districts as of on or about October 1, 2018.

Direct and Overlapping Debt

For a description of direct and overlapping debt, see the Table in "TAX BASE FOR REPAYMENT OF BONDS – Direct and Overlapping Debt" in the body of the Official Statement.

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CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. (See "THE BONDS - Security" in the body of the Official Statement.) Articles XIII A, XIII B, XIII C and XIII D of the State Constitution, Propositions 39, 98, 111, and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these constitutional and statutory measures on the ability of the County to levy taxes and of the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIII A, Article XIII C and all applicable laws.

Article XIII A of the State Constitution

On June 6, 1978, State voters approved Proposition 13, which added Article XIII A to the State Constitution ("Article XIII A"). Article XIII A, as amended, limits the amount of any *ad valorem* taxes on real property to 1% of the "full cash value" thereof, and provides that such tax shall be collected by the counties and apportioned according to State law. Section 1(b) of Article XIII A provides that the 1% limitation does not apply to *ad valorem* taxes levied to pay interest and redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which had been approved on or after July 1, 1978, by two-thirds or more of the votes cast by the voters voting on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district voting on the proposition, but only if certain accountability measures are included in the proposition as provided by Proposition 39. The tax for payment of the Bonds falls within the exception for bonds approved by a 55% vote.

Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed 2% per year until new construction or a change of ownership occurs.

Article XIII A has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by substantial damage, destruction or other factors, including a general economic downturn, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster, and in various other minor or technical ways.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to directly levy any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

That portion of annual property tax revenues generated by increases in assessed valuations within each tax rate area within a county, subject to successor redevelopment agency claims on tax increment, if any, and subject to changes in organizations, if any, of affected jurisdictions, is allocated to each jurisdiction within the tax rate area in the same proportion that the total property tax revenue from the tax rate area for the prior year was allocated to such jurisdictions.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment of not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property is shown at 100% of assessed value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Inflationary Adjustment of Assessed Valuation

As described above, the assessed value of a property may be increased at a rate not to exceed 2% per year to account for inflation. Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property, adjusted for inflation) at an annual rate higher than 2%, depending on the assessor's measure of the restoration of value of the damaged property. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the 2% inflation adjustment provision of Article XIII A, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most State counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004, a petition for review was filed with the State Supreme Court. The petition was denied by the State Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to be employed in determining the full cash value of property for property tax purposes.

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 State Board of Equalization ("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. 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.

Changes in the State electric utility industry structure and in the way in which components of the industry are regulated and owned, including the sale of electric generation assets to largely unregulated, non-utility companies, may affect how utility assets are assessed in the future, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility

property tax revenues, or whether legislation or litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. Because the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as aid under the State's school financing formula.

Article XIII B of the State Constitution

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations," was approved on November 6, 1979, thereby adding Article XIII B to the State Constitution ("**Article XIII B**"). Under Article XIII B, state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the appropriations limit. Article XIII B does not affect the appropriation of moneys which are excluded from the definition of "appropriations subject to limitation," including appropriations for debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is based on certain Fiscal Year 1978-79 expenditures, and is adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities' revenues in any two consecutive years exceed the combined appropriations limit for those two years, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. In the event the District receives any proceeds of taxes in excess of the allowable limit in any fiscal year, the District may implement a statutory procedure to concurrently increase the District's appropriations limit and decrease the State's allowable limit, thus nullifying the need for any return. Certain features of Article XIII B were modified by Proposition 111 in 1990 (see "Proposition 111" below).

Proposition 98

As discussed above in APPENDIX A - "THE DISTRICT - Allocation of State Funding to School Districts; Restructuring of the K-12 Funding System - State Education Funding; Proposition 98," on November 8, 1988, State voters approved Proposition 98 ("**Proposition 98**"), a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act, have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "**K-14 school districts**") at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in Fiscal Year 1986-87, or (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period. See APPENDIX A - "INFORMATION RELATING TO THE JURUPA UNIFIED SCHOOL DISTRICT'S OPERATIONS AND BUDGET - THE DISTRICT - Allocation of State Funding to School Districts; Restructuring of the K-12 Funding System," " - EFFECT OF STATE BUDGET ON DISTRICT REVENUES" and " - DISTRICT FINANCIAL INFORMATION" above).

Proposition 111

On June 5, 1990, the voters of the State approved the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("**Proposition 111**"), which modified the State Constitution to alter the Article XIII B spending limit and the education funding provisions of Proposition 98. Proposition 111 took effect on July 1, 1990.

The most significant provisions of Proposition 111 are summarized as follows:

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in State per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess is to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

c. Exclusions from Spending Limit. Two new exceptions have been added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, excluded are all appropriations for "qualified capital outlay projects" as defined by the State Legislature. Second, excluded are any increases in gasoline taxes above the then current cents per gallon level, sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990.

d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, was recalculated beginning in Fiscal Year 1990-91. It is based on the actual limit for Fiscal Year 1986-87, adjusted forward to Fiscal Year 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) a certain percentage of State general fund revenues (the "first test") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, school districts will receive the greater of (1) the first test, (2) the second test, or (3) a third test (defined below), which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under the third test, school districts will receive the amount appropriated in the prior year adjusted

for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor (the "third test"). If the third test is used in any year, the difference between the third test and the second test will become a "credit" to school districts which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Article XIIC and Article XIID of the State Constitution; Proposition 218

An initiative measure entitled "Right to Vote on Taxes Act," also known as Proposition 218 (the "Proposition 218"), was approved by the State voters at the November 5, 1996, state-wide general election, and became effective on November 6, 1996. Proposition 218 added Articles XIIC and XIID ("Article XIIC" and "Article XIID," respectively), to the State Constitution, which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges. All references herein to Articles XIIC and XIID are references to the text as set forth in Proposition 218.

Among other things, Article XIIC establishes that every tax imposed by a local government is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), and prohibits special purpose government agencies such as school districts from levying general taxes.

Article XIIC also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. The initiative power is, however, limited by the United States Constitution's prohibition against state or local laws "impairing the obligation of contracts." The Bonds represent a contract between the District and the Owners secured by the collection of *ad valorem* property taxes. While not free from doubt, it is likely that, once the Bonds are issued, the taxes securing them would not be subject to reduction or repeal. Legislation adopted in 1997 provides that Article XIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure which would constitute an impairment of contractual rights under the contracts clause of the United States Constitution.

Article XIID deals with assessments and property-related fees and charges. Article XIID explicitly provides that nothing in Article XIIC or XIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however, it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. No developer fees imposed by the District are pledged or expected to be used to pay the Bonds. Article XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Articles XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one percent *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the State Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

The interpretation and application of Proposition 218 and the United States Constitution's contracts clause will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Proposition 39

On November 7, 2000, State voters approved an amendment (commonly known as "**Proposition 39**") to the State Constitution. Upon passage of Proposition 39, implementing legislation entitled "Strict Accountability in Local School Construction Bonds Act of 2000" (the "**Strict Accountability in Local School Construction Bonds Act**") became operative. Proposition 39 (1) allows school facilities' bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments of Proposition 39 may be changed only with another State-wide vote of the people. The statutory provisions of the Strict Accountability in Local School Construction Bonds Act, as amended, may be changed by a majority vote of both houses of the State Legislature and approved by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition and implementing legislation are K-12 school districts, including the District, community college districts and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property. Prior to Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement would apply only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. The Strict Accountability in Local School Construction Bonds Act approved in June 2000, as amended, places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than (i) \$60 for a unified school district or school facilities improvement district formed by a unified school district, (ii) \$30 for a high school or elementary school district, or (iii) \$25 for a community college district, per \$100,000 of taxable property value. These requirements are statutory provisions and are not part of the Proposition 39 changes to the State Constitution. The Strict Accountability in Local School Construction Bonds Act statutory provisions can be changed with a majority vote of both houses of the State Legislature and approval by the Governor.

Jarvis v. Connell

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State). The Court of Appeal held that a final budget bill, an emergency appropriation, a self-executing authorization pursuant to State statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate.

On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A

On November 2, 2004, State voters approved Proposition 1A ("**Proposition 1A**"), which amended the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State may not (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments, without two-thirds approval of both houses of the State Legislature, or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including (a) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State and (b) approval of the shift by the State Legislature with a two-thirds vote of both houses.

Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amended the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act ("**Proposition 22**"), approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26 ("**Proposition 26**"). Proposition 26 amends Article XIII C of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable

regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Proposition 30

On November 6, 2012, voters of the State approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "**Proposition 30**"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30, as enacted, temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013, to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013, and before January 1, 2017, for storage, use or other consumption in the State. This excise tax was to be levied at a rate of 0.25% of the sales price of the property so purchased. Proposition 30 temporarily increased the personal income tax on certain of the State's income taxpayers by one to three percent for a period of seven years beginning with the 2012 tax year and ending with the 2019 tax year.

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See APPENDIX A – "INFORMATION RELATING TO THE JURUPA UNIFIED SCHOOL DISTRICT'S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 98" and " – Proposition 111" herein. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 55

The California Extension of the Proposition 30 Income Tax Increase Initiative, also known as Proposition 55 (“**Proposition 55**”), was approved by voters on November 8, 2016. The Proposition 55 summary is as follows:

- Extends by twelve years the temporary personal income tax increases enacted in 2012 on earnings over \$250,000 for single filers (over \$500,000 for joint filers; over \$340,000 for heads of household);
- Allocates these tax revenues 89% to K-12 schools and 11% to State Community Colleges;
- Allocates up to \$2 billion per year in certain years for healthcare programs; and
- Bars use of education revenues for administrative costs, but provides local school boards discretion to decide, in open meetings and subject to annual audit, how revenues are to be spent.

The District’s budget projections for future fiscal years will be adjusted to reflect approval of Proposition 55 and the resulting impact on District revenues.

Proposition 62; Statutory Limitations

On November 4, 1986, State voters approved Proposition 62 (“**Proposition 62**”), an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute (a) requires new or higher general taxes to be approved by two-thirds of the local agency’s governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the State Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in *Santa Clara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court’s decision, such as whether the decision applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

Statutory Lien for General Obligation Bonds

On July 13, 2015, the Governor signed Senate Bill 222 (“**SB 222**”) into law, effective January 1, 2016. SB 222 was introduced on February 12, 2015, initially to amend Section 15251 of the California Education Code to clarify the process of lien perfection for general obligation bonds issued by or on behalf of California school and community college districts. Subsequently, on April 15, 2015, SB 222 was amended to include an addition to the California Government Code to similarly clarify the process of lien perfection for general obligation bonds issued by cities, counties, authorities and special districts.

SB 222, applicable to general obligations bonds issued after its effective date, 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.

State Cash Management Legislation

Since 2002, the State engaged in the practice of deferring certain apportionments to school districts in order to manage the State's cash flow. This practice included deferring certain apportionments from one fiscal year to the next. These "cross-year" deferrals were codified. In recent years, the State has paid down the deferrals. However, in the 2017-18 Proposed Budget, the Governor proposed deferring \$859.1 million in LCFF expenditures from June 2017, to July 2017, to maintain Fiscal Year 2016-17 programmatic expenditure levels in light of a reduction to Proposition 98 funding for Fiscal Year 2016-17 compared to the 2016-17 Budget. The 2017-18 Proposed Budget proposed to immediately repay the deferral in Fiscal Year 2017-18. While the final budget for Fiscal Year 2017-18 did not defer apportionments to school districts, the District cannot predict whether the State will engage in the practice of deferring certain apportionments to Districts in the future.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding, see APPENDIX A – "INFORMATION RELATING TO THE JURUPA UNIFIED SCHOOL DISTRICT'S OPERATIONS AND BUDGET – State Funding of School Districts; Restructuring of the K-12 Funding System," " – Proposition 98" and " – Proposition 111" above.

Future Initiatives and Legislation

Article XIII A, Article XIII B, Article XIII C, Article XIII D and Propositions 26, 30, 39 (approved in 2000 authorizing a 55% approval of school bonds), 98, 111 and 218 were each adopted pursuant to a measure qualified for the ballot pursuant to the State's constitutional initiative process. Propositions 1A and 39 (approved in 2012 relating to a State grant program for energy efficiency projects) were each legislatively-referred constitutional amendments which were approved by the electorate, and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. From time to time, other initiative measures could be adopted by State voters or legislation enacted by the State Legislature. For example, during 2013, a proposal (Assembly Bill 182) was introduced in the State Legislature and later enacted to place limitations on the ability of school districts to issue capital appreciation bonds or convertible capital appreciation bonds commencing on and after January 1, 2014. The adoption of any such initiative or enactment of legislation might place limitations on the ability of the State, the County, any city whose students are served by the District, the District or local districts to increase revenues, to increase appropriations, or affect the timing of issuance and/or the structure of future series of school district general obligation bonds, such as those expected to be issued under the measure approved by voters that authorized the Bonds.

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE
JURUPA UNIFIED SCHOOL DISTRICT
FOR FISCAL YEAR ENDING JUNE 30, 2017**

APPENDIX C

GENERAL INFORMATION ABOUT THE CITY OF JURUPA VALLEY, THE CITY OF EASTVALE AND THE RIVERSIDE COUNTY

The territory of the District includes the cities of Eastvale and Jurupa Valley and the County of Riverside. The Bonds are not a debt of the City of Jurupa Valley, the City of Eastvale or the County of Riverside (the "County"). The County, including its Board of Supervisors, officers, officials, agents and other employees, are required, only to the extent required by law, to: (i) levy and collect ad valorem taxes for payment of the Bonds in accordance with the law; and (ii) transmit the proceeds of such taxes to the paying agent for the payment of the principal of and interest on Bonds at the time such payment is due.

The following information is included only for the purpose of supplying general information regarding the City of Jurupa Valley, the City of Eastvale and Riverside County. This information is provided only for general informational purposes, and provides prospective investors limited information about the City of Jurupa Valley, the City of Eastvale, Riverside County and their economic base. The Bonds are not a debt of the County, the State of California (the "State") or any of its political subdivisions, and none of the City of Jurupa Valley, the City of Eastvale, the County or the State or any of its political subdivisions is liable therefor.

General

The Jurupa Unified School District (the "**District**") is a school district organized under the laws of the State, was established in 1963 and is comprised of an area of approximately 44 square miles. The District is located in the western region of Riverside County (the "**County**"), encompassing the City of Jurupa Valley, a portion of the City of Eastvale and a small portion of the City of Riverside. The District is currently operating 15 elementary schools for grades K-6, three middle schools for grades 7-8, one K-8 Academy, three comprehensive high schools for grades 9-12, one on-line high school, one continuation high school and a Learning Center that houses a community day school, an adult education program, an independent study program and other alternative programs. Enrollment in the District in Fiscal Year 2017-18 (for purposes hereof, the term "**Fiscal Year**" is utilized when followed by reference to a specific fiscal year) was 19,112 students in grades K-12, including students in the adult education and other alternative programs. Enrollment in grades K-12 in Fiscal Year 2018-19 is expected to be approximately 19,252 students in grades K-12, including students in the adult education and other alternative programs.

City of Jurupa Valley

The City of Jurupa Valley (the "**City of Jurupa Valley**") was incorporated on July 1, 2011 and includes the communities of Jurupa Hills, Mira Loma, Glen Avon, Pedley, Indian Hills, Belltown, Sunnyslope, Crestmore Heights and Rubidou. The City of Jurupa Valley is located in the northwestern portion of the County, bordering San Bernardino County to the north, the City of Riverside to the south and east, Eastvale and San Bernardino County to the west. Portions of the Santa Ana River traverse the southern portion of the City. The City of Jurupa Valley spans nearly 44 square miles and has a population estimated at 106,054 as of January 1, 2018.

City of Eastvale

The City of Eastvale (the "City of Eastvale") incorporated on October 1, 2010 and is located to the west of the City of Jurupa Valley in the northwestern portion of the County. The City of Eastvale is located 46 miles east of downtown Los Angeles and 103 miles north of downtown San Diego. The City of Eastvale has a population estimated at 64,855 as of January 1, 2018.

History and Location of Riverside County

Riverside County, which encompasses 7,177 square miles, was organized in 1893 from territory in San Bernardino and San Diego Counties. Located in the southeastern portion of the State, Riverside County is bordered on the north by San Bernardino County, on the east by the State of Arizona, on the south by San Diego and Imperial Counties and on the west by Orange and Los Angeles Counties. There are 28 incorporated cities in Riverside County.

Riverside County's varying topology includes desert, valley and mountain areas as well as gently rolling terrain. Three distinct geographical areas characterize Riverside County: the western valley area, the higher elevations of the mountains, and the deserts. The western valley, the San Jacinto mountains and the Cleveland National Forest experience the mild climate typical of Southern California. The eastern desert areas experience warmer and dryer weather conditions. Riverside County is the site for famous resorts, such as Palm Springs, as well as a leading area for inland water recreation. Nearly 20 lakes in Riverside County are open to the public. The dry summers and moderate to cool winters make it possible to enjoy these and other recreational and cultural facilities on a year-round basis.

Riverside County Population

According to the State Department of Finance, Demographic Research Unit, Riverside County's population was estimated at 2,415,955 as of January 1, 2018. The largest cities in Riverside County are the cities of Riverside, Moreno Valley, Corona, Murrieta, Temecula, Jurupa Valley, Menifee, Indio, Hemet and Perris. The areas of most rapid population growth continue to be those more populated and industrialized cities in the western and central regions of Riverside County and the southwestern unincorporated region of Riverside County between Sun City and Temecula.

The following table sets forth annual population figures as of January 1 for cities located within Riverside County for each of the years listed:

**COUNTY OF RIVERSIDE
Population Estimates**

	2014	2015	2016	2017	2018
Banning	30,549	30,746	30,967	31,170	31,282
Beaumont	41,920	43,906	45,617	46,730	48,237
Blythe	18,737	18,522	19,008	19,027	19,389
Calimesa	8,036	8,114	8,212	8,567	8,876
Canyon Lake	10,652	10,673	10,728	10,882	11,018
Cathedral City	53,031	53,390	54,842	54,296	54,791
Coachella	44,101	44,486	45,449	45,273	45,635
Corona	160,955	162,396	163,341	166,819	168,574
Desert Hot Springs	28,591	28,900	29,252	29,347	29,742
Eastvale	58,790	59,930	62,147	63,720	64,855
Hemet	80,196	80,439	80,997	82,417	83,166
Indian Wells	5,295	5,407	5,512	5,549	5,574
Indio	82,419	84,009	85,233	86,632	87,883
Jurupa Valley	98,420	99,742	101,412	103,661	106,054
Lake Elsinore	57,488	59,404	61,422	62,487	63,365
La Quinta	38,991	39,323	39,899	40,605	41,204
Menifee	83,968	85,801	87,608	89,552	91,902
Moreno Valley	19,752	201,387	202,621	204,285	207,629
Murrieta	107,254	109,408	110,166	111,793	113,541
Norco	27,006	26,198	26,727	26,799	26,761
Palm Desert	50,414	50,683	51,250	52,058	52,769
Palm Springs	45,847	46,099	46,534	47,157	47,706
Perris	73,351	74,866	76,070	77,311	77,837
Rancho Mirage	18,076	18,201	18,369	18,579	18,738
Riverside	315,129	317,890	320,226	323,190	325,860
San Jacinto	46,014	46,462	47,085	47,560	48,146
Temecula	106,749	109,144	110,536	112,040	113,181
Wildomar	34,136	34,751	35,270	35,882	36,287
Balance of County	365,395	367,618	371,726	379,252	385,953
County Total	2,291,2623	2,317,895	2,346,717	2,382,640	2,415,955

Source: State Department of Finance Estimates (as of January 1, 2018).

Riverside County Employment

The following table shows the average annual estimated numbers of wage and salary workers by industry in Riverside County for which data is available. The data does not include proprietors, the self-employed, unpaid volunteers or family workers, domestic workers in households, and persons in labor management disputes.

RIVERSIDE COUNTY Civilian Labor Force, Employment and Unemployment (Annual Averages)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Civilian Labor Force</u> ⁽¹⁾	996,400	1,013,500	1,035,700	1,052,600	1,071,900
Employment	897,700	930,400	966,300	988,200	1,015,300
Unemployment	98,700	83,100	69,400	64,500	56,600
Unemployment Rate	9.9%	8.2%	6.7%	6.1%	5.3%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	12,100	11,900	12,600	12,800	12,600
Mining and Logging	300	300	300	300	400
Construction	42,600	47,500	52,900	58,600	62,300
Manufacturing	39,000	40,100	41,300	42,700	42,800
Wholesale Trade	22,400	23,100	23,300	23,800	23,900
Retail Trade	82,400	85,500	88,700	91,600	92,800
Transportation, Warehousing and Utilities	24,900	27,800	34,100	37,400	42,100
Information	6,300	6,300	6,400	6,300	6,100
Finance and Insurance	11,600	11,500	11,600	11,700	12,000
Real Estate and Rental and Leasing	8,400	8,900	9,400	9,700	9,900
Professional and Business Services	57,600	60,900	62,600	65,200	67,000
Educational and Health Services	83,500	89,500	95,200	100,200	106,200
Leisure and Hospitality	75,000	80,500	83,400	88,200	90,800
Other Services	20,300	21,600	21,700	22,300	22,800
Federal Government	6,800	6,800	6,900	7,100	7,100
State Government	15,800	15,900	16,300	17,000	17,800
Local Government	88,600	89,900	91,400	93,600	100,500
Total All Industries	599,500	628,100	657,90	688,400	717,000

⁽¹⁾ Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers and workers on strike.

⁽²⁾ Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers and workers on strike.

Source: State of California Employment Development Department.

Largest Employers

The following table lists the largest employers within the County:

COUNTY OF RIVERSIDE Principal Employers as of June 30, 2017

<u>Employer</u>	<u>Employees</u>
County of Riverside	22,538
University of California, Riverside	8,686
March Air Reserve Base	8,500
Amazon	7,500
Kaiser Permanente Riverside Medical Center	5,739
Corona-Norco Unified School District	5,399
Riverside Unified School District	4,236
Pechanga Resort & Casino	4,000
Riverside University Health Systems	3,876
Eisenhower Medical Center	3,665

Source: County of Riverside, California Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2017.

Construction Trends

Provided below are the building permits and valuations for the City of Jurupa Valley for calendar years 2013 through 2017. (Data for 2018 is not anticipated to be available until mid-May 2019.)

CITY OF JURUPA VALLEY Building Permit Valuation (Valuation in Thousands of Dollars)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Permit Valuation</u>					
New Single-family	\$615.2	\$49,427.6	\$62,461.6	\$76,113.9	\$143,012.7
New Multi-family	0.0	0.0	4,129.9	0.0	0.0
Res. Alterations/Additions	<u>823.1</u>	<u>3,021.7</u>	<u>3,037.4</u>	<u>1,002.5</u>	<u>2,468.9</u>
Total Residential	\$1,438.3	\$52,449.3	\$69,628.9	\$77,116.3	\$145,481.6
New Commercial	\$2,312.0	\$3,510.0	\$301.6	\$3,010.0	\$8,253.0
New Industrial	0.0	15,867.3	9,100.0	0.0	0.0
New Other	1,812.2	5,234.6	203.4	5,362.3	13,617.8
Com. Alterations/Additions	<u>5,489.6</u>	<u>3,427.0</u>	<u>98.2</u>	<u>1,166.5</u>	<u>3,061.3</u>
Total Nonresidential	\$9,613.8	\$28,038.9	\$9,703.2	\$9,538.8	\$24,932.0
<u>New Dwelling Units</u>					
Single Family	3	213	332	346	515
Multiple Family	<u>0</u>	<u>0</u>	<u>39</u>	<u>0</u>	<u>0</u>
TOTAL	3	213	371	346	515

Source: Building Permit Summary, Construction Industry Research Board.

Provided below are the building permits and valuations for the City of Eastvale for calendar years 2013 through 2017. (Data for 2018 is not anticipated to be available until mid-May 2019.)

CITY OF EASTVALE
Building Permit Valuation
(Valuation in Thousands of Dollars) ⁽¹⁾

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Permit Valuation</u>					
New Single-family	\$121,613.4	\$130,232.3	\$137,569.4	\$96,194.2	\$34,283.3
New Multi-family	0.0	0.0	5,635.9	0.0	0.0
Res. Alterations/Additions	<u>953.7</u>	<u>650.2</u>	<u>446.6</u>	<u>763.4</u>	<u>395.0</u>
Total Residential	\$122,567.1	\$130,882.5	\$143,651.9	\$96,957.6	\$34,678.3
New Commercial	\$3,268.0	\$560.0	\$495.6	\$29,167.2	\$83,779.5
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	20,577.2	12,477.7	449.2	41,981.8	10,315.6
Com. Alterations/Additions	<u>3,514.7</u>	<u>3,884.6</u>	<u>46.4</u>	<u>8,487.9</u>	<u>68,705.1</u>
Total Nonresidential	\$27,359.9	\$16,922.3	\$991.2	\$79,636.9	\$162,800.2
<u>New Dwelling Units</u>					
Single Family	350	409	445	351	141
Multiple Family	<u>0</u>	<u>0</u>	<u>30</u>	<u>0</u>	<u>0</u>
Total	350	409	475	351	141

Source: Building Permit Summary, Construction Industry Research Board.

Provided below are the building permits and valuations for the County for calendar years 2013 through 2017. (Data for 2018 is not anticipated to be available until mid-May 2019.)

COUNTY OF RIVERSIDE
Building Permit Valuation
(Valuation in Thousands of Dollars)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<u>Permit Valuation</u>					
New Single-family	\$1,138,738.1	\$1,296,552.8	\$1,313,084.2	\$1,526,767.8	\$1,670,541.6
New Multi-family	138,636.0	178,116.7	110,458.4	106,291.8	109,309.0
Res. Alterations/Additions	<u>98,219.3</u>	<u>147,081.2</u>	<u>113,199.9</u>	<u>126,475.0</u>	<u>123,566.7</u>
Total Residential	\$1,375,593.4	\$1,621,750.7	\$1,536,374.2	\$1,759,534.6	\$1,903,417.3
New Commercial	\$196,402.4	\$184,137.8	\$65,571.1	\$605,176.8	\$529,284.9
New Industrial	141,184.4	161,321.1	18,886.7	59,439.2	410,275.3
New Other	166,887.7	142,204.3	10,124.2	310,187.3	130,419.0
Com. Alterations/Additions	<u>369,502.4</u>	<u>327,327.1</u>	<u>18,905.8</u>	<u>371,216.4</u>	<u>363,711.3</u>
Total Nonresidential	\$873,976.9	\$814,990.0	\$113,487.8	\$1,346,019.6	\$1,433,690.5
<u>New Dwelling Units</u>					
Single Family	4,716	5,007	5,007	5,662	6,265
Multiple Family	<u>1,427</u>	<u>1,931</u>	<u>1,189</u>	<u>1,039</u>	<u>1,070</u>
TOTAL	6,143	6,938	6,196	6,701	7,335

Source: *Building Permit Summary, Construction Industry Research Board.*

Riverside County Commercial Activity

Commercial activity is an important factor in Riverside County's economy. Much of Riverside County's commercial activity is concentrated in central business districts or small neighborhood commercial centers in cities. There are eight regional shopping malls in Riverside County: Riverside Plaza, Galleria at Tyler (Riverside), Palm Springs Mall, Desert Fashion Mall, Indio Fashion Mall, Hemet Valley Mall, Palm Desert Town Center and Moreno Valley Mall at Towngate. There are also three factory outlet malls (Cabazon Outlets, Desert Hills Factory Stores and Lake Elsinore Outlet Center) and over 200 area shopping centers in Riverside County.

CITY OF JURUPA VALLEY
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

<u>Year *</u>	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2012	1,403	505,475	1,852	726,309
2013	1,916	554,749	2,382	806,187
2014	2,145	542,515	2,622	824,516
2015	2,719	496,246	3,383	867,292
2016	2,695	522,340	3,419	888,190

* 2017 data will not be available until June, 2019.

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

CITY OF EASTVALE
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

<u>Year *</u>	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2012	279	272,304	412	490,881
2013	334	299,521	473	538,279
2014	401	332,797	552	590,318
2015	530	348,680	830	656,460
2016	540	359,099	848	633,526

* 2017 data will not be available until June, 2019.

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

COUNTY OF RIVERSIDE
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in thousands)

<u>Year *</u>	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2012	34,683	20,016,668	48,316	28,096,009
2013	33,391	21,306,774	46,805	30,065,467
2014	34,910	22,646,343	48,453	32,035,687
2015	38,036	23,281,724	56,846	32,910,910
2016	38,445	24,022,136	57,771	34,231,144

* 2017 data will not be available until June, 2019.

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

Riverside County Agriculture

Agriculture remains a leading source of income in Riverside County. Principal agricultural products are milk, eggs, table grapes, grapefruit, nursery, alfalfa, dates, lemons and avocados. Four areas in Riverside County account for the major portion of agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley districts in the western portion of Riverside County, the Coachella Valley in the central portion and the Palo Verde Valley near Riverside County's eastern border.

Riverside County Transportation

Easy access to job opportunities in Riverside County and nearby Los Angeles, Orange and San Diego Counties is important to residents of the District and Riverside County. Several major freeways and highways provide access between Riverside County and all parts of Southern California. The Riverside Freeway (State Route 91) extends southwest through Corona and connects with the Orange County freeway network in Fullerton. Interstate 10 traverses the width of Riverside County, the westernmost portion of which links up with major cities and freeways in the eastern part of Los Angeles County and the southern part of San Bernardino County. Interstates 15 and 215 extend north and then east to Las Vegas, and south to San Diego. The Moreno Valley Freeway (State Route 60) provides an alternate to Interstate 10, as an east-west link to Los Angeles County.

Currently, Metrolink provides commuter rail service to Los Angeles and Orange Counties from several stations in Riverside County. Transcontinental passenger rail service is provided by Amtrak. Freight service to major west coast and national markets is provided by two transcontinental railroads – Burlington Northern/Santa Fe and Union Pacific. Truck service is provided by several common carriers, making available overnight delivery service to major California cities.

Transcontinental bus service is provided by Greyhound Lines. Intercounty, intercity and local bus service is provided by the Riverside Transit Agency to western County cities and communities. The SunLine Transit Agency provides local bus service throughout the Coachella Valley, including the cities of Palm Springs and Indio. The City of Banning also operates a local bus system.

City of Riverside, the County seat, is within approximately 7 miles of the District. This airport is operated by the Los Angeles Department of Airports. Four major airlines schedule commercial flight service at Palm Springs Regional Airport. County-operated general aviation airports include those in Thermal, Hemet, Blythe and French Valley. The cities of Riverside, Corona and Banning also operate general aviation airports. There is a military base at March Air Reserve Base, which converted from an active duty base to a reserve-only base on April 1, 1996. Joint military and civilian use of the base is managed by the March AFB Joint Powers Authority, comprised of Riverside County and the Cities of Riverside, Moreno Valley and Perris, which was formed in 1993.

Riverside County Environmental Control Services

Water Supply. Riverside County obtains a large part of its water supply from groundwater sources, with certain areas of Riverside County, such as the City of Riverside, relying almost entirely on groundwater. As in most areas of Southern California, this groundwater source is not sufficient to meet countywide demand and Riverside County's water supply is supplemented by imported water. At the present time imported water is provided by the Colorado River Aqueduct and the State Water Project.

There are several water districts that were formed for the primary purpose of supplying supplemental water to the cities and agencies within their areas. The Rancho California Water District, the Coachella Valley Water District, the Western Municipal Water District and the Eastern Municipal Water District are the largest of these water districts in terms of area served. Riverside County is also

served by the San Geronio Pass Water Agency, Desert Water Agency and Palo Verde Irrigation District. Sewer service within the County is provided by various public agencies.

Flood Control. Primary responsibility for planning and construction of flood control and drainage systems within Riverside County is provided by the Riverside County Flood Control and Water Conservation District and the Coachella Valley Storm Water Unit.

Sewage. There are 18 wastewater treatment agencies in Riverside County's Santa Ana River region and nine in Riverside County's Colorado River Basin region. Most residents in the rural unsewered areas of Riverside County rely upon septic tanks and leach fields as an environmentally acceptable method of sewage disposal. Among the agencies providing sewer service and wastewater treatment are the Western Municipal Water District and the Eastern Municipal Water District.

Riverside County Education

There are four elementary school districts, one high school district, eighteen unified (K-12) school districts and four community college districts in Riverside County. 95% of all K-12 students attend schools in the unified school districts. The three largest unified districts in the County are Riverside Unified School District, Moreno Valley Unified School District and Corona-Norco Unified School District.

There are seven two-year community college campuses located in the communities of Riverside, Moreno Valley, Norco, San Jacinto, Menifee, Coachella Valley and Palo Verde Valley. There are also two universities and a four-year college located in the City of Riverside – the University of California, Riverside, La Sierra University and California Baptist College.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Bonds, Nixon Peabody LLP, Bond Counsel to the Jurupa Unified School District, proposes to render their final approving opinion with respect to the Bonds in substantially the following form:

[FORM TO BE PROVIDED BY NIXON PEABODY]

APPENDIX F

COUNTY POOLED INVESTMENT FUND

[Updated October 17, 2018, with then available report as of September 30, 2018]

The following information concerning the Riverside County Pooled Investment Fund has been provided by the County Treasurer and has not been confirmed or verified by the District or the Underwriter. No representation is made in this Official Statement as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement, or that the information contained or incorporated by this Official Statement by reference is correct as of any time subsequent to its date. Further information may be obtained from the County Treasurer but such information is not incorporated herein by this reference.

The County Treasurer maintains one Pooled Investment Fund (the "PIF") for all local jurisdictions having funds on deposit in the County Treasury. As of September 30, 2018, the portfolio assets comprising the PIF had a market value of \$6,010,617,673.04.

State law requires that all operating moneys of the County, school districts, and certain special districts be held by the County Treasurer. On June 30, 2017, the Auditor-Controller performed an analysis on the County Treasury which resulted in the identification and classification of "mandatory" vs. "discretionary" depositors. The County Auditor-Controller reports that collectively, these mandatory deposits constituted approximately 77.82% of the funds on deposit in the County Treasury, while approximately 22.18% of the total funds on deposit in the County Treasury represented discretionary deposits.

While State law permits other governmental jurisdictions to participate in the County's PIF, the desire of the County Treasurer is to maintain a stable depositor base for those entities participating in the PIF.

All purchases of securities for the PIF are to be made in accordance with the County Treasurer's 2017 Statement of Investment Policy, which is more restrictive than the investments authorized pursuant to Sections 53601 and 53635 of the California Government Code. The Policy Statement requires that all investment transactions be governed by first giving consideration to the safety and preservation of principal and liquidity sufficient to meet daily cash flow needs prior to achieving a reasonable rate of return on the investment. Investments are not authorized in reverse-repurchase agreements except for an unanticipated and immediate cash flow need that would otherwise cause the Treasurer to sell portfolio securities prior to maturity at a principal loss.

The investments in the Treasurer's Pooled Investment Fund as of September 30, 2018 were as follows:

U.S. Treasury Securities	\$193,953,575.01	3.21%
Federal Agency Securities	3,059,637,482.69	50.60
Cash Equivalent & Money Market Funds	882,994,505.65	14.60
Commercial Paper	767,139,821.41	12.69
NCD	723,931,278.36	11.97
Medium Term Notes	212,505,206.63	3.51
Municipal Notes	206,651,082.35	3.42
Certificates of Deposit	-	-
Repurchase Agreements	-	-
Local Agency Obligations ⁽¹⁾	160,000.00	0.003
Total Book Value	\$6,046,972,952.10	100.00%

Book Yield	2.02%
Weighted Average Maturity (years)	1.16

⁽¹⁾ Represents County Obligations issued by the Riverside District Court Financing Corporation.

As of September 30, 2018, the market value of the PIF was 99.40% of book value. The Treasurer estimates that sufficient liquidity exists within the portfolio to meet daily expenditure needs without requiring any sale of securities at a principal loss prior to their maturity.

In keeping with Sections 53684 and 53844 of the California Government Code, all interest, income, gains and losses on the portfolio are distributed quarterly to participants based upon their average daily balance except for specific investments made on behalf of a particular fund. In these instances, Sections 53844 requires that the investment income be credited to the specific fund in which the investment was made.

The Board has established an "Investment Oversight Committee" in compliance with California Government Code Section 27131. Currently, the Committee is composed of the County Finance Director, the County Treasurer-Tax Collector, the County Superintendent of Schools, a school district representative and a public member at large. The purpose of the committee is to review the prudence of the County's investment policy, portfolio holdings and investment procedures, and to make any findings and recommendations known to the Board. As of September 29, 2004, the State no longer required the County to have a local oversight committee; however, the County has elected to maintain the committee. The committee is utilized by the County to safeguard public funds and to perform other internal control measures.

The County has obtained a rating on the PIF of "Aaa-bf" from Moody's Investors Service and "AAAf/S1" rating from Fitch Ratings. There is no assurance that such ratings will continue for any given period of time or that any such rating may not be lowered, suspended or withdrawn entirely by the respective rating agency if, in the judgment of such rating agency, circumstances so warrant.

A complete copy of the County's Investment Policy is contained in APPENDIX G hereto.

APPENDIX G

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

APPENDIX H

BOOK-ENTRY-ONLY SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

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

Discontinuance of DTC Services

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

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

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

RESOLUTION NO. 2019/20

**RESOLUTION AUTHORIZING ISSUANCE OF NOT TO EXCEED
\$48,360,000 AGGREGATE PRINCIPAL AMOUNT OF JURUPA UNIFIED SCHOOL
DISTRICT GENERAL OBLIGATION BONDS, 2014 ELECTION, 2019 SERIES C
AND ORDERING CERTAIN ACTIONS IN CONNECTION THEREWITH**

WHEREAS, the issuance of not to exceed \$144,000,000 aggregate principal amount of general obligation bonds (the "Authorization") of the Jurupa Unified School District (the "District"), County of Riverside (the "County"), State of California, was authorized at an election (the "Election") held in said District on November 4, 2014, the proceeds of which are to be used for the financing and refinancing of construction, equipping, furnishing and improvement of certain specified capital facilities of the District; and

WHEREAS, the Registrar-Recorder of the County certified to the effect that the official canvass of returns for the Election reflected that more than fifty-five percent (55%) of the votes cast on the District's bond measure submitted to the voters at the Election (the "Measure") were cast in favor of the Measure, and such result has previously been entered in the minutes of this Board of Education (the "District Board"); and

WHEREAS, the District has previously issued \$30,000,000 aggregate principal amount of General Obligation Bonds, 2014 Election, 2015 Series A and \$65,640,000 aggregate principal amount of General Obligation Bonds, 2014 Election, 2017 Series B under the Authorization; and

WHEREAS, Section 15140 of the Education Code of the State of California (the "Education Code") authorizes the Board of Supervisors of the County (the "County Board") to borrow funds through the issuance of bonds in the name and on behalf of the District, following the adoption of a resolution of the District Board; and

WHEREAS, it now appears to this District Board that financial market conditions are favorable for the issuance and sale of not to exceed \$48,360,000 in one or more series of bonds under the Authorization (the "Bonds") to be used for (a) the financing or reimbursement for construction, equipping, furnishing and improvement of certain capital facilities as permitted in the official Project List of the District approved at the Election (the "Project List"), (b) payment of capitalized interest on the Bonds; and (c) payment of certain costs of issuance of the Bonds; and

WHEREAS, this District Board hereby determines that such Bonds should be offered at this time, in one or more series, and requests the County Board to offer such Bonds for sale in the name and on behalf of the District; and

WHEREAS, there have been submitted to this meeting of the District Board:

(a) A form of Preliminary Official Statement respecting the Bonds (the "Preliminary Official Statement"), including as an Appendix thereto a form of Continuing Disclosure Agreement (the "Continuing Disclosure Agreement"); and

(b) A form of Contract of Purchase (the "Contract of Purchase"), by and among the District, the County and Stifel, Nicolaus & Co., Incorporated, as Underwriter (the "Underwriter"), providing for the sale and delivery of the Bonds;

WHEREAS, Senate Bill 450 Senate Bill 450 (Chapter 625, Statutes of 2017) ("SB 450") requires that the District Board obtain and disclose good faith estimates from a municipal advisor, underwriter or private lender, prior to the authorization of the Bonds, certain specified information regarding the bonds in a meeting open to the public, which information has been disclosed prior to the adoption of this resolution; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the Jurupa Unified School District as follows:

Section 1. The foregoing Recitals are true and correct.

Section 2. This District Board hereby determines that general obligation bonds of the District in the aggregate principal or issue amount of not to exceed \$48,360,000 be offered for sale, in one or more series, the proceeds of which are to be used for the purposes described in the Recitals hereof.

Section 3. For the above purposes, this District Board hereby requests the County Board to issue the Bonds and to order such Bonds to be sold to the Underwriter at a negotiated sale in accordance with the Contract of Purchase. The Bonds will be issued at a true interest cost not to exceed legal limits and shall be issued in the form of current interest bonds. The Bonds may also be issued in separate tranches or subseries. The Bonds shall not exceed 25 years in maturity from their date of issuance. The form of Contract of Purchase on file with the District Board is hereby approved and the Superintendent of the District, its Assistant Superintendent of Business Services or any designee of either thereof (each, an "Authorized Officer"), and each of them, is hereby authorized to execute the Contract of Purchase, with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The District has instructed the Underwriter, in cooperation with the Municipal Advisor (defined below), to establish the terms, series, interest structure and redemption provisions for the Bonds in order to take advantage of financial market conditions prevailing at the date of sale of the Bonds under the Contract of Purchase. The purchase price for the Bonds to be paid by the Underwriter shall reflect an Underwriter's discount of not more than 0.5% of the principal or issue amount of the Bonds on the date of delivery thereof, not including any original issue discount. Depending upon market conditions, the District may elect to purchase bond insurance to secure the payment of principal or maturity amount of and interest on or accreted value of the Bonds, or any portion thereof.

Section 4. The District Board hereby approves the use by the Underwriter of the Preliminary Official Statement, substantially in the form submitted to and considered by this District Board (the "Preliminary Official Statement") and following pricing, an Official Statement in connection with the sale of the Bonds (the "Official Statement"), in each case with such changes as may be approved by an Authorized Officer and such other officers of the District as may be authorized by the District Board. The Authorized Officers are, and each of

them acting alone hereby is, authorized to deliver copies of the Preliminary Official Statement and the Official Statement with such changes therein as such Authorized Officer shall approve, in his or her discretion, as being in the best interests of the District. Upon the approval of such changes by such Authorized Officer, the Preliminary Official Statement shall be "deemed final" as of its date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the "Rule"). An Authorized Officer is hereby directed to execute a certificate to that effect, substantially in the form appended hereto as Exhibit A. An Authorized Officer is hereby authorized and directed to execute such Official Statement with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The District Board understands and agrees that the County shall have no responsibility or obligation whatsoever in connection with the preparation and approval of the Preliminary Official Statement and the Official Statement, nor for satisfying any obligations of the District under the Rule.

Section 5. The Treasurer-Tax Collector of the County (the "Treasurer") has appointed Zions Bancorporation, National Association, as the paying agent (the "Paying Agent") in connection with the administration of the Bonds, the first annual fees for which shall be paid from proceeds of the Bonds; subsequent annual fees may be paid from *ad valorem* property tax levies within the District.

Section 6. The District Board hereby confirms the designation of Stifel, Nicolaus & Co., Incorporated, as Underwriter, Cooperative Strategies, LLC, as Municipal Advisor to the District (the "Municipal Advisor"), the law firm of Nixon Peabody LLP, as Bond Counsel to the District ("Bond Counsel") and James F. Anderson Law Firm, A Professional Corporation, as Disclosure Counsel in connection with the authorization, issuance and sale of the Bonds.

Section 7. The Bonds shall be sold by negotiated sale to the Underwriter inasmuch as: (i) such a sale will allow the District to integrate the sale of the Bonds with other public financings undertaken, or to be undertaken, by the District in order to fund its public education facilities; (ii) such a sale will allow the District to utilize the services of consultants who are familiar with the financial needs, status and plans of the District; (iii) such a sale will allow the District to control the timing of the sale of the Bonds to the municipal bond market and, potentially, take advantage of interest rate opportunities for favorable sale of the Bonds to such market and the generation of savings to the taxpayers of the District; (iv) such a sale will provide an increased ability to structure the Bonds to fit the needs of particular purchasers; and (v) such a sale will enhance the opportunity for the Underwriter to pre-market the Bonds to potential purchasers, including local residents, prior to the sale of the Bonds.

Section 8. In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, the District hereby covenants to comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Internal Revenue Code of 1986, as amended. In furtherance of these covenants, the District agrees to comply with the covenants contained in the Tax and Nonarbitrage Certificate of the District to be delivered in

connection with the issuance of the Bonds (the "Tax and Nonarbitrage Certificate"). The District hereby agrees to deliver instructions to the Paying Agent as may be necessary in order to comply with the Tax and Nonarbitrage Certificate.

Section 9. Proceeds of the sale of the Bonds necessary to pay certain costs of issuing the Bonds (the "Costs of Issuance") may be deposited in the fund of the District known as the "Jurupa Unified School District General Obligation Bonds, 2014 Election, 2019 Series C Costs of Issuance Fund" (the "Costs of Issuance Fund") and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying Costs of Issuance of the Bonds. The Costs of Issuance Fund may be held and administered by the Paying Agent. Notwithstanding the foregoing, all or a portion of the costs of issuance may be paid by the Underwriter, by the Paying Agent or by a fiscal agent designated for such purpose. Any amounts retained for payment of Costs of Issuance and returned to the District pursuant to the Contract of Purchase shall be transferred to the Debt Service Fund of the District, established at the direction of the District.

The District estimates that the total Costs of Issuance of the Bonds will be approximately 0.5% of the principal amount thereof, as reflected in a summary thereof on file with the Superintendent, without regard to Underwriter's discount or bond insurance.

Section 10. The District Board determines that all acts and conditions necessary to be performed by the District Board or to have been met precedent to and in the issuing and sale of the Bonds in order to make them the legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and met, in regular and due form as required by law; and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

Section 11. The form of Continuing Disclosure Agreement required by the Rule and on file with the District Board, intended for the benefit of the registered owners from time to time of the Bonds (the "Owners") is hereby approved and the District Board hereby authorizes the Authorized Officers, and each acting alone, to execute such Continuing Disclosure Agreement in substantially the form submitted to this meeting of the District Board, with such changes therein as may be approved by the Authorized Officer executing the same. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Agreement in order to assist the Underwriter to comply with the requirements of the Rule. Any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section; however, noncompliance with this Section shall not constitute a default under or cause the acceleration of the Bonds.

Section 12. Should the Authorized Officer, upon consultation and advice of the Municipal Advisor and Bond Counsel, determine it is in the best interests of the District to obtain municipal bond insurance for the Bonds to improve their marketability, the Authorized Officer is hereby authorized and directed to sign documents to secure such credit enhancement on such terms and subject to such conditions as may be established by the Authorized Officer, in agreements relating to such credit enhancement.

Section 13. The County Board is hereby requested to assist the District in the issuance and sale of the Bonds; in order to meet the requirements of law and the procedures of the County with respect to such a request, the Clerk of the District Board is hereby directed to lodge a certified copy of this Resolution with the Clerk of the County Board and with the Superintendent of Schools of the County promptly following adoption hereof, and the District represents and warrants to the County that annual administrative expenses associated with the Bonds at the time outstanding shall be the sole responsibility of the District and the District shall reimburse the County's costs and expenses incurred in connection with the issuance and sale of the Bonds. The Bonds are the general obligations of the District secured by *ad valorem* tax levies and do not constitute an obligation of the County except as set forth in the resolution to be adopted by the County Board authorizing the issuance of the Bonds. The County shall bear no responsibility for the acquisition, construction or installation of the project, or any part thereof.

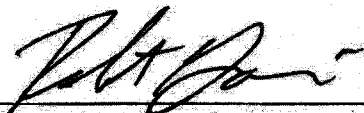
Section 14. Officers of the District Board and District officials and staff, their authorized deputies and designees, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions as may have heretofore been taken by such officers, officials and staff are hereby ratified, confirmed and approved.

Section 15. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 5th day of November, 2018, by the Board of Education of the Jurupa Unified School District, at a regularly scheduled meeting held in Jurupa Valley, California, at a location freely accessible to the public and at which a quorum of said Board was present and acting throughout, by the following roll-call vote:

AYES: 4
NOES: 0
ABSENT/ABSTAIN: 1

JURUPA UNIFIED SCHOOL DISTRICT

By: 
President, Board of Education
Jurupa Unified School District

ATTEST:

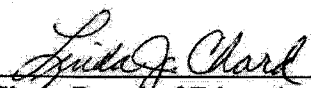
By: 
Clerk, Board of Education
Jurupa Unified School District

EXHIBIT A

FORM OF 15c2-12 CERTIFICATE

With respect to the proposed sale of its General Obligation Bonds, 2014 Election, 2019 Series C in the maximum aggregate principal and issue amount of \$48,360,000, the Jurupa Unified School District (the "**District**") has delivered a Preliminary Official Statement, dated as of the date hereof (the "**Preliminary Official Statement**"). The District, for purposes of compliance with Rule 15c2-12 of the Securities Exchange Commission ("**Rule 15c2-12**"), deems the Preliminary Official Statement to be final as of its date, except for the omission of no more than the information permitted under Rule 15c2-12.

JURUPA UNIFIED SCHOOL DISTRICT

Dated: _____, 201_

By: [FORM ONLY]
Authorized Officer

§
JURUPA UNIFIED SCHOOL DISTRICT
(Riverside County, California)
GENERAL OBLIGATION BONDS, 2014 ELECTION, 2019 SERIES C

BOND PURCHASE AGREEMENT

_____, 2019

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

Board of Education
Jurupa Unified School District
4850 Pedley Road
Jurupa Valley, California 92509

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 Jurupa Unified 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 are expressly 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 hereof.]

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 November 5, 2018 (the "**District Resolution**"), the resolution of the Board of Supervisors of the County, adopted on December 11, 2018 (the "**County Resolution**" and collectively with the District Resolution, the "**Resolutions**"), certain provisions of the California Constitution and Article 1 of Chapter 1 of Part 10 of Division 1 of Title 1 of the California Education Code (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 principal amount each or any integral multiple thereof. 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) Zions Bancorporation, 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 _____, 20__ (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 (defined below) 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 agreement (the "**Continuing Disclosure Agreement**"), 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 _____, 2019, 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 Nixon Peabody LLP ("**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 Agreement, 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 Agreement 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 Agreement, 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 Agreement, 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. 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 Agreement 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 Agreement 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 Agreement 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 and thereof, 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 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 Agreement 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 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 SEC 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 SEC (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 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 Agreement, 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 Agreement have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, 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 creditors' rights or remedies, and is subject to general principles of equity (regardless of whether such enforcement is considered in equity or at law) 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 expressly summarize certain provisions of the Bonds, the Resolutions and the form and content of our final approving opinion concerning certain federal tax matters relating to the Bonds, are accurate in all material respects (excluding any material, including appendices, that may be treated as included under such captions by cross-reference, and excluding any financial, statistical, economic or appraisal data or information, including forecasts, numbers, charts, graphs, estimates, projections, assumptions or expressions of opinion therein, and all information relating to DTC and the Book-Entry System included in all of the foregoing captioned sections, as to which no opinion or view need be expressed).

(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 _____, 2019 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 official is authorized to execute this Purchase Agreement and the Continuing Disclosure Agreement;

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

(11) 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.

(12) 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.

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

(14) 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 C.

(15) [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].

(16) [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].

(17) [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].

(18) 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.

(19) Letter of Representations. A copy of the signed Blanket Letter of

Representations as filed with DTC.

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

(21) 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.

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

(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 County or 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 C, 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 Zions Bancorporation, National Association, as costs of issuance custodian pursuant to a custodian agreement between the District and Zions Bancorporation, 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, 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 of Business Services
Jurupa Unified School District
4850 Pedley Road
Jurupa Valley, CA 92509

If to the Underwriter: Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 37th Floor
San Francisco, CA 94104
Attn: Public Finance Department

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: _____
Authorized Officer

ACCEPTED at _____ p.m. Pacific Time

JURUPA UNIFIED SCHOOL DISTRICT

By: _____
Authorized Officer

ACCEPTED at _____ p.m. Pacific Time

EXHIBIT A

\$ _____

**JURUPA UNIFIED SCHOOL DISTRICT
(Riverside County, California)**

GENERAL OBLIGATION BONDS, 2014 ELECTION, 2019 SERIES C

MATURITY SCHEDULE

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

^(T) Term Bond.

^(C) Priced to first par call date of August 1, 20[].

EXHIBIT B

FORM OF OPINION OF COUNTY COUNSEL

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

Board of Education
Jurupa Unified School District
4850 Pedley Road
Jurupa Valley, California 92509

Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 37th Floor
San Francisco, CA 94104

Re: \$ _____ Jurupa Unified School District
 (Riverside County, California)
 General Obligation Bonds, 2014 Election, 2019 Series C

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 Jurupa Unified School District (the "District") of the bonds designated "\$ _____ Jurupa Unified School District, General Obligation Bonds, 2014 Election, 2019 Series C" (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County of Riverside, California (the "Board of Supervisors"), adopted on December 11, 2018 (the "County Resolution"), at the request of the District made pursuant to a resolution adopted on November 5, 2018, by the Board of Education of the District (the "District Resolution").

In rendering this opinion, we have examined the County Resolution, the Bond Purchase Agreement dated _____, 2019 (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 Board of Supervisors 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 C

FORM OF UNDERWRITER ISSUE PRICE CERTIFICATE

\$
JURUPA UNIFIED SCHOOL DISTRICT
(Riverside County, California)
GENERAL OBLIGATION BONDS, 2014 ELECTION, 2019 SERIES C

ISSUE PRICE CERTIFICATE

[TO COME FROM BOND COUNSEL]