
RESOLUTION NO. 15-16-19

RESOLUTION OF THE BOARD OF TRUSTEES OF THE BANNING UNIFIED SCHOOL DISTRICT AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF NOT TO EXCEED \$36,000,000 OF BANNING UNIFIED SCHOOL DISTRICT 2016 GENERAL OBLIGATION REFUNDING BONDS, PRESCRIBING THE TERMS OF SALE FOR SUCH BONDS, AUTHORIZING EXECUTION AND DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT FOR SUCH BONDS, APPROVING A BOND PURCHASE AGREEMENT, APPROVING CERTAIN DOCUMENTS AND AGREEMENTS, MAKING CERTAIN FINDINGS AND DETERMINATIONS AND TAKING RELATED ACTIONS IN CONNECTION THEREWITH

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	1
SECTION 1. Incorporation of Recitals.....	2
SECTION 2. Purpose of the Refunding Bonds	2
SECTION 3. Statutory Authority	2
SECTION 4. Actions Completed.....	3
SECTION 5. Terms and Conditions of Sale.....	3
SECTION 6. Approval of Purchase Agreement.....	3
SECTION 7. Designation of the Refunding Bonds	4
SECTION 8. Certain Definitions.....	4
SECTION 9. Bond Terms.....	9
SECTION 10. Redemption	10
SECTION 11. Form of Refunding Bonds	13
SECTION 12. Execution of Bonds.....	13
SECTION 13. Delivery of Refunding Bonds	14
SECTION 14. Bond Registration and Transfer	14
SECTION 15. Book-Entry System	15
SECTION 16. Payment of Principal and Interest.....	17
SECTION 17. Security for the Refunding Bonds.....	18
SECTION 18. Appointment of Paying Agent	18
SECTION 19. Resignation or Removal of Paying Agent and Appointment of Successor	19
SECTION 20. Defeasance	20
SECTION 21. Partial Defeasance.....	21
SECTION 22. Deposit of Proceeds of the Refunding Bonds; Establishment of Funds	21
SECTION 23. Tax Matters	23
SECTION 24. Rebate Fund.	24
SECTION 25. Preliminary Official Statement; Official Statement.....	26
SECTION 26. Continuing Disclosure	26
SECTION 27. Bond Insurance	27
SECTION 28. Books and Accounts	27

SECTION 29.	Unclaimed Monies	27
SECTION 30.	Approval of Actions.....	28
SECTION 31.	Other Actions, Determinations and Approvals.....	28
SECTION 32.	Execution of Documents by Bond Owners.....	29
SECTION 33.	Retention of Consultants; Transaction Costs	29
SECTION 34.	Amendments	30
SECTION 35.	Benefits Limited to Parties.....	31
SECTION 36.	Successor Deemed Included in All References to Predecessor	31
SECTION 37.	Partial Invalidity; Severability	31
SECTION 38.	Governing Law	31
SECTION 39.	Effective Date	31
SECTION 40.	Filing of Resolution	31

EXHIBITS:

EXHIBIT A –	DESCRIPTION OF THE PRIOR BONDS	A-1
EXHIBIT B --	FORM OF BOND PURCHASE AGREEMENT	B-1
EXHIBIT C –	FORM OF REFUNDING BONDS	C-1
EXHIBIT D -	FORM OF CONTINUING DISCLOSURE CERTIFICATE.....	D-1

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WHEREAS, an election was duly called and conducted in the Banning Unified School District ("District") pursuant to the California Constitution and California law on November 7, 2006, and thereafter canvassed pursuant to applicable law ("Election"); and

WHEREAS, at such election, it was submitted to and approved by the requisite fifty-five percent (55%) vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the purposes set forth in the ballot measure submitted to the voters (designated as "Measure R"), in the aggregate principal amount of \$63,000,000 payable from the levy of an *ad valorem* tax against taxable property in the District ("Authorization"); and

WHEREAS, pursuant to the Authorization provided in the Election, and pursuant to the provisions of the California Constitution, provisions of the California Education Code ("Education Code") and the California Government Code ("Government Code"), as applicable, the District has issued, or caused to be issued, certain general obligation bonds, which bonds are further described in Exhibit "A", attached hereto and incorporated herein by this reference (collectively, the "Prior Bonds"); and

WHEREAS, certain maturities of the currently outstanding Prior Bonds may be redeemed prior to maturity pursuant to their terms; and

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code ("Act"), the District is authorized to issue refunding bonds ("Bonds" or "Refunding Bonds") to refund a portion of the Prior Bonds subject to certain terms and conditions; and

WHEREAS, this Board of Trustees of the District ("District Board") hereby determines that it is in the best interests of the District to refund a portion of the Prior Bonds through the issuance of the Refunding Bonds, which are hereby authorized in an amount not to exceed \$36,000,000 subject to the terms and conditions set forth herein; and

WHEREAS, the District Board has retained Dale Scott & Co., Inc., as Financial Advisor for the issuance and sale of the Refunding Bonds ("Financial Advisor"), Bowie, Arneson, Wiles & Giannone as Bond Counsel to the District ("Bond Counsel") and Stradling Yocca Carlson & Rauth as Disclosure Counsel to the District ("Disclosure Counsel") for the issuance and sale of the Refunding Bonds, and hereby retains, and authorizes retention of, other consultants and service providers to the District in connection with the issuance and sale of the Refunding Bonds and the refunding of all or a portion of the Prior Bonds as further set forth herein; and

WHEREAS, the forms of the Preliminary Official Statement, the Continuing Disclosure Certificate and the Escrow Agreement (each as defined herein) relating to the Refunding Bonds, and the redemption of a portion of the Prior Bonds, have each been prepared and presented to this District Board; and

WHEREAS, based upon documentation presented to the District Board, the District Board is prepared to make certain findings and determinations, and authorize certain actions, concerning the issuance and sale of the Refunding Bonds and the refunding of the Designated Prior Bonds (as defined herein); and

WHEREAS, the District Board desires that the Refunding Bonds be sold by negotiated sale pursuant to the Act and that such issuance and sale may involve the purchase of a municipal bond insurance policy; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation refunding bonds of the District (including the Act), and the indebtedness of the District, including the Refunding Bonds, is within all limits prescribed by law; and

WHEREAS, based on the foregoing, the District Board has determined that it is appropriate to adopt this Resolution, including making certain findings and directing certain related actions, providing for the issuance and sale of the Refunding Bonds.

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE BANNING UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION 2. Purpose of the Refunding Bonds. To refund a portion of the Prior Bonds and to pay all necessary legal, financial and contingent costs in connection therewith, the District Board authorizes the issuance of the Refunding Bonds, pursuant to the terms and conditions set forth herein, in an amount not to exceed \$36,000,000. Additional costs authorized to be paid from the proceeds of the Refunding Bonds are all of the authorized costs of issuance set forth in Section 53550(e) and (f) and Section 53587 of the Act.

SECTION 3. Statutory Authority. That the Refunding Bonds of the District in the aggregate principal amount not to exceed \$36,000,000 shall be issued and offered for public sale

by the District pursuant to and in accordance with the provisions of the Act, other applicable provisions of State law and as set forth herein.

SECTION 4. Actions Completed.

(a) 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 Refunding Bonds in order to make them legal, valid and binding general obligations of the District, secured as set forth herein, have been performed and have been met, or will at the time of delivery of the Refunding Bonds have been performed and met, in regular and due form as required by law; that the Board of Supervisors of the County has the power and is obligated to levy *ad valorem* taxes for the payment of the Refunding Bonds and the interest thereon without limitation as to rate or amount upon all property within the District subject to taxation (except for certain classes of personal property); and that no statutory or Constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Refunding Bonds.

(b) Pursuant to Section 53552 of the Act, the Board hereby finds and determines that the prudent management of the fiscal affairs of the District requires that the Refunding Bonds be issued under the Act and in accordance with this Resolution and that the issuance of the Refunding Bonds shall not require submission thereof to a vote of the qualified electors of the District.

(c) The total net interest cost to maturity on the Refunding Bonds plus the principal amount of the Refunding Bonds shall not exceed the total net interest cost to maturity on the Designated Prior Bonds (as defined herein) to be refunded plus the principal amount of the Designated Prior Bonds to be refunded.

SECTION 5. Terms and Conditions of Sale. Pursuant to Government Code Section 53583(2)(B) the Refunding Bonds shall be sold at a negotiated sale upon the direction of the District's Superintendent ("Superintendent") or the Designated Officer(s) (as defined herein). The Refunding Bonds shall be sold pursuant to the terms and conditions set forth herein and in the Purchase Agreement as described and defined below.

SECTION 6. Approval of Purchase Agreement. The form of the Bond Purchase Agreement ("Purchase Agreement") by and between the District and RBC Capital Markets, LLC ("Underwriter"), for the purchase and sale of the Refunding Bonds, substantially in the form on file with the Clerk of the District Board, and attached hereto as Exhibit "B" and incorporated herein by this reference, is hereby approved and the Superintendent, the Director of Fiscal Services or such other officers of the District as may be designated by this District Board or by the Superintendent or the Superintendent's designee(s) (each a "Designated Officer"), are hereby authorized and requested to execute and deliver such Purchase Agreement with such changes therein, deletions therefrom and modifications thereto as such Designated Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the Refunding Bonds shall bear interest at the respective rates of interest per annum (calculated on the basis of a year comprised of twelve (12) months of thirty (30) days each) as set forth in the Purchase Agreement (which rates of interest shall comply with the savings requirements set forth in Section 5 and shall not exceed a true interest cost of six percent

(6.00%)) and the underwriting discount shall not exceed one-half of one percent (0.50%) of the par amount of the Refunding Bonds (exclusive of any premium paid on the Refunding Bonds to pay costs of issuance of the Refunding Bonds, which may be paid by the Underwriter, and/or original issue discount, if any, which original issue discount shall not exceed 5.00%). The conditions of the Section 5 shall also apply thereto. The Designated Officer, in consultation with the Financial Advisor and Bond Counsel, is further authorized to determine the Principal Amount of the Refunding Bonds to be specified in the Purchase Agreement for sale up to \$36,000,000, to set or modify the redemption terms for the Refunding Bonds and to enter into and execute the Purchase Agreement with the Underwriter, if the conditions set forth in this Resolution are satisfied. The final maturity of the Refunding Bonds shall be not later than August 1, 2033 (or as shall be applicable given the Prior Bonds, and maturities thereof, which will be refunded). True interest cost for purposes of this Section means that nominal interest rate that, when compounded semiannually and used to discount the debt service payments on the Bonds to the dated date(s) of the Bonds, results in an amount equal to the purchase price of the Bonds, excluding interest accrued to the date of delivery. For purposes of this calculation, the premium paid for the policy of municipal bond insurance, if any, shall be treated as interest paid on the Bonds on the date of delivery.

If it appears in the best interests of the District to acquire a policy of municipal bond insurance to secure the Refunding Bonds, the Designated Officer may so provide in the Purchase Agreement and may take such other and further actions as are necessary or convenient to securing such municipal bond insurance.

SECTION 7. Designation of the Refunding Bonds. The Refunding Bonds shall be officially designated as the **“Banning Unified School District 2016 General Obligation Refunding Bonds.”** The foregoing designation may be amended, modified and/or expanded, in the discretion of the Designated Officer, to the extent necessary or desirable for the issuance, marketing and/or sale of the Refunding Bonds.

SECTION 8. Certain Definitions. Unless otherwise defined herein, as used in this Resolution, the terms and phrases set forth below shall have the following meanings ascribed to them:

(a) **“Act” or “Refunding Act”** means Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code.

(b) **“Authorization”** means the authorization received by the District to originally issue the Prior Bonds at an election held on November 7, 2006.

(c) **“Authorized Investments”** means the Riverside County Investment Pool (or other investment pools of the County into which the District may lawfully invest its funds), the Local Agency Investment Fund, any investment authorized pursuant to Sections 16429.1 and 53601 of the Government Code, or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, or in guaranteed investment contracts in direct General Obligation of the United States of America (including State and Local Government Securities) (provided that such contracts comply with the requirements of Section

148 of the Code, and with the requirements of the Bond Insurer, if any, and as shall be applicable).

(d) **“Authorized Newspaper”** means a newspaper selected by the District which is customarily published at least once a day for at least four (4) days (other than legal holidays) in each calendar week, published in the English language and of general circulation in the County and which has been adjudicated or designated as a “newspaper of general circulation” pursuant to California law.

(e) **“Authorizing Documents”** means the authorizing resolution(s), indenture, agreement(s) and/or other legal document(s) pursuant to which the Prior Bonds were authorized and issued.

(f) **“Bond Counsel”** means a firm of nationally recognized bond counsel, initially Bowie, Arneson, Wiles & Giannone.

(g) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal of, and interest on, the Refunding Bonds.

(h) **“Bond Payment Date”** or **“Interest Payment Date”** means, subject to the terms of the Purchase Agreement, as executed and delivered, with respect to the interest on the Refunding Bonds, February 1 and August 1, commencing on the date specified in the Purchase Agreement, and commencing on the date specified in the Purchase Agreement with respect to the Principal payments on the Refunding Bonds (all subject to the terms of the Purchase Agreement as executed and delivered).

(i) **“Bond Register”** or **“Registration Books”** means the listing of names and addresses of the current registered owners of the Refunding Bonds, as maintained by the Paying Agent in accordance with Section 18 hereof.

(j) **“Bonds”** or **“Refunding Bonds”** means the Banning Unified School District 2016 General Obligation Refunding Bonds, as and when issued.

(k) **“Business Day”** means a day which is not a Saturday or Sunday or a day on which banking institutions are authorized or required by law or executive order to be closed in California and/or New York for commercial banking purposes and on which the Federal Reserve system is not closed.

(l) **“Code”** means the Internal Revenue Code of 1986, as amended, as in effect on the date of issuance of the Refunding Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Refunding Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

(m) **“Costs of Issuance Fund”** shall have the meaning set forth in Section 22 hereof.

(n) **“County”** means the County of Riverside, California, a political subdivision of the State organized and existing under the Constitution and law of the State and any lawful successor thereto.

(o) **“Date of Issuance”** or **“Dated Date”** means the delivery date with respect to the Refunding Bonds.

(p) **“Debt Service Fund”** shall have the meaning set forth in Section 22 hereof.

(q) **“Designated Officer(s)”** means the District’s Superintendent, Director of Fiscal Services, or other persons designated in writing by the District Board or the District’s Superintendent as a Designated Officer of the District.

(r) **“Designated Prior Bonds”** or **“Refunded Bonds”** means, collectively, those Prior Bonds, as generally described in Exhibit “A,” designated by the District to be paid, redeemed and defeased with the net proceeds of the Refunding Bonds.

(s) **“District”** or **“School District”** means the Banning Unified School District, a public school district organized and existing under the Constitution and the laws of the State, and any lawful successor thereto.

(t) **“District Board”** means the Board of Trustees of the Banning Unified School District.

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

(v) **“Escrow Agent”** means the designated financial institution, or other qualified entity, identified as such within the Escrow Agreement and any successor appointed thereto pursuant to the terms of the Escrow Agreement.

(w) **“Escrow Agreement”** means the Agreement of such name, entered into between the District and the Escrow Agent for the deposit, investment and expenditure of funds for the redemption and defeasance of the Prior Bonds to be refunded with the proceeds of the Refunding Bonds.

(x) **“Escrow Fund”** as established under the terms of the Escrow Agreement, shall have the meaning set forth in Section 22(a) hereof.

(y) **“Federal Securities”** means securities as permitted, in accordance with the respective Authorizing Documents, to be deposited with the Escrow Agent for the purpose of defeasing the Designated Prior Bonds.

(z) **“Information Services”** means the Municipal Securities Rulemaking Board, through its Electronic Municipal Market Access (EMMA) system, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such

other services providing information with respect to called bonds as the District may designate in a written request of the District delivered to the Paying Agent.

(aa) **“Letter of Representations”** or **“Representation Letter”** shall have the meaning set forth in Section 19 hereof.

(bb) **“Moody’s”** means Moody’s Investors Service, a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

(cc) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 15 hereof.

(dd) **“Office of the Paying Agent”** means the principal corporate trust office of the Paying Agent in Los Angeles, California, or such other office as may be specified to the District by the Paying Agent in writing.

(ee) **“Official Statement”** shall have the meaning set forth in Section 25 hereof.

(ff) **“Outstanding”** means all Refunding Bonds theretofore issued by the District, except:

- (1) Refunding Bonds theretofore canceled by the District or surrendered to the District for cancellation;
- (2) Refunding Bonds for the transfer or exchange of or in lieu of or in substitution for which other Refunding Bonds shall have been authenticated and delivered by the District pursuant to the terms of this Resolution; and
- (3) Refunding Bonds paid and discharged pursuant to Sections 20 or 21 hereof.

(gg) **“Owner”** or **“Bond Owner”** means the current registered holder of a Refunding Bond or Refunding Bonds to whom payments of Principal and interest, as applicable, are made.

(hh) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which DTC holds book-entry certificates as securities depository.

(ii) **“Paying Agent”** means The Bank of New York Mellon Trust Company, N.A., or such other party as shall be selected by the District, or any successor thereto, acting as the authenticating agent, bond registrar, transfer agent and paying agent.

(jj) **“Principal”** or **“Principal Amount”** means, with respect to any Refunding Bond, the principal amount stated thereon.

(kk) **“Rebate Fund”** shall have the meaning set forth in Section 24 hereof.

(ll) **“Record Date”** means the close of business on the 15th day of the month preceding each Bond Payment Date, whether or not such day is a Business Day.

(mm) **“Redemption Notice”** shall have the meaning set forth in Section 10 hereof.

(nn) **“Resolution”** or **“Bond Resolution”** means this Resolution, including the Exhibits hereto, as adopted by the District Board, and as such may be amended or supplemented from time to time.

(oo) **“Securities Depositories”** means the following: The Depository Trust Company, with Cede & Co. as its nominee, Attn: Call Notification Department at such address or through such notification system as The Depository Trust Company shall designate, and in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

(pp) **“S&P”** or **“Standard & Poor’s”** means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under the law of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term **“S&P”** shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

(qq) **“State”** means the State of California.

(rr) **“Tax Certificate”** means the Tax Certificate executed by the District at the time of issuance of the Refunding Bonds, including all attachments thereto, relating to the requirements of Section 148 of the Code, as originally executed and as such may be amended from time to time.

(ss) **“Term Bonds”** means those Refunding Bonds, if any, for which mandatory sinking fund redemption dates have been established in the Purchase Agreement.

(tt) **“Transfer Amount”** means, with respect to any Outstanding Refunding Bond, the aggregate Principal Amount thereof.

(uu) **“Treasurer”** or **“Treasurer-Tax Collector”** means the Treasurer-Tax Collector of the County of Riverside.

(vv) **“Underwriter”** or **“Purchaser”** means the initial purchaser of the Refunding Bonds, as set out in the Purchase Agreement.

(ww) **“Written Request”** means a written request or directive of the District provided by a Designated Officer.

Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate. Headings of sections herein are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

All references herein to "Sections" and other subdivisions are to the corresponding Sections or subdivisions of this Resolution; the words "herein", "hereof," "hereby", "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Section or subdivision hereof.

SECTION 9. Bond Terms. The Refunding Bonds shall be issued in one series designated "Banning Unified School District 2016 General Obligation Refunding Bonds."

The Refunding Bonds shall be issued as fully registered bonds, without coupons, in the denominations of Five Thousand Dollar (\$5,000) Principal Amount, or any integral multiple thereof.

The Refunding Bonds shall be dated the Date of Issuance and shall bear interest at the rate or rates set forth in the Purchase Agreement payable on each Bond Payment Date of each year commencing on the date specified in the Purchase Agreement, through a date not later than August 1, 2033 (or as applicable given the Prior Bonds, and maturities thereof, designated by the District to be refunded). Each Refunding Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Interest Payment Date to the Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the first Record Date in which event it shall bear interest from the Date of Issuance, computed using a year of 360 days, comprised of twelve 30-day months; provided, however, that if at the time of authentication of any Bond, interest is then in default on Outstanding Refunding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. The foregoing terms shall be subject to the terms of the Purchase Agreement.

The Refunding Bonds will be sold as provided in Sections 5 and 6 hereof. Notwithstanding anything herein to the contrary, the terms of the Refunding Bonds, as set forth in this Resolution, may be modified prior to delivery in accordance with the provisions of the Purchase Agreement, as finally approved and executed, provided that the maximum par amount of the Refunding Bonds and expressly stated sale parameters shall be complied with. The Refunding Bond maturities may be adjusted by the Designated Officer(s), in consultation with the Financial Advisor and Bond Counsel, as appropriate to provide for the refunding of the Designated Prior Bonds and to pay for the costs of issuance of the Refunding Bonds, provided that the total par amount of the Refunding Bonds shall not exceed \$36,000,000. In the event of a conflict or inconsistency between this Resolution and the Purchase Agreement relating to the terms of the Refunding Bonds, the provisions of the Purchase Agreement shall be controlling.

SECTION 10. Redemption.

(a) Optional Redemption. The terms for the optional redemption of the Refunding Bonds shall be as specified in the Purchase Agreement.

(b) Mandatory Sinking Fund Redemption of Term Bonds. The Term Bonds, if any, are subject to mandatory sinking fund redemption prior to their maturity, by lot, without premium, on each August 1 (or such other date specified in the Purchase Agreement), in the years and in the amounts as set forth in the Purchase Agreement and in the Official Statement. In the event that there are no Term Bonds specified in the Purchase Agreement, this subsection shall not apply.

(c) Selection of Bonds for Redemption. Whenever less than all of the Outstanding Refunding Bonds are to be redeemed, the Paying Agent, upon written direction from the District shall select the Refunding Bonds to be redeemed as so directed, and if not so directed in inverse order of maturity, and within a maturity, the Paying Agent shall select Refunding Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Refunding Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof. The Paying Agent shall promptly notify the District of the Refunding Bonds so selected for redemption on such date. In the event that Term Bonds are subject to optional redemption pursuant to Section 10(a) there shall be pro rata reductions in the annual sinking fund payments due on such Outstanding Term Bonds.

(d) Form of Notice of Redemption. The Paying Agent shall give notice of each designated redemption ("Redemption Notice") of the Refunding Bonds at the expense of the District. Such Redemption Notice shall specify: (a) that the Refunding Bonds or a designated portion thereof are to be redeemed; (b) if less than all of the then Outstanding Refunding Bonds are to be called for redemption, shall designate the numbers (or state that all Refunding Bonds between two stated numbers both inclusive have been called for redemption) and CUSIP® numbers, if any, of the Refunding Bonds to be redeemed; (c) the date of notice and the date of redemption; (d) the place or places where the redemption will be made; and (e) descriptive information regarding the Refunding Bonds and the specific Refunding Bonds to be redeemed, including the dated date, interest rate and stated maturity date of each. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Refunding Bond to be redeemed, the portion of the principal amount of such Refunding Bond to be redeemed, together with interest accrued to the date of redemption, and redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue or accrete, as applicable.

(e) Provision of Notice of Redemption. Any Redemption Notice shall be mailed, first class postage, to the registered owners of the Refunding Bonds, to a Securities Depository and to a national Information Service, and by first class mail, postage prepaid, to the District and the respective Owners of any registered Refunding Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least twenty (20) days, but not more than forty-five (45) days, prior to the designated redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of

the proceedings for the redemption of such Refunding Bonds nor entitle the Owner thereof to interest beyond the date given for redemption. A certificate provided by the Paying Agent that notice of such redemption has been given as herein provided shall be conclusive as against all parties, and it shall not be open to a Bond Owner to show that he or she failed to receive notice of such redemption. In case of the redemption as permitted herein of all the Outstanding Refunding Bonds of any one maturity, notice of redemption shall be given by mailing as herein provided, except that the notice of redemption need not specify the serial numbers of the Refunding Bonds of such maturity.

Neither failure to receive or failure to send, to the Securities Depositories or Informational Services, any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Neither the failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Refunding Bonds or the cessation of accrual or accretion of interest, as applicable, represented thereby from and after the redemption date.

(f) Contingent Redemption; Rescission of Redemption. Any Redemption Notice may specify that redemption of the Refunding Bonds designated for redemption on the specified date will be subject to the receipt by the District of monies sufficient to cause such redemption (and will specify the proposed source of such monies), and neither the District or the County will have any liability to the Owners of any Refunding Bonds, or any other party, as a result of the District's failure to redeem the Refunding Bonds designated for redemption as a result of insufficient monies therefor.

Additionally, the District may rescind any optional redemption of the Refunding Bonds, and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Refunding Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Refunding Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission. Neither the District nor the Paying Agent will have any liability to the Owners of any Refunding Bonds, or any other party, as a result of the District's decision to rescind a redemption of any Refunding Bonds pursuant to the provisions of this subsection.

(g) Payment of Redeemed Bonds. When a Redemption Notice has been given substantially as provided for herein, and, when the amount necessary for the redemption of the Refunding Bonds called for redemption (Principal Amount, interest and premium, if any) is set aside for that purpose in the Debt Service Fund, as provided herein, the Refunding Bonds designated for redemption shall become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, said Bonds shall be redeemed and paid at the redemption price from funds held in the Debt Service Fund.

Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Refunding Bonds shall bear or include the CUSIP® number identifying, by issue and maturity, the Refunding Bonds being redeemed with the proceeds of such check or other transfer.

If on such redemption date, money for the redemption of all the Refunding Bonds to be redeemed as provided in this Section, together with interest to such redemption date, shall be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid (and not rescinded), then from and after such redemption date, interest with respect to the Refunding Bonds to be redeemed shall cease to accrue or accrete, as applicable. All money held for the redemption of Refunding Bonds shall be held in trust for the account of the registered Owners of the Refunding Bonds so to be redeemed. All unpaid interest payable at or prior to the designated redemption date shall continue to be payable to the respective Owners, but without interest thereon.

(h) Effect of Notice of Redemption. Notice having been given as aforesaid (and not rescinded), and the monies for the redemption (including the interest to the applicable date of redemption) having been set aside in the Debt Service Fund, the Refunding Bonds to be redeemed shall become due and payable on such date of redemption.

(i) Purchase in Lieu of Redemption. In lieu of, or partially in lieu of, any mandatory sinking fund redemption of Refunding Bonds pursuant to the terms hereof, monies in the Debt Service Fund may be used to purchase the Outstanding Refunding Bonds that were to be redeemed with such funds in the manner hereinafter provided. Purchases of Outstanding Refunding Bonds may be made by the District or the County through the Paying Agent prior to the selection of Refunding Bonds for redemption at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest. Any accrued interest payable upon the purchase of Refunding Bonds may be paid from the Debt Service Fund for payment of interest on the next following Interest Payment Date. Any Refunding Bond purchased in lieu of redemption shall be transmitted to the Paying Agent and shall be canceled by the Paying Agent upon surrender thereof, as provided for in Section 10(k) below and shall not be re-issued or resold.

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

(k) Cancellation of Redeemed Bonds. All Refunding Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section and Section 16 shall be canceled upon surrender thereof and be delivered to or upon the order of the County and the District. All or any portion of a Refunding Bond purchased by the County or the District pursuant to subsection (j) above shall be canceled by the Paying Agent and the Paying Agent shall provide a written certification of such cancellation and destruction to the District.

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

SECTION 11. Form of Refunding Bonds. The Refunding Bonds shall be substantially in conformity with the standard form of registered bonds, the form of which is attached hereto as Exhibit "C", and incorporated herein by this reference as if set forth in full, allowing those District officials executing the Refunding Bonds to make the insertions and deletions necessary to conform the Refunding Bonds to this Resolution and the terms of the Purchase Agreement. One certificate shall be issued for each maturity of the Refunding Bonds of the same interest rate.

The Refunding Bonds may be initially issued in temporary form exchangeable for definitive Refunding Bonds when ready for delivery. The temporary Refunding Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Refunding Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Refunding Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the principal office of the Paying Agent and the Paying Agent shall deliver in exchange for such temporary Refunding Bonds an equal aggregate Principal amount of definitive Refunding Bonds of authorized denominations. Until so exchanged, the temporary Refunding Bonds shall be entitled to the same benefits pursuant to this Resolution as definitive Refunding Bonds executed and delivered hereunder.

"CUSIP®" identification numbers shall be imprinted on Refunding Bonds, but such numbers shall not constitute a part of the contract evidenced by the Refunding Bonds and any error or omission with respect thereto shall not constitute cause for refusal of the Purchaser to accept delivery of or pay for the Refunding Bonds. In addition, failure on the part of the District to use such CUSIP® numbers in any notice to Owners of the Refunding Bonds shall not constitute an event of default or any violation of the District's contract with such Owners and shall not impair the effectiveness of any such notice.

SECTION 12. Execution of Bonds. The Refunding Bonds shall be signed by the President of the District Board by his or her manual or facsimile signature and countersigned by the manual or facsimile signature of the Clerk of the District Board (or an Assistant Clerk) and the seal of the District affixed thereto by the Clerk of the District Board, both in their official capacities. The facsimile signatures of the President of the District Board and the Clerk of the District Board may be printed, lithographed, engraved, typewritten or otherwise mechanically

reproduced. The Board hereby directs that the provisions of Education Code Sections 15181 and 15182 shall apply to such execution of the Refunding Bonds.

In case any of such officers who shall have signed or attested any of the Refunding Bonds shall cease to be such officers before the Refunding Bonds so signed or attested shall have been authenticated or delivered by the Paying Agent, or issued by the District, such Refunding Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the District as though those who signed and attested the same had continued to be such officers, and also any Refunding Bonds may be signed and attested on behalf of the District by such persons as at the actual date of execution of such Refunding Bonds shall be the proper officers of the District although at the nominal date of such Refunding Bonds such person shall not have been such officer of the District.

No Refunding Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Refunding Bonds is signed by the Paying Agent, acting as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Refunding Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 13. Delivery of Refunding Bonds. The proper officials of the District shall cause the Refunding Bonds to be prepared and, following their sale, shall have the Refunding Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Refunding Bonds, to the Underwriter upon payment of the purchase price in immediately available funds.

SECTION 14. Bond Registration and Transfer. As hereinafter provided, the Refunding Bonds shall be delivered in a form and with such terms as will permit them to be in book-entry only form, deposited with DTC. If the book-entry only system is no longer in effect, the District will cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of certificated Refunding Bonds as provided in this Section 14 (the Bond Register). While the book-entry only system is in effect, such books need not be kept, as the Bonds will be represented by one Refunding Bond for each maturity registered in the name of Cede & Co., as nominee for DTC.

Subject to the provisions of Section 15 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal of and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like tenor, maturity and aggregate Principal amount upon presentation and surrender at the principal corporate trust office of the Paying Agent, together with a request for exchange signed by the registered owner or by a person legally

empowered to do so in a form satisfactory to the Paying Agent. A Bond may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of this Section 18, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner, in the aggregate Principal amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

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

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be canceled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District and/or the County may have acquired in any manner whatsoever, and those Bonds shall be promptly canceled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent and updated annually. The canceled Bonds shall be destroyed by the Paying Agent in accordance with its procedures as confirmed in writing to the District.

Neither the District nor the Paying Agent will be required: (a) to issue or transfer any Bonds during a period beginning with the opening of business on the Business Day following the Record Date next preceding any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given; or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

SECTION 15. Book-Entry System. Except as provided below, the owner of all of the Bonds shall be The Depository Trust Company ("DTC"), and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial execution and delivery, as provided for herein, the ownership of such Bond shall be registered in the Bond Register in the name of the Nominee identified below as nominee of The Depository Trust Company, and its successors and assigns. Except as hereinafter provided, all of the Prior Bonds shall be registered in the Bond Register in the name of the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section ("Nominee"). With respect to the Bonds registered in the Bond Register

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

In order to qualify the Bonds for the Depository's book-entry system, the District is executing and delivering to the Depository a Representation Letter. The execution and delivery of the Representation Letter shall not in any other way limit the provisions of this Section or in any other way impose upon the District any obligation whatsoever with respect to persons having interests in the Bonds other than the owners of the Bonds, as shown on the Bond Register. In addition to the execution and delivery of the Representation Letter, the District shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify the Bonds for the Depository's book-entry program.

In the event: (i) the Depository determines not to continue to act as securities depository for the Bonds; or (ii) the Depository shall no longer so act and gives notice to the District of such determination, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered Bond, per maturity, registered in the name of such successor or substitute qualified securities depository or its nominee. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in the Bond

Register in the name of the Nominee, but shall be registered in whatever name or names owners of the Bonds transferring or exchanging Bonds shall designate, in accordance with provisions of this Resolution, and the District shall prepare and deliver Bonds to the owners thereof for such purpose.

In the event of a reduction in aggregate Principal amount of Bonds Outstanding or an advance refunding of part of the Bonds Outstanding, DTC in its discretion, (a) may request the District to prepare and issue a new Bond or (b) may make an appropriate notation on the Bond indicating the date and amounts of such reduction in Principal, but in such event the District records maintained by the Paying Agent shall be conclusive as to what amounts are Outstanding on the Bond, except in the case of final maturity in which case the Bond must be presented to the Paying Agent prior to payment.

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

The District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Refunding Bonds and neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party, including the Depository or its Nominee for any failure of the Depository or its Nominee to provide notices, distribute payments on the Refunding Bonds or take other actions concerning the beneficial owners of the Refunding Bonds which are the responsibility of the Depository or its Nominee. As to the District, the foregoing is subject to the express provisions of the Representation Letter.

SECTION 16. Payment of Principal and Interest. The Principal of, and interest on, the Refunding Bonds shall be payable in lawful money of the United States of America without deduction for the services of the Paying Agent. Interest on the Refunding Bonds shall be paid on each Bond Payment Date by check mailed by first class mail to the person in whose name the Refunding Bond is registered, and to that person's address appearing on the Bond Register (as described in Section 14 herein) on the Record Date. The Owner of an aggregate Principal Amount of \$1,000,000 or more of the Refunding Bonds may request, in writing, prior to the close of business on the fifteenth (15th) day of the month preceding each Bond Payment Date, to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

Payments of Principal and redemption premiums, if any, with respect to the Refunding Bonds, shall be payable at maturity or redemption upon surrender at the Office of the Paying Agent. In the event the Paying Agent shall provide written notice of a change in the location for payment of Principal, redemption premiums and interest on the Refunding Bonds, the Paying Agent shall thereafter provide notice of such change to the Informational Services and Securities Depositories of such change. The Paying Agent is hereby authorized to pay the Refunding

Bonds when duly presented for payment at maturity, and to cancel all Refunding Bonds upon payment thereof.

The Refunding Bonds are general obligations of the District secured by *ad valorem* tax revenues levied and collected pursuant to the California Constitution, the Act, the Authorization and State law, and do not constitute an obligation of the County except as provided in this Resolution. No part of any fund of the County is pledged or obligated to the payment of the Refunding Bonds.

SECTION 17. Security for the Refunding Bonds. Pursuant to the California Constitution, the Act, the Authorization and Education Code Sections 15250 *et seq.*, the County shall cause to be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Refunding Bonds are Outstanding in an amount sufficient to pay the Principal of, premium, if any, and interest on the Refunding Bonds when due, which monies when collected will be placed in the Debt Service Fund (as described in Section 22), which fund is irrevocably pledged for the payment of the Principal of, premium, if any, and interest on the Refunding Bonds when and as the same fall due along with administrative costs and expenses for the Refunding Bonds including fees and expenses of the Paying Agent.

The Treasurer is hereby requested to levy, pursuant to Education Code Section 15250 *et seq.*, on its Fiscal Year 2016/2017 tax roll, and all subsequent tax rolls, as applicable, taxes on taxable property within the District in an amount sufficient to pay the Principal of, interest on and redemption premium, if any, on the Refunding Bonds as the same shall come due, in accordance with the provisions of this Resolution and State law. Pursuant to Government Code Sections 5450 and 5451, funds in the Debt Service Fund are irrevocably pledged for the payment of the Principal of, interest on, and redemption premium, if any, on the Refunding Bonds when and as the same fall due. Funds in the Debt Service Fund after payment of Principal of, interest on, and redemption premium, if any, the Refunding Bonds, if any still then remain following each August 1 (or such other maturity date for the Refunding Bonds, as specified in the Purchase Agreement), may be used to pay administrative costs and expenses for the Refunding Bonds, including fees and expenses of the Paying Agent.

Monies in the Debt Service Fund, to the extent necessary to pay the Principal of, and interest on, the Refunding Bonds as the same become due and payable, shall be transferred by the Treasurer, or his or her designee or deputy, to the Paying Agent who in turn, shall pay such monies to DTC to pay the Principal of, and interest on, the Refunding Bonds when due. DTC will thereupon make payments of Principal of, and interest on, the Refunding Bonds to the DTC Participants who will thereupon make payments of Principal and interest to the beneficial owners of the Refunding Bonds. Any monies remaining in the Debt Service Fund after the Refunding Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District pursuant to the Education Code Section 15235 or any successor section thereto.

SECTION 18. Appointment of Paying Agent. The District Board does hereby confirm the appointment of The Bank of New York Mellon Trust Company, N.A. (or such other entity as determined by the Superintendent if so required), to act as the initial authenticating

agent, bond registrar, transfer agent and Paying Agent for the Refunding Bonds. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District. Any fees incurred therefor in the first year shall be paid from proceeds of the Refunding Bonds and subsequent annual fees, if any, may be paid out of the Debt Service Fund to the extent that there are funds remaining after payment of the Principal and interest on the Refunding Bonds in that year, and if such funds are insufficient, such amounts shall be paid from the General Fund of the District.

SECTION 19. Resignation or Removal of Paying Agent and Appointment of Successor.

(a) The Paying Agent may at any time resign and be discharged of the duties and obligations created by this Resolution by giving at least 60 days' written notice to the District. The Paying Agent may be removed at any time by an instrument filed with such Paying Agent and signed by the District. A successor Paying Agent shall be appointed by the District and shall be a bank or trust company organized under the laws of the State, of any state or the United States, a national banking association or any other financial institution, having capital stock and surplus aggregating at least \$250,000,000, and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. Such Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective only upon appointment and acceptance of a successor Paying Agent.

(b) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any monies held by it as Paying Agent to its successor, or, if there is no successor, to the Treasurer. In the event that for any reason there shall be a vacancy in the office of the Paying Agent, the Treasurer shall act as such Paying Agent. The District shall promptly cause to be mailed, at its expense, the name and principal corporate trust office address of the Paying Agent appointed to replace any resigned or removed Paying Agent to the Informational Services and to DTC.

(c) Any company or association into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company or association to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided that such company or association shall be eligible under Section 23(a), shall be the successor to the Paying Agent and vested with all of the title to the trust estate and all of the trust, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding. All costs associated with the Paying Agent's merger or consolidation with another bank or trust company shall be paid by the successor Paying Agent. No expense resulting from such merger or consolidation shall be billed to the District or the County.

(d) To the extent permitted by law, the Paying Agent may become the Owner of any of the Refunding Bonds.

(e) The District shall be responsible to pay all fees, costs and expenses of the Paying Agent and such charges constitute a lawful and valid use of available tax revenues pursuant to Education Code Section 15232.

(f) All documents received by the Paying Agent under the provisions of this Resolution shall be retained in its possession at the Office of the Paying Agent and shall be subject during business hours and upon reasonable notice to the inspection of the District or the Owners and their agents and representatives duly authorized in writing.

SECTION 20. Defeasance. The Refunding Bonds may be defeased prior to maturity in the following ways:

(a) Cash: By irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay all Refunding Bonds Outstanding, including all Principal and interest and premium, if any; or

(b) Defeasance Securities: By irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Securities, permitted under Section 149(d) of the Code thereto together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue or accrete thereon and monies then on deposit in the Debt Service Fund, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Refunding Bonds (including all Principal and interest represented thereby and redemption premiums, if any) at or before their maturity date.

If the Refunding Bonds are defeased, then, notwithstanding that any Refunding Bonds shall not have been surrendered for payments, all obligations of the District with respect to all Prior Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 20, to the Owners of the Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section 20, "Defeasance Securities" shall mean:

Direct and general obligations of the United States of America (including State and Local Government Series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidence of direct ownership or proportionate interests in future interest or principal payments of such obligations. In the case of investments in such proportionate interests, such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Defeasance Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Defeasance Obligations; and (c) the underlying Defeasance Obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such

obligations are rated or assessed at the highest then-prevailing United States Treasury securities credit rating at the time of purchase.

For purposes of this Section 20 and Section 21, the escrow agent bank and verification agent shall be selected by the District. Any such escrow bank or trust company shall conform to the successor paying agent requirements of Section 18 hereof. All costs for defeasance of Outstanding Refunding Bonds shall be paid by the District.

SECTION 21. Partial Defeasance. A portion of the then-Outstanding maturities of the Refunding Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with a bank or trust company, in escrow, an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is sufficient to pay the designated Outstanding maturities of Bonds, including all Principal, interest and premium, if any; or

(b) Defeasance Securities: by irrevocably depositing with a bank or trust company, in escrow, noncallable Defeasance Securities, permitted under Section 149(d) of the Code together with cash, if required, in such an amount as will, in the opinion of an independent certified public accountant, together with interest to accrue or accrete thereon, be fully sufficient to pay and discharge the designated maturities of Refunding Bonds (including all Principal and interest represented thereby and redemption premiums, if any,) at or before their maturity date.

If a portion of the Refunding Bonds are defeased, then, notwithstanding that any of such designated maturities of Refunding Bonds shall not have been surrendered for payment, all obligations of the District with respect to such Outstanding maturities of Refunding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section 21, to the Owners of the Refunding Bonds of such maturities designated for redemption not so surrendered and paid all sums due with respect thereto.

For purposes of this Section 21, "Defeasance Securities" shall have the same meaning as set forth in Section 20 hereof.

SECTION 22. Deposit of Proceeds of the Refunding Bonds; Establishment of Funds.

(a) The Escrow Agent shall establish a fund to be designated as the "Banning Unified School District 2006 Bonds Escrow Fund" (the Escrow Fund), and the accounts thereof, as set forth in the Escrow Agreement. The Escrow Fund, and the accounts thereof, shall be kept separate and distinct from all other District funds and accounts. A portion of the proceeds of the Refunding Bonds shall be deposited into the Escrow Fund, and the accounts thereof, to redeem and defease the Prior Bonds to be refunded. Monies in the Escrow Fund may be transferred or utilized, as directed by the District to the Escrow Agent in writing, for the payment, redemption and/or defeasance of the Prior Bonds to be refunded. Such utilization may include, but is not limited to, transfer to the fund(s) or account(s) established pursuant to the Escrow Agreement for

deposit or investment as set forth therein or direct expenditures to the beneficial owners (or DTC on their behalf) of the Prior Bonds to be refunded. Upon the expenditure of all monies held in the Escrow Fund, and the accounts thereof, the Escrow Agent shall close such Fund and notify the District of such closure in writing as set forth in the Escrow Agreement.

(b) Proceeds of the sale of the Refunding Bonds necessary to pay all, or any portion, of the costs of issuing the Refunding Bonds and refunding the Prior Bonds to be refunded may be deposited in the fund of the District known as the "Banning Unified School District 2016 General Obligation Refunding Bonds 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 Refunding Bonds and refunding the Prior Bonds to be refunded. Funds held in the Cost of Issuance Fund shall be disbursed at the written direction of the District to pay costs of issuing the Refunding Bonds and refunding the Prior Bonds to be refunded. The Costs of Issuance Fund may, at the discretion of the District, be held by the Paying Agent or the County. Upon the payment in full of all costs of issuance for the Refunding Bonds and refunding the Prior Bonds to be refunded, which shall be determined by a Written Request to the holder of such fund to that effect by a Designated Officer, the holder of such fund shall transfer all funds remaining in the Costs of Issuance Fund, if any, to the Debt Service Fund. Upon the occurrence of such transfer, the holder of the Cost of Issuance Fund shall confirm such transfer to the District and then close that fund.

(c) The accrued interest and any net premium received by the District from the sale of the Refunding Bonds, if any, shall be kept separate and apart in the fund hereby created and established and to be designated as the "Banning Unified School District 2016 General Obligation Refunding Bonds Debt Service Fund" (the Debt Service Fund) for the Refunding Bonds and used only for payments of Principal and interest, as applicable on the Refunding Bonds. The Debt Service Fund shall be held by the Treasurer. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes set forth herein for which the Refunding Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of Principal, redemption premium, if any, and interest on the Refunding Bonds. Except as required below to satisfy the requirements of Section 148(f) of the Code, as may be applicable, interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund and used to pay Principal and interest on the Refunding Bonds when due. Prior to each such Bond Payment Date (and subject to the applicable provisions of Section 10(i) hereof), the Treasurer shall transfer to the Paying Agent, or subsequent disbursement to the beneficial Owners of the Refunding Bonds, monies from the Debt Service Fund sufficient to pay Principal and interest on the Refunding Bonds due on such Bond payment Date. The Paying Agent shall hold all such monies transferred to it, pursuant to the foregoing sentence, uninvested. The Debt Service Fund shall be administered by the Treasurer, and shall be kept separate and distinct from all other District and County funds. If, after payment in full of all Principal, redemption premium, if any, and interest on the Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

(e) The District shall, at such time as shall be necessary, establish and create the "Banning Unified School District 2016 General Obligation Refunding Bonds Rebate Fund" ("Rebate Fund"), which fund shall be kept separate and distinct from all other District funds, and

into which the District shall deposit, or direct deposit of, funds sued to satisfy any requirement to make rebate payments to the United States pursuant to Section 148 of the Code as shall be applicable to the Refunding Bonds and as further set forth in Section 24. The Rebate Fund (if and when established pursuant to the requirement of the Tax Certificate) may, at the discretion of the District, be held by the Paying Agent or the County. Responsibility for determining and calculating rebate payments, if any, due with regard to the Refunding Bonds are the responsibility of the District as further set forth in Sections 23 and 24. Monies in the Rebate Fund shall be invested in compliance with the limitations of the Code.

(f) All proceeds of the Refunding Bonds deposited into the Costs of Issuance Fund or Debt Service Fund shall be invested only in Authorized Investments. Absent other written investment directions provided to the County from the District, the Treasurer shall invest monies in the Debt Service Fund pursuant to State law and the then-current investment policy of the County. The Treasurer assumes no liability for reporting, reconciling and monitoring of investments of funds under the provisions hereunder where such investment is in an investment not under the control or management of the Treasurer or Treasurer's office.

SECTION 23. Tax Matters.

(a) The District, in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Refunding Bonds, hereby covenants to comply with each applicable requirements of Section 103 and Sections 141 through 150 of the Code, as set forth in the Tax Certificate to be executed and delivered by the District, on the Dated Date, and incorporated herein by this reference, as a source of guidance for compliance with such provisions.

(b) The District hereby covenants that it shall not, directly or indirectly, use or permit the use of any proceeds of any of the Prior Bonds, the Refunding Bonds, or of any of the property financed or refinanced with the proceeds of the Refunding Bonds, or other funds of the District, or take or omit to take any action that would cause the Refunding Bonds to be deemed "arbitrage bonds" within the meaning of Section 148 of the Code. To that end, the District shall comply with all requirements of Section 148 of the Code and all regulations of the United States Department of the Treasury promulgated under that section or any successor section to the extent that such requirements are in effect and applicable to the Refunding Bonds.

(c) The District represents that it shall not take any action, or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Refunding Bonds under Section 103 of the Code.

(d) The District shall at all times do and perform all other acts and things necessary or desirable and within its powers to assure, for the purposes of California personal and federal income taxation, that the tax-exempt status of the interest paid on the Refunding Bonds to the recipients thereof will be preserved.

(e) The District Board hereby authorizes Bond Counsel and District staff to draft, complete, execute and include in the documents delivered in connection with the issuance and sale of the Refunding Bonds, such statements and directives as may be necessary and convenient

in order to meet federal tax goals or requirements in connection with maintaining the tax-exempt status of the Refunding Bonds. In addition to the foregoing, District staff is authorized to append to such Tax Certificate a post-issuance compliance policy and procedures (in the form provided by Bond Counsel) to provide for on-going monitoring and compliance actions with respect to the Refunding Bonds.

(f) Notwithstanding any other provision of this Resolution to the contrary, upon the District's failure to observe, or refusal to comply with, the covenants set forth in this Section 23, no person other than the Owners of the Refunding Bonds shall be entitled to exercise any right or remedy provided to such Owners under this Resolution on the basis of the District's failure to observe, or refusal to comply with, the covenants set forth in this Section 23.

SECTION 24. Rebate Fund.

(a) General. There shall, at such time that such shall become necessary, be created and established the Rebate Fund as set forth in Section 22. All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (for purposes of this Section 24, the "Rebate Requirements") pursuant to Section 148 of the Code and the Treasury Regulations promulgated thereunder (for purposes of this Section 24, the "Rebate Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section 24, Section 23 and the Tax Certificate to be executed by the District.

(b) Deposits.

(i) Within 45 days of the end of each fifth year ending August 1, 2020 (for purposes of this Section 24, each, a "Bond Year," unless otherwise defined in the Tax Certificate), commencing August 1, 2016: (1) the District shall calculate or cause to be calculated with respect to the Refunding Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Rebate Regulations, using as the "computation date" for this purpose the end of such five Bond Years; and (2) the District shall direct the County or the Paying Agent, as applicable, to deposit to the Rebate Fund from deposits from the District or from amounts on deposit the other funds established hereunder, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the "rebate amount" so calculated.

(ii) The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) exceeds the "rebate amount" calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section.

(iii) The District shall not be required to calculate the "rebate amount" and the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Refunding Bonds: (1) to the extent such proceeds satisfy the expenditure requirements of Section

148(f)(4)(B) or Section 148 (f)(4)(C) of the Code or Section 1.148-7(d) of the Rebate Regulations, whichever is applicable, and otherwise qualify for the exception of the Rebate Requirement pursuant to whichever of said sections is applicable: or (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1.5%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied: or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Withdrawal Following Payment of Bonds. Any funds remaining in the Rebate Fund after redemption of all the Refunding Bonds and any amounts described in paragraph (2) of subsection (d) of this Section 24, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Withdrawal for Payment of Rebate. Subject to the exceptions contained in subsection (b) of this section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than 60 days after the end of: (i) the fifth Bond Year; and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Rebate Regulations; and

(2) not later than 60 days after the payment of all Refunding Bonds, an amount equal to 100% of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Rebate Regulations.

(e) Deficiencies in the Rebate Fund. In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate the amount of such deficiency and direct the County or Paying Agent, as applicable, to deposit an amount received from the District equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Rebate Payments. Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) Deficiencies in the Rebate Fund. In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in

accordance with said subsection, upon written instructions from the District, the District shall withdraw, or cause to be withdrawn, the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) Records. The District shall retain records of all determinations made hereunder until six years after the retirement of the last obligations of the Refunding Bonds.

(i) Survival of Defeasance. Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Refunding Bonds.

SECTION 25. Preliminary Official Statement; Official Statement. Pursuant to applicable State law and federal disclosure requirements, the Preliminary Official Statement relating to the Refunding Bonds is hereby approved in substantially the form presented to the District Board, and the use and distribution of the Preliminary Official Statement and a final Official Statement in connection with the sale of the Refunding Bonds is hereby authorized subject to the provisions of this Section. The Designated 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, amendments and/or supplements therein or thereto as such Designated Officer shall approve, in their discretion, as being in the best interests of the District. Upon approval of such changes by such 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 by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule"). The District Board hereby authorizes and directs the Designated Officer to deliver to the Underwriter a certificate to the effect that the District deems the Preliminary Official Statement, in the form approved by the Designated Officer to be final as of its date, within the meaning of the Rule (except for the omission of certain final pricing, rating and related information as permitted under such Rule). The District Board hereby also authorizes and directs the Designated Officer to execute and deliver the final form of the Official Statement to the Underwriter upon its final date. In so doing, the Designated Officer may rely upon the advice of Disclosure Counsel.

SECTION 26. Continuing Disclosure. The District does hereby covenant and agree that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate (as defined below). Notwithstanding any other provisions of this Resolution, failure of the District to comply with the provisions of the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Refunding Bonds; however, any underwriter or any holder or beneficial Owner of the Refunding Bonds may take such actions as may be necessary and appropriate to compel performance therewith, including seeking mandate or specific performance by court order.

For purposes of this Section, "Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Refunding Bonds (or such other date as the District officer executing such Continuing Disclosure Certificate shall determine to be appropriate), as originally executed and as it may be amended from time to time in accordance with the terms thereof. A form of the Continuing Disclosure Certificate is attached hereto as Exhibit "D" and incorporated by

reference herein. The Designated Officer(s) are hereby authorized to approve, execute and deliver the final form of the Continuing Disclosure Certificate with such changes, insertions and deletions as may be approved by the Superintendent, Bond Counsel and Disclosure Counsel, which approval shall be conclusively evidenced by execution and delivery thereof.

SECTION 27. Bond Insurance. In the event the District purchases a municipal bond insurance policy, or equivalent, for the Refunding Bonds, and to the extent that the Bond Insurer makes payment of the Principal and/or interest on the Refunding Bonds, it shall become subrogated to the rights of such Owner of such Refunding Bonds with the right to payment of Principal or interest on the Refunding Bonds, and the rights of the Owners shall be fully subrogated to all of the Bond Insurer's rights, including the Owners' rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer's rights as subrogee on the Bond Register upon receipt of a copy of the canceled check issued by the Bond Insurer for the payment of such interest to the Owners of the Refunding Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Paying Agent shall note the Bond Insurer as subrogee on the Bond Register upon surrender of the Refunding Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer. In the event that the Bond Insurer requires additional agreements, covenants or conditions to the issuance of the bond insurance policy, the Designated Officer may deliver or agree to such; provided, however, that applicable law(s) shall be complied with and any such agreement, covenants or conditions shall be consistent with the provisions of this Resolution, the requirements of applicable law and shall be satisfactory to the Designated Officer.

SECTION 28. Books and Accounts. The Treasurer, the County and the Paying Agent, as shall be applicable, are hereby directed to keep, or cause to be kept, proper books or record and accounts to record (i) the amount of taxes collected pursuant to Section 17 hereof, (ii) all deposits, expenditure and investment earnings on the Debt Service Fund, and any and all accounts or subaccounts thereof (to the extent that such funds are held by the County on behalf of the District), and (iii) all transfers of funds for the payment of Principal, interest or redemption premiums on the Refunding Bonds. The Treasurer is requested to provide regular periodic statements of the funds and accounts which it holds to the District. Such books of record and accounts shall at all times during business hours be subject to the inspection of the District, the Paying Agent and the Owners of not less than ten percent (10%) of the Principal Amount of the Refunding Bonds then Outstanding, or their representatives authorized in writing.

SECTION 29. Unclaimed Monies. Notwithstanding any of the foregoing provisions of this Resolution, any monies held by the Paying Agent for the payment of the Principal of, redemption premium, if any, or interest on Refunding Bonds remaining unclaimed for one year after the corresponding maturity or redemption date for such Refunding Bonds shall be returned by the Paying Agent to the Treasurer, with any and all interest accrued thereon, for deposit into the Debt Service Fund. Notwithstanding any other provisions of this Resolution, any monies held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the Principal of, redemption premium, if any, or interest on Refunding Bonds and remaining unclaimed for one year after the Principal of all of the Refunding Bonds have become due and payable (whether by maturity or upon prior redemption) shall be, after written direction of the District, transferred to the General Fund of the District to be applied in accordance with

law; provided, however, that the Paying Agent, or the District, before making such payment, shall cause notice to be mailed to the Owners of all Bonds that have not been paid, by first-class mail at the addresses on the Bond Register, postage prepaid, not less than 90 days prior to the date of such payment.

SECTION 30. Approval of Actions. All actions heretofore taken by officers and agents of the District with respect to the sale and issuance of the Refunding Bonds are hereby approved, confirmed and ratified. The President, Clerk and Secretary of the District Board and the Superintendent and the Designated Officer(s) are each authorized and directed in the name and on behalf of the District to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they, or any of them, might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Refunding Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in case such officer shall be absent or unavailable.

SECTION 31. Other Actions, Determinations and Approvals.

(a) The Superintendent and the Designated Officer(s) are authorized, in consultation with the Financial Advisor, to determine which of the Prior Bonds, or maturities of the Prior Bonds, shall be refunded with the proceeds of the Refunding Bonds.

(b) The Designated Officers and District staff and consultants 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 Refunding Bonds, the payment, redemption, refunding and defeasance of the Designated Prior Bonds designated for refunding pursuant to the terms of this Resolution and to otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions shall include, but are not limited to, providing a contingent notice of redemption of the Prior Bonds to be redeemed and refunded with the proceeds of the Refunding Bonds. Such actions heretofore taken by such officers, officials, consultants and staff are hereby ratified, confirmed and approved.

(c) Based on documents prepared and submitted to the District Board by District staff and consultants, the District Board anticipates that the Prior Bonds to be refunded will be paid, redeemed and defeased as follows: the Prior Bonds to be refunded shall be redeemed on the date designated by the District pursuant to the notice(s) of redemption provided to the Prior Bonds owners, which date is expected to be not later than August 1, 2018.

(d) The form of Escrow Agreement pertaining to the refunding of the Prior Bonds, as presented at this meeting and on file with the Clerk of the District Board, is hereby approved. The Designated Officers are hereby authorized and directed, for and in the name of the District, to execute and deliver the Escrow Agreement in substantially the form hereby approved, with such additions thereto and changes therein as are recommended by Bond Counsel to the District and approved by such officers, such approval to be conclusively evidenced by the execution and delivery thereof.

(e) Each Designated Officer is hereby authorized to take any and all actions necessary or desirable to allow the District and the Underwriter to comply with Rule 15c2-12 promulgated under the Securities and Exchange Act of 1934, as amended, and are authorized, upon the advice of Bond Counsel and Disclosure Counsel to take such other and further actions as are required thereunder and are not in conflict with the provisions of this Resolution.

SECTION 32. Execution of Documents by Bond Owners. Any request, consent or other instrument required by this Resolution, to be signed and executed by Bond Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bond Owners in person or by their agent or agents duly appointed in writing. Proof of the execution of any such request consent or other instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the District, if made in the manner provided herein.

The fact and date of the execution by any person of any such request consent or other Instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgements of deeds, certifying that the person signing such request consent or other Instrument or writing acknowledged to him the execution thereof.

The ownership of the Refunding Bonds shall be proved by the Bond Register. Any request, consent or vote of the Owner of any Refunding Bond shall bind every future Owner of the same Refunding Bond and the Owner of any Refunding Bond issued in exchange therefore or in lieu thereof, in respect of anything done or suffered to be done by the District, in pursuance of such request, consent or vote.

SECTION 33. Retention of Consultants; Transaction Costs.

(a) The Superintendent of the District is authorized and directed to contract for consultant services, including legal, financial, underwriting, verification agent and related professional services, as specified below, or as otherwise necessary so the District may proceed with, and complete, the proposed issuance and sale of the Refunding Bonds.

(b) The District Board hereby confirms the appointment of Dale Scott & Co., Inc. to act as Financial Advisor to the District relative to the issuance and sale of the Refunding Bonds.

(c) The District Board hereby confirms the appointment of the firm of Bowie, Arneson, Wiles & Giannone to act as Bond Counsel to the District relative to the issuance and sale of the Refunding Bonds.

(d) The District Board hereby confirms the appointment of the firm of Stradling Yocca Carlson & Rauth to act as Disclosure Counsel to the District relative to the issuance and sale of the Refunding Bonds.

(e) The Superintendent is authorized to select and retain professional services for verification agent, escrow agent and such other and further services as are necessary to carry out

the issuance, marketing, sale and delivery of the Refunding Bonds and/or the redemption and defeasance of the designated maturities of the Prior Bonds being refunded.

(f) The District Board authorizes the payment to the County of out-of-pocket expenses and other costs incurred by the County in connection with the County's participation in the issuance and delivery of the Refunding Bonds, if any.

(g) As provided in the Purchase Agreement, the Underwriter may be required to pay a portion of the costs of issuance from allocated funds as a condition to the purchase of the Refunding Bonds. The District Board hereby authorizes a Designated Officer(s) to enter into a Costs of Issuance Custodian Agreement, or equivalent agreement, with the Paying Agent, a bank or financial institution. As may be provided in such agreement, amounts provided by the Underwriter for payment of costs of issuance shall be deposited thereunder and the payment of costs of issuance may be requisitioned by a Designated Officer(s) in accordance with such agreement.

SECTION 34. Amendments. The District may from time to time, and at any time, without notice to or consent of any of the Owners, by action of the District Board, amend the provisions of this Resolution for any of the following reasons:

(a) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or therein, or to make any other provision with respect to matters or questions arising under this Resolution, provided that such action shall not adversely affect the interests of the Bond Owners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in this Resolution which are not contrary to or inconsistent with this Resolution as theretofore in effect; and/or

(c) to modify, alter, amend or supplement this Resolution in any other respect which is not materially adverse to the Bond Owners.

In the event of any such amendment, the District shall promptly provide the County and the Paying Agent with copies of such amendment and the action of the District Board approving such amendment.

No such amendment shall: (i) extend the fixed maturity of any Refunding Bond, reduce the amount of Principal thereof or the rate of interest thereon or extend the time of payment thereof, without the consent of the Owner of each Refunding Bond so affected, or (ii) modify or amend this Section without the consent of the Owners of all of the Refunding Bonds then Outstanding.

Upon the adoption of any amendment pursuant to this Section, this Resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Resolution, the Paying Agent and all Owners shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and

amendment, and all the terms and conditions of any such amendment shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

The provisions of this Section shall not prevent any Owner from accepting any modification or amendment as to the particular Refunding Bonds held by such Owner.

SECTION 35. Benefits Limited to Parties. Nothing in this Resolution, express or implied, is intended to give to any person other than the District, the Paying Agent and the Owners of the Refunding Bonds, any right, remedy or claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution, contained by and on behalf of the District, are for the sole and exclusive benefit of the District, the Paying Agent and the Owners.

SECTION 36. Successor Deemed Included in All References to Predecessor. Whenever in this Resolution any of the District, the County, DTC or the Paying Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the terms and conditions in this Resolution contained by or on behalf of the District or the Paying Agent shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

SECTION 37. Partial Invalidity; Severability. If any one or more of the covenants or agreements, or portions thereof, provided in this Resolution to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreement or portions thereof and shall in no way affect the validity of this Resolution or of the Refunding Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under any applicable provisions of law. The district hereby declares that it would have entered into this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Refunding Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 38. Governing Law. This Resolution shall be construed under, and governed in accordance with, the laws of the State of California.

SECTION 39. Effective Date. This Resolution shall take effect immediately upon adoption.

SECTION 40. Filing of Resolution. The Clerk of the District Board is hereby directed to promptly file a certified copy of this Resolution with the Clerk of the County Board of Supervisors and the Treasurer.

[Remainder of this page intentionally left blank]

ADOPTED, SIGNED AND APPROVED this 19th day of May, 2016.

**BOARD OF TRUSTEES OF THE BANNING
UNIFIED SCHOOL DISTRICT**

By _____
Alfredo Andrade, President of Board of
Trustees

ATTEST:

By _____
Jan Spann, Clerk of the Board of Trustees

STATE OF CALIFORNIA)
) ss.
COUNTY OF RIVERSIDE)

I, Jan Spann, Clerk of the Board of Trustees of the Banning Unified School District, do hereby certify that the foregoing resolution was duly adopted by the Board of Trustees of such School District at a meeting of said Board held on the 19th day of May, 2016, of which meeting all of the members of the Board had due notice and at which a quorum thereof were present and acting throughout and for which notice and an agenda was prepared and posted as required by law and that at such meeting such resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Clerk of the Board of Trustees

STATE OF CALIFORNIA

)

) ss.

COUNTY OF RIVERSIDE

)

I, Jan Spann, Clerk of the Board of Trustees of the Banning Unified School District, do hereby certify that the foregoing is a full, true and correct copy of Resolution No. 15-16-19 of such Board and that the same has not been amended or repealed.

Dated: May 19, 2016

Clerk, Board of Trustees
Banning Unified School District

EXHIBIT "A"

DESCRIPTION OF THE PRIOR BONDS

**GENERAL OBLIGATION BONDS AUTHORIZED BY BOND ELECTION
CONDUCTED ON NOVEMBER 7, 2006 (MEASURE R)**

Banning Unified School District General Obligation Bonds, 2006 Election, Series A

Election:	November 7, 2006 (Measure R) (NTE \$63,000,000)
Initial Par Amount:	\$13,500,000
Dated Date:	March 15, 2007
Issuance Resolution(s)	District Resolution No. 06-07-23 (January 18, 2007) (Request/Authorization to Issue) County Issuance Resolution (Resolution No. 2007-049) (February 6, 2007) (Issuance of Bonds)
Interest Payment Dates:	February 1 & August 1
Insurer:	FGIC

Banning Unified School District General Obligation Bonds, 2006 Election, Series B

Election:	November 7, 2006 (Measure R) (NTE \$63,000,000)
Initial Par Amount:	\$23,999,287.50
Dated Date:	August 1, 2008
Issuance Resolution(s)	District Resolution No. 07-08-19 (February 14, 2008) (Request/Authorization to Issue) County Issuance Resolution (Resolution No. 2008-151) (March 11, 2008) (Issuance of Bonds)
Interest Payment Dates:	February 1 & August 1
Insurer:	AGM

EXHIBIT "B"

PROPOSED FORM OF BOND PURCHASE AGREEMENT

§ _____
BANNING UNIFIED SCHOOL DISTRICT
2016 General Obligation Refunding Bonds
(Riverside County, California)

BOND PURCHASE AGREEMENT

_____, 2016

Banning Unified School District
161 West Williams Street
Banning, California 92220

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC (the "Underwriter"), offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the Banning Unified School District (the "District"), which, upon the District's acceptance hereof, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Agreement by 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 and not otherwise defined herein shall have the meanings given to such terms in the Resolution (as defined below).

In as much as this purchase and sale represents a negotiated transaction, the District acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the District and the Underwriter and that the Underwriter has financial and other interests that differ from those of the District, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the District or any other person or entity, (iii) the Underwriter has not assumed any advisory or fiduciary responsibility to the District with respect to (a) 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), (b) any other fiduciary or contractual obligation except for the obligations expressly set forth in this Agreement, (iv) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby expressly are set forth in this Agreement, and (v) the District has consulted its 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 further acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required disclosure under rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB").

1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees

to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$_____ aggregate principal amount of the Banning Unified School District 2016 General Obligation Refunding Bonds (the "Bonds"). The Bonds shall bear interest at the rates, shall mature in the years and shall be subject to redemption as shown on Appendix A hereto, which is incorporated herein by this reference. The Bonds shall be dated the date of delivery (the "Date of Delivery") and shall bear interest from such date, payable semiannually on each February 1 and August 1, commencing _____ 1, 201_. The Underwriter shall purchase the Bonds at a price of \$_____ (consisting of the principal amount of the Bonds of \$_____, plus net original issue premium of \$_____, less an underwriting discount of \$_____).

The net proceeds of the Bonds will be used to advance refund all or a portion of the District's outstanding General Obligation Bonds, 2006 Election, Series A, and General Obligation Bonds, 2006 Election, Series B (collectively, the "Refunded Bonds"), pursuant to an Escrow Agreement dated the date of delivery (the "Escrow Agreement"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow bank (the "Escrow Agent"). Such net proceeds will be deposited into an escrow fund (and accounts thereof) held pursuant to the Escrow Agreement and invested (as set forth in the Escrow Agreement) or held as cash, as applicable, to pay the redemption prices of the Refunded Bonds on the first available redemption dates therefor following the issuance of the Bonds, and interest due thereon on and prior to such date.

2. The Bonds. The Bonds shall otherwise be as described in the Official Statement (defined below), and shall be issued and secured pursuant to the provisions of the resolution of the District adopted on May 19, 2016 (the "Resolution"), and Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable California law (the "Act").

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

The Bank of New York Mellon Trust Company, N.A. ("Paying Agent") shall serve as the initial authenticating agent, bond registrar, transfer agent and paying agent for the Bonds.

[Payment of the principal of and interest on the Bonds when due will be guaranteed by a municipal bond insurance policy (the "Policy") to be issued simultaneously with the delivery of the Bonds by _____ (the "Insurer").]

3. Use of Documents. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Agreement, the Escrow Agreement, the Preliminary Official Statement (defined below), an Official Statement (defined below), the 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.

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. 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; *provided* that the Underwriter shall not change the interest rates set forth in Appendix A. 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. Review of Official Statement. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated _____, 2016 (the "Preliminary Official Statement"), which has been prepared by the District for use by the Underwriter in connection with the sale of the Bonds. The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s), redemption provisions, and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the "Rule").

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

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

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 (as defined herein), 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 the Rule.

6. Closing. At 9:00 A.M., California Time, on _____, 2016, or at such other time or on such other date as shall have been mutually agreed upon by the District and the Underwriter (the "Closing"), the District will deliver to the Underwriter, through the facilities of the DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Bowie, Arneson, Wiles & Giannone ("Bond Counsel"), in Newport Beach, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price of the Bonds identified in Section 1 above.

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 unified school district duly organized and validly existing under the laws of the State of California (the "State"), with the power to issue 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 refund the Refunded Bonds, to enter into this Purchase Agreement, the Continuing Disclosure Certificate (as defined herein), and the Escrow Agreement, to adopt the Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement (as defined herein), and to carry out and effectuate the transactions contemplated by this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate, and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in, the Bonds, the Resolution, the Escrow Agreement, the Continuing Disclosure Certificate, and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement, assuming the due authorization and execution by the other party thereto, and the Continuing Disclosure Certificate constitute valid and legally binding obligations of the District enforceable against the District in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as such enforcement may be subject to the application of equitable principles, the exercise of judicial discretion in appropriate cases if equitable remedies are sought; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement.

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

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

(e) **No Conflicts.** To the best knowledge of the District, the issuance of the Bonds, the execution, delivery and performance of this Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Certificate, and the Resolution, and the compliance with the provisions hereof do not conflict with or constitute on the part of the District a violation of or default under, the Constitution of the State or any existing law, charter,

ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject.

(f) Litigation. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the District 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, the collection of *ad valorem* property taxes contemplated by the Resolution and the application thereof to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Escrow Agreement or the Resolution or contesting the powers of the District or its authority with respect to the Bonds, the Resolution or this Purchase Agreement; or (iii) in which a final adverse decision could (a) materially adversely affect the financial condition of the District or the consummation of the transactions contemplated by this Purchase Agreement, the Escrow Agreement or the Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from State personal income taxation.

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

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

(i) Continuing Disclosure. In accordance with the requirements of the Rule, at or prior to the Closing, the District shall have duly authorized, executed and delivered a continuing disclosure certificate (the "Continuing Disclosure Certificate") on behalf of each obligated person for which financial and/or operating data is presented in the Official Statement. The Continuing Disclosure Certificate shall comply with the provisions of the Rule and be substantially in the form attached to the Official Statement in Appendix C. Except as otherwise disclosed in the Official Statement, the District has not, within the past five years, failed to comply in a material respect with any of its previous undertakings pursuant to the Rule to provide annual reports or notice of certain listed events.

(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 required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the date of Closing, the Official Statement (as defined herein) did not and will not contain any untrue statement of a material fact or omit to state any material fact

required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Official Statement in reliance upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

If the Official Statement is supplemented or amended pursuant to paragraph (f) of Section 8 of this Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which made, not misleading.

(k) Levy of Tax. The District hereby agrees to take any and all actions as may be required by Riverside County (the "County") or otherwise necessary in order to arrange for the levy and collection of *ad valorem* property taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the County Auditor-Controller and the County Treasurer and Tax Collector copies of the Resolution, a copy of Appendix A hereto, and a full debt service schedule for the Bonds, in accordance with Education Code Section 15140(c) and policies and procedures of the County.

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

(m) Representation Regarding Refunded Bonds. The District hereby represents that it has not entered into any contract or agreement that would limit or restrict the District's ability to refund the Refunded Bonds or enter into this Purchase Agreement for the sale of the Bonds to the Underwriter.

8. Covenants of the District. The District covenants and agrees with the Underwriter that:

(a) Securities Laws. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions; provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which it is not so subject as of the date hereof;

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

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Agreement is signed, copies of an Official Statement (as defined herein) substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been 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 the Rule and with the rules of the MSRB. The District hereby authorizes the Underwriter to use and distribute the Official Statement in connection with the offering and sale of the Bonds;

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

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

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

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

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

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

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

(c) The Underwriter has, and has had, no financial advisory relationship, as that term is defined in State Government Code section 53590(c) or MSRB Rule G-23, with 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 to provide continuing disclosure with respect to the Bonds pursuant to Section 10(e)(15) hereof is sufficient to effect compliance with the Rule.

10. Conditions to Closing. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter’s obligations under this Purchase 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 District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the 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 and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have

performed all of their obligations required under or specified in the Resolution, this Purchase Agreement, the Escrow Agreement or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. To the best knowledge of the District, no decision, ruling or finding shall have been 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 District, pending or threatened which has any of the effects described in Section 7(f) hereof or contesting in any way the completeness or accuracy of the Official Statement;

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

(1) legislation enacted or introduced in the Congress or recommended for passage by the President of the United States, 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, with the purpose or effect, directly or indirectly, of changing, directly or indirectly, the federal income tax consequences or State tax consequences of interest on the Bonds or of obligations of the general character of the Bonds in the hands of the holders thereof, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

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

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

(2) legislation enacted by the legislature of the State, 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;

(3) any outbreak or escalation or hostilities affecting the United States, the declaration by the United States of a national or international emergency or 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;

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

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

(6) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the 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;

(7) the withdrawal, suspension or downgrading or negative change in credit status, or notice of potential withdrawal, suspension or downgrading or negative change in credit status, of any underlying rating of the District's outstanding indebtedness by a national rating agency;

(8) 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 and interest on the Bonds;

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

(10) any fact or event shall exist or have existed that, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement;

(11) any state Blue Sky or securities commission, or other governmental agency or body, shall have withheld registration, exemption or clearance of the

offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(12) 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;

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

(14) the suspension by the SEC of trading in the outstanding securities of the District.

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

(1) Opinions of Bond Counsel. (i) An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, and addressed to the District, in substantially the form set forth in the Official Statement as Appendix B; and (ii) a defeasance opinion of Bond Counsel, addressed to the District and the Underwriter, with respect to the effective defeasance of the Refunded Bonds, and including therein an opinion that the Escrow Agreement has been duly authorized and delivered by the District and, assuming due authorization, execution and delivery by the Escrow Agent, is a valid and binding agreement of the District (such defeasance opinion may rely upon matters set forth in the Verification Report);

(2) Reliance Letter. A reliance letter from Bond Counsel to the effect that the Underwriter can rely upon the opinions described in 10(e)(1)(i) above;

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

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions "INTRODUCTION" (excluding statements under the subheadings "—Forward-Looking Statements" and "—Other Information"), "THE BONDS" (excluding statements under the subheading "—Book-Entry Only System"), "LEGAL MATTERS – Continuing Disclosure" and "TAX MATTERS," to the extent they purport to summarize certain provisions of the Bonds, the Resolution, the Continuing Disclosure Certificate, and Bond Counsel's opinion regarding the treatment of interest on the Bonds under State or federal law, fairly and accurately summarize the matters purported to be summarized therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical data or forecasts, numbers,

charts, estimates, projections, assumptions or expressions of opinion, [the Insurer, the Policy,] or the DTC or related to its book-entry only system, or Appendices A, D, E [or F] of the Official Statement;

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

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

(4) Disclosure Counsel Letter. A letter from Stradling Yocca Carlson & Rauth, dated the date of Closing and addressed to the District, substantially to the effect that based on such counsel's participation in conferences with representatives of Bond Counsel, the Underwriter, the District, the District's financial advisor and others, during which conferences the contents of the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District, as a matter of fact and not opinion, that during the course of its engagement as Disclosure Counsel no information came to the attention of such counsel's attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Official Statement as of its date contained, or as of the Closing contains, any untrue statement of a material fact, or as of its date omitted, or as of the Closing omits, to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that such counsel need not express any opinion with respect to (i) any information contained in Appendices A, B, D, E or F to the Official Statement, (ii) any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, including in any appendices thereto, (iii) information with respect to the Insurer or the Policy, (iv) information concerning DTC or its book-entry only system, (v) any CUSIP numbers or information relating thereto, (vi) any information with respect to the Underwriter or underwriting matters with respect to the Bonds, including, but not limited to, information under the heading "MISCELLANEOUS - Underwriting," (vii) any information with respect to the rating on the Bonds and the rating agency referenced therein, including, but not limited to, information under the heading "MISCELLANEOUS- Rating," and (viii) any information with respect to the tax-exempt status of the Bond, including, but not limited to, information under the heading "TAX MATTERS;")

(5) Certificate of the District. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of the District herein 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 Resolution, the Escrow Agreement, the Continuing Disclosure Certificate, and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing, and, as to the District, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution, and (vi) no event concerning the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should be disclosed in order to make the statements in the Official Statement in the light of the circumstances in which they were made not misleading;

(6) Arbitrage. A nonarbitrage and/or tax certificate of the District in form satisfactory to Bond Counsel;

(7) Rating. Evidence satisfactory to the Underwriter that (i) the Bonds have received, at a minimum, [an insured rating of “___” and] an underlying rating of “___” by Standard & Poor’s Ratings Service, a Standard & Poor’s Financial Services LLC business (“S&P”), and (ii) such rating has not been revoked or downgraded;

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

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

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

(10) Certificate of the Paying Agent. A certificate of the Paying Agent, signed by a duly authorized officer thereof, and in form and substance satisfactory to the Underwriter, substantially to the effect that, to the best of the Paying Agent’s knowledge, no litigation is pending or threatened (either in state or federal courts) (i) seeking to restrain or enjoin the delivery by the Paying Agent of any of the Bonds, or (ii) in any way contesting or affecting any authority of the Paying Agent for the delivery of the Bonds or the validity or enforceability of the Bonds or any agreement with the Paying Agent;

(11) Certificate of the Escrow Agent. A certificate of the Escrow Agent, dated the date of Closing, signed by a duly authorized officer of the Escrow Agent, and in form and substance satisfactory to the Underwriter, to the effect that (i) the Escrow Agent has all necessary power and authority to enter into and perform its duties under the Escrow Agreement; (ii) the Escrow Agent has duly authorized, executed and delivered the Escrow Agreement, and, assuming due authorization, execution and delivery by the District, the Escrow Agreement constitutes the valid and binding agreement of the Escrow Agent enforceable against the Escrow Agent in accordance with its terms, except as enforceability may be subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights and to the application of equitable principles; (iii) the execution and delivery of the Escrow Agreement and compliance with the provisions thereof have been duly authorized by all necessary corporate action on the part of the Escrow Agent and, to the best knowledge of the Escrow Agent, will not conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, charter, bylaws or any agreement to which the Escrow Agent is subject or by which it is bound; and (iv) no litigation is pending or, to the best knowledge of the Escrow Agent, threatened (either in state or federal courts) against the Escrow Agent in any way contesting or affecting the validity or enforceability of the Bonds or the Escrow Agreement;

(12) Opinion of Counsel to Escrow Agent. An opinion of counsel to the Escrow Agent, dated the Closing Date and addressed to the District and the Underwriter, in form and substance satisfactory to Bond Counsel and the Underwriter;

(13) Verification Report. A report and opinion of Causey Demgen Moore P.C., Denver, Colorado, with respect to the sufficiency of the funds held under the Escrow Agreement to refund the Refunded Bonds as provided in the Escrow Agreement;

(14) Underwriter's Counsel Opinion. An opinion of Dannis Woliver Kelley, as counsel to the Underwriter, dated as of the date of Closing, in a form and substance acceptable to the Underwriter.

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

(16) Escrow Agreement. The Escrow Agreement executed by the District and the Escrow Agent;

(17) Certificates of Underwriter. The following certificates from the Underwriter to the District:

(a) The receipt of the Underwriter, in form satisfactory to the District and signed by an authorized officer of the Underwriter, accepting delivery of the Bonds to the Underwriter and receipt of all documents required by the Underwriter, and the satisfaction or waiver of all conditions and terms of this Bond

Purchase Agreement by the District, and confirming to the District that as of the Closing, all of the representations of the Underwriter contained in this Bond Purchase Agreement are true, complete and correct in all material respects; and

(b) The certification of the Underwriter regarding the prices at which the Bonds have been reoffered to the public, in form satisfactory to Bond Counsel, as described in this Bond Purchase Agreement;

(18) Bond Insurance Policy. The Policy from the Insurer, insuring the payment of principal of and interest on the Bonds;

(19) Insurer Certificate. A certificate of the Insurer dated the date of Closing in form and substance acceptable to the Underwriter regarding, among other matters, the due authorization, execution and validity of the Policy;

(20) Insurer Counsel Opinion. An opinion of counsel to the Insurer, dated the date of Closing and addressed to the District and the Underwriter, to the effect that (i) the Policy is the valid and binding obligation of the Insurer enforceable in accordance with its terms, and (ii) the statements in the Official Statement under the caption "BOND INSURANCE" and in "APPENDIX F" accurately reflect and fairly present the information purported to be shown therein; and]

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

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter as provided in Section 6 herein, 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 Sections 14 and 12(c) hereof.

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

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

12. Expenses. (a) To the extent that the transactions contemplated by this Purchase Agreement are consummated, the District shall pay (or cause to be paid) costs of issuance of the Bonds, including but not limited to the following (i) the cost of the preparation and reproduction of the Resolution; (ii) the fees and disbursements of the District's Bond Counsel and Disclosure Counsel; (iii) the cost of the preparation, printing 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 distribution of the Preliminary Official Statement and the Official Statement; (vi) the initial fees, if any, of the Paying Agent; (vii) the initial fees, if any, of the Escrow Agent; (viii) the fees of the Verification Agent; (ix) expenses for travel, lodging, and subsistence related to rating agency visits and other meetings connected to the authorization, sale, issuance and distribution of the Bonds; (x) the fees of the District's financial advisor with respect to the Bonds; and (xi) all other fees and expenses incident to the issuance and sale of the Bonds. The District hereby directs the Underwriter to (i) deposit a portion of the net proceeds of the Bonds not-to-exceed \$_____ with the Paying Agent, for the payment of costs of issuance with respect to the Bonds[, and (ii) transfer from the net proceeds of the Bonds an amount equal to \$_____ to the Insurer for the payment of the premium for the Policy].

(c) Notwithstanding any of the foregoing, the Underwriter shall pay all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, the fees of counsel to the Underwriter, and other expenses (except those expressly provided above) without limitation, except travel and related expenses in connection with the bond rating.

(d) Notwithstanding Section 10(f) hereof, the District hereby agrees, in the event the purchase and sale of the Bonds does not occur as contemplated hereunder, to reimburse the Underwriter, if applicable, for any costs described in Subsection 12(a)(ix) above that are attributable to District personnel.

The District acknowledges that it has had the opportunity, in consultation with such advisors as it deems appropriate, if any, to evaluate and consider the fees and costs being incurred in connection with the offering and sale of the Bonds.

13. 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 if to the District, to Banning Unified School District, 161 West Williams Street, Banning, California 92220, Attention: Supervisor of Fiscal Services; or if to the Underwriter, RBC Capital Markets, LLC, 777 South Figueroa Street, Suite 850, Los Angeles, California 90017, Attn: Frank Vega, Director.

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

15. Execution in Counterparts. This 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.

[Remainder of page intentionally left blank.]

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

Very truly yours,

RBC CAPITAL MARKETS, LLC, as Underwriter

By: _____
Director

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

BANNING UNIFIED SCHOOL DISTRICT

By: _____
Authorized Officer

APPENDIX A

\$ _____
BANNING UNIFIED SCHOOL DISTRICT
2016 General Obligation Refunding Bonds
(Riverside County, California)

<u>Maturity</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			

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

Redemption Provisions

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

Mandatory Sinking Fund Redemption.* The Bonds maturing on August 1, 20__ are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, plus interest accrued to the date set for such redemption, without premium. The principal amount of such Bonds to be so redeemed, the redemption dates therefor, and the final principal payment date are as indicated in the following table:

Redemption Date <u>(August 1)</u>	Principal Amount <u>to be Redeemed</u>
--	---

(1) Maturity.

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

EXHIBIT "C"

FORM OF REFUNDING BOND

**STATE OF CALIFORNIA
REGISTERED
NO. R-000**

**COUNTY OF RIVERSIDE
REGISTERED
\$0,000,000.00**

**BANNING UNIFIED SCHOOL DISTRICT
2014 GENERAL OBLIGATION REFUNDING BONDS
(Riverside County, California)**

INTEREST RATE:	MATURITY DATE:	DATED AS OF:	CUSIP®:
X.XXX%	August 1, 20__	_____, 2016	066617 XX0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The **BANNING UNIFIED SCHOOL DISTRICT** ("District") in Riverside County ("County"), California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 ("Bond Payment Dates"), commencing _____ 1, 20___. This Bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the Business Day following the Record Date next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before _____ 15, 20__, in which event it shall bear interest from _____, 2016. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, on one or more predecessor bonds) is registered ("Registered Owner") on the Register maintained by the Paying Agent, initially The Bank of New York Mellon Trust Company, N.A. ("Paying Agent"); provided, however, that if at the time of authentication of any Bond, interest is then in default on the Outstanding Bonds, such Bond shall bear interest from the Bond Payment Date to which interest has previously been paid or made available for payment thereon. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Principal is payable upon presentation and surrender of this Bond at the Office of the

Paying Agent. Interest is payable by check mailed by the Paying Agent on each Bond Payment Date to the Owner of this bond as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date ("Record Date"). The Owner of an aggregate Principal Amount of \$1,000,000 or more of Bonds may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This Bond is one of an authorization of bonds issued by the Banning Unified School District pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code ("Act") for the purpose of refunding certain outstanding Banning Unified School District general obligation bonds, and previously issued general obligation refunding bonds, as issued, and to pay all necessary legal, financial and contingent costs in connection therewith. The Bonds are being issued under authority of and pursuant to the Act, the laws of the State of California, and the resolution of the Board of Trustees of the District (Resolution No. 15-16-19) adopted on May 19, 2016 ("Bond Resolution"). This Bond and the issue of which this Bond is one are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount (except for certain classes of personal property which are taxed at limited rates).

The Bonds of this issue are issuable only as fully registered bonds in the denominations of \$5,000 or any integral multiple thereof. Subject to the provisions of the Resolution relating to the book entry system, this Bond is exchangeable and transferable for bonds of other authorized denominations at the office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20____, are not subject to optional redemption prior to maturity. The Refunding Bonds maturing on August 1, 20____, or any date thereafter, are subject to redemption prior to their respective stated maturity dates at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity on any date, on or after August 1, 20____, and may be redeemed prior to the maturity thereof by payment of all principal, plus accrued interest to date of redemption, plus the payment of a premium (expressed as a percentage of the principal amount), payable from any source lawfully available therefor, as follows:

<u>Redemption Date</u>	<u>Redemption Price</u>
August 1, 20____ and thereafter	100.0%

[THE FOLLOWING TO APPEAR ON THE TERM BONDS, IF ANY:]

[The Bonds maturing on August 1, 20__ (“Term Bonds”), are subject to mandatory sinking fund redemption in part by lot, on August 1 of each year, commencing August 1, 20__, and on each August 1 thereafter in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed at the principal amount of such Term Bonds to be redeemed, plus accrued but unpaid interest, without premium.

<u>Redemption Year</u>	<u>Principal Amount</u>
20__	\$ _____
20__	_____
20__	_____]

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

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot as set forth in the Bond Resolution in such manner as the Paying Agent in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000. If less than all of the Bonds shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by lot in any manner by the Paying Agent.

The Paying Agent shall give notice of the Redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the serial or registration numbers and CUSIP® numbers, if any, of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the issue of Bonds and the specific bonds redeemed, including the dated date, interest rate and stated maturity date of each. Such notice shall further state that on the specified date there shall become due and payable upon each bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue.

Notice of redemption shall be registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District, the County and the respective owners of any registered Bonds designated for redemption at their addresses appearing on the Registration Books, in every case at least 20, but not more than 45 days, prior to the redemption date; provided that neither failure to receive such notice or failure to send such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds, nor entitle the owner thereof to interest beyond the date given for redemption.

Neither the District nor the Paying Agent will be required: (a) to issue or transfer any Bonds during a period beginning with the opening of business on the Business Day following the Record Date next preceding any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given; or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

The rights and obligations of the District and of the registered owners of the Bonds may be amended at any time, and in certain cases without the consent of the registered owners to the extent and upon the terms and conditions provided in the Bond Resolution.

The Bond Resolution contains provisions permitting the District to make provision for the payment of the interest on, and the principal and premium, if any, of any of the Bonds so that the Bonds shall no longer be deemed to be outstanding under the terms of the Bond Resolution.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution and the laws of the State of California governing the issue of the Bonds.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligation refunding bonds of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

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

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Banning Unified School District, Riverside County, California, has caused this Bond to be executed in their official capacities by the manual or facsimile signature of the President of the District's Board of Trustees, and to be countersigned by the manual or facsimile signature of the Clerk of the District's Board of Trustees, all as of the date stated hereof.

BANNING UNIFIED SCHOOL DISTRICT

-EXHIBIT-

By: _____
President of the Board of Trustees

COUNTERSIGNED:

-EXHIBIT-

Clerk of the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Bond Resolution referred to herein.

Date of Registration and Authentication: _____, 2016

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Paying Agent as authenticating agent.

-EXHIBIT-

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

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

(print/type name, address, zip code, tax identification or Social Security number of assignee) the within Bond and do(es) irrevocably constitute and appoint _____ attorney, to transfer the same on the registration books of the Paying Agent, with full power of substitution in the premises.

Date: _____

-EXHIBIT-

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

-EXHIBIT-

Signature must be guaranteed by an eligible guarantor institution.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede and Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

[STATEMENT OF INSURANCE]

FORM OF OPINION OF BOND COUNSEL

EXHIBIT "D"

FORM OF CONTINUING DISCLOSURE CERTIFICATE

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Banning Unified School District (the "District") in connection with the issuance of \$_____ of the District's 2016 General Obligation Refunding Bonds (the "Bonds"). The Bonds are being issued pursuant to a resolution of the Board of Trustees of the District adopted on May 19, 2016 (the "Resolution"). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially Dale Scott & Company, Inc., or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"Official Statement" shall mean the Official Statement dated as of _____, 2016 and relating to the Bonds.

"Participating Underwriter" shall mean RBC Capital Markets, LLC, or any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2015-16 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

- (a) State funding received by the District for the last completed fiscal year;
- (b) average daily attendance of the District for the last completed fiscal year;
- (c) outstanding District indebtedness;
- (d) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;
- (e) The assessed valuation of taxable property within the District for the current fiscal year; and

- (f) Secured tax levy collections and delinquencies within the District for the last completed fiscal year, except to the extent the Teeter Plan, as adopted by Riverside County, applies to both the 1% general purpose *ad valorem* property tax levy and to the tax levy for general obligation bonds of the District.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

- (b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

- (a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.
2. tender offers.
3. defeasances.
4. optional, contingent or unscheduled bond calls.
5. rating changes.
6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).
7. unscheduled draws on the debt service reserves reflecting financial difficulties.
8. unscheduled draws on credit enhancement reflecting financial difficulties.
9. substitution of the credit or liquidity providers or their failure to perform.
10. bankruptcy, insolvency, receivership or similar event of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.
2. modifications to rights of Bondholders.
3. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.
4. release, substitution or sale of property securing repayment of the Bonds.
5. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
6. Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall

confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2016

BANNING UNIFIED SCHOOL DISTRICT

By: _____
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: BANNING UNIFIED SCHOOL DISTRICT

Bond Issue(s): 2016 General Obligation Refunding Bonds

Date of Issuance: _____, 2016

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

BANNING UNIFIED SCHOOL DISTRICT

By _____ [form only; no signature required]