

# Agenda Item (VIII-D-1)

Meeting	4/21/2015 - Regular
Agenda Item	Committee - Resources (VIII-D-1)
Subject	Issuance of General Obligation Bonds, Series 2015E by Holding the First of Two Publicly Noticed Meetings
College/District	District
Funding	Measure C
Recommended Action	It is recommended that the Board of Trustees hold the first of two publicly noticed Board meetings on April 21, 2015; and the second to be held on May 5, 2015 to adopt Resolution No. 48-14/15 authorizing the issuance, of Riverside Community College District (Riverside County and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2015E and actions related actions.

---

## Background Narrative:

On March 2, 2004, voters of the District authorized the issuance of \$350 million of general obligation bonds to finance the acquisition, construction and modernization of District property and facilities. Since then, the District has issued five series of bonds totaling \$265 million and refunded the Series 2004A and Series 2004B bonds. The District has \$85 million of remaining bond authorization. The District now desires to cause the issuance of the sixth series of general obligation bonds under Measure C in an amount not-to-exceed \$50,000,000, and to request Riverside County to issue the bonds on behalf of the District. The District also has an opportunity to refinance a portion of the Series 2007C bonds to reduce total debt service as previously authorized on March 18, 2014. This can be accomplished without exceeding the tax rate promised to the electorate. The extent to which the refinancing will reduce debt service will depend on market interest rates at the time the financing is implemented. If interest rates are favorable, as defined by achievement of a minimum present value savings of 3%, or \$1.9 million in taxpayer savings, the District will move forward with the refinancing. If the minimum of 3% is not achieved, the District will not execute the refinancing until such time as market conditions permit savings of 3% or more. Present value and taxpayer savings are currently projected to be in excess of 8% and \$5 million, respectively, based on interest rates as of March 30, 2015 and Aa2/AA underlying ratings from Moody's Investors Service and Standard & Poor's Rating Services, respectively. Total tax rate savings to the taxpayer over the life of the refunding are estimated to be \$4.44/\$100,000 of assessed valuation, based on an assumed annual assessed valuation growth rate of 3.5%. It is estimated that the cost of issuance for the Series 2015E and 2007C Refunding will not exceed \$400,000 and \$395,000, respectively, representing 0.89% and 0.92% as a percentage of principal. Details comprising the costs of issuance are shown in the background information. Attached is additional background information, authorizing resolution of the Riverside Community College District Board of Trustees, authorizing resolution of the Riverside County Board of Supervisors, and other related documents. This matter was discussed at the meeting of the Board's Resources Committee at which time representatives of the District's bond financial advising firm, Keygent, LLC, and underwriter, Piper Jaffray & Co., presented information and responded to questions.

Prepared By: Aaron Brown, Vice Chancellor, Business and Financial Services

## Attachments:

[04212015\\_GO Bond Update Presentation.rev](#)  
[04212015\\_Authorizing the Issuance Background Information.rev](#)  
[04212015\\_Resolution No. 48-14/15 – Authorizing the Issuance](#)  
[04212015\\_Board of Supervisors County Resolution](#)

04212015\_Preliminary Official Statement.rev  
04212015\_Purchase Contract - 2004 GO Bonds, Series 2015E.rev  
04212015\_Purchase Contract - 2015 GO Refunding Bonds.rev  
04212015\_Escrow Agreement - 2015 GO Refunding Bonds

# Riverside Community College District

General Obligation Bond Update

April 21, 2015



RIVERSIDE COMMUNITY  
COLLEGE DISTRICT

# Table of Contents

---

## Section

- I. Measure C Update
- II. Measure C Refinancing

# Section I

---

Measure C Update

# District General Obligation Bond Issuance History

---

The District has issued \$264,999,278.45 of the \$350 million Measure C authorization in five series of bonds

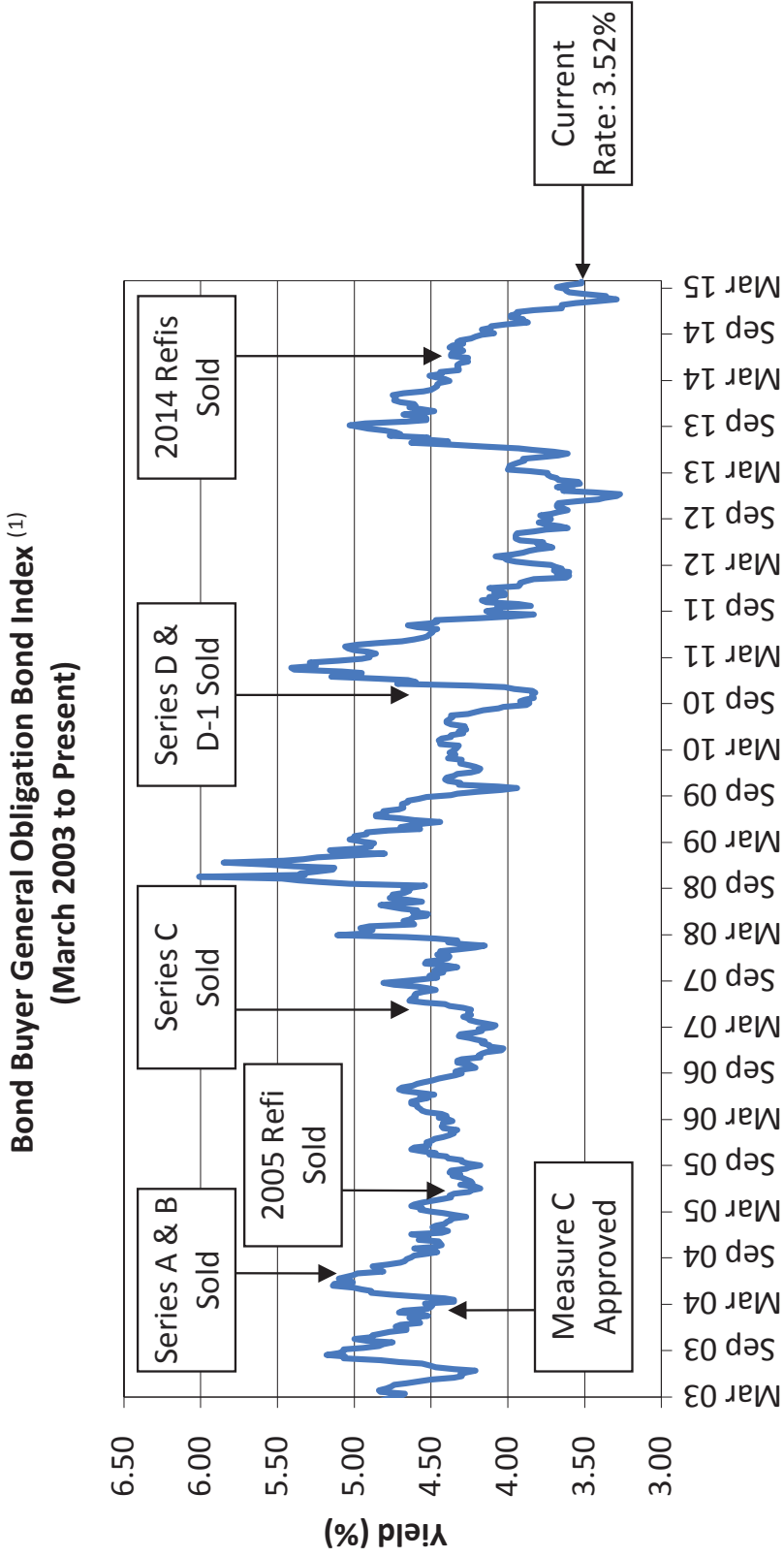
- ◆ Series 2004A on August 3, 2004 for \$55,205,000.00
- ◆ Series 2004B on August 3, 2004 for \$9,795,000.00
- ◆ Series 2007C on June 21, 2007 for \$90,000,000.00
- ◆ Series 2010D on November 10, 2010 for \$7,699,278.45
- ◆ Series 2010D-1 on November 10, 2010 for \$102,300,000.00
- ◆ \$85,000,721.55 of the Measure C authorization remains unissued

## Refinancings

- ◆ 2005 Refunding on June 8, 2005 for \$58,386,109.30
  - Refunded a portion of Series 2004A
- ◆ 2014 Refunding, Series A & B on May 29, 2014 for \$73,090,000
  - Refunded portions of Series 2004A, 2005 Refunding and Series 2007C

# Interest Rate History

Following is a history of municipal bond interest rates and when Measure C bonds were sold

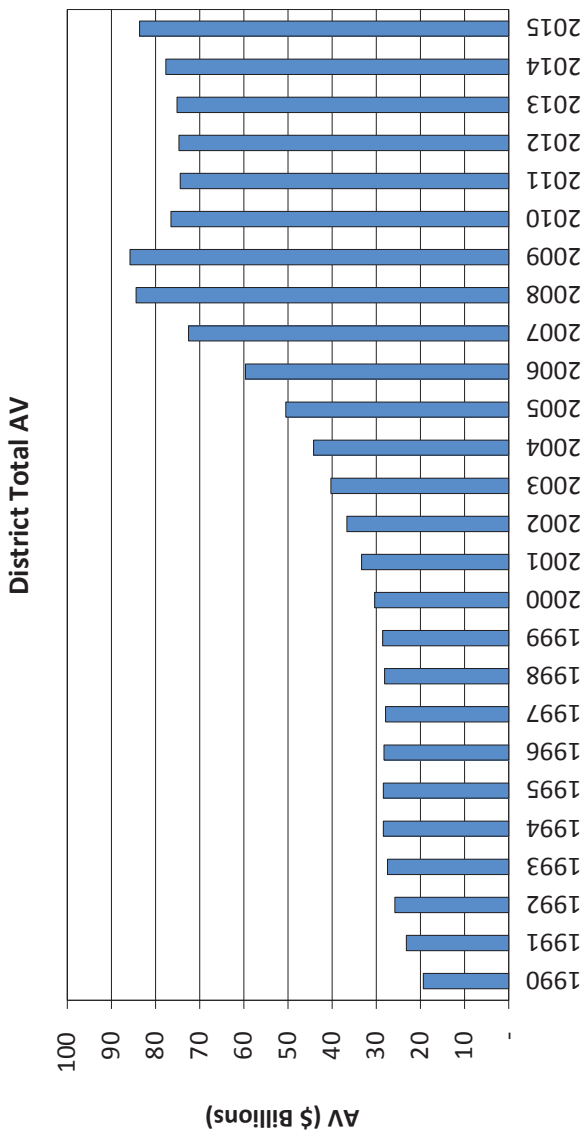


(1) Index reflects average yield to maturity of 20 general obligation bonds with 20-year maturities rated 'Aa2' by Moody's Investors Service and 'AA' by Standard and Poor's. Source: The Bond Buyer & Bloomberg.

# District Assessed Value

The District has experienced four consecutive years of assessed value (“AV”) growth following the recent real estate crisis

FY	Total AV <sup>(1)</sup>	Annual % Change
1990	\$ 19,381,004,782	
1991	23,213,100,480	19.77 %
1992	25,803,961,998	11.16
1993	27,450,479,789	6.38
1994	28,385,533,017	3.41
1995	28,376,902,364	-0.03
1996	28,295,589,663	-0.29
1997	27,919,727,900	-1.33
1998	28,089,523,008	0.61
1999	28,580,743,385	1.75
2000	30,357,912,678	6.22
2001	33,318,083,812	9.75
2002	36,685,860,178	10.11
2003	40,303,756,845	9.86
2004	44,206,000,617	9.68
2005	50,507,651,502	14.26
2006	59,622,695,477	18.05
2007	72,536,868,844	21.66
2008	84,433,424,625	16.40
2009	85,760,730,435	1.57
2010	76,553,487,867	-10.74
2011	74,411,938,552	-2.80
2012	74,723,496,908	0.42
2013	75,145,624,176	0.56
2014	77,697,159,101	3.40
2015	83,625,392,181	7.63



Annualized Growth Rates:		Lowest Rolling Averages:	
1-year:	7.63 %	3-year:	-4.49 %
5-year:	1.78	5-year:	-2.30
10-year:	5.17	10-year:	3.58
15-year:	6.99	15-year:	6.49
20-year:	5.55	20-year:	5.16

(1) Source: Riverside County & California Municipal Statistics, Inc. Data from 1990 to 2015.



# AB 182 Overview

---

AB 182 became effective on January 1, 2014

- ◆ Establishes a maximum debt service repayment ratio for each bond series of 4 to 1
- ◆ Allows the maximum financing term for current interest bonds (“CIBs”) to remain 40 years
- ◆ Limits the maximum financing term for capital appreciation bonds (“CABs”) to 25 years
- ◆ Limits the maximum interest rate for CABs to 8%
- ◆ Requires CABs be subject to redemption after 10 years
- ◆ Requires two consecutive Board meetings (information and action) if financing utilizes CABs

These provisions are unchanged from the preliminary rules shown to the Board of Trustees during the Measure C update on December 3, 2013

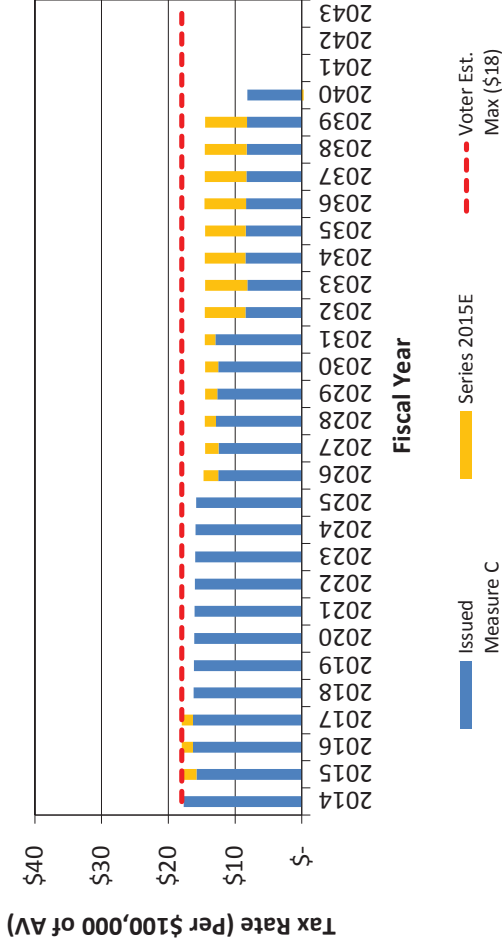
# Measure C, Series 2015E Overview

Following is a scenario for a \$45 million issuance which maintains the \$18 per \$100,000 of AV tax rate estimate

◆ Assumptions:

- Annual AV growth rate: 3.5%
- Interest rate (1): 4.5%
- County debt service reserve policy: 10%
- Compliance with AB 182

Projected Tax Rates



Series 2015E Estimated Debt Service (1)

Date	Principal	Interest	Total
8/1/15	\$ 1,570,000	\$ 21,326	\$ 1,591,326
8/1/16	1,205,000	134,756	1,339,756
8/1/17	1,460,000	73,000	1,533,000
8/1/18	-	-	-
8/1/19	-	-	-
8/1/20	-	-	-
8/1/21	-	-	-
8/1/22	-	-	-
8/1/23	-	-	-
8/1/24	-	-	-
8/1/25	-	-	-
8/1/26	1,611,156	733,844	2,345,000
8/1/27	1,485,026	809,974	2,295,000
8/1/28	1,344,040	870,960	2,215,000
8/1/29	1,381,595	1,043,405	2,425,000
8/1/30	1,414,703	1,235,298	2,650,000
8/1/31	1,134,964	1,120,036	2,255,000
8/1/32	3,934,236	4,360,764	8,295,000
8/1/33	4,118,515	5,016,485	9,135,000
8/1/34	4,119,476	5,500,524	9,620,000
8/1/35	4,063,956	5,916,044	9,980,000
8/1/36	4,091,396	6,458,605	10,550,000
8/1/37	4,057,398	6,932,602	10,990,000
8/1/38	4,019,101	7,420,899	11,440,000
8/1/39	3,987,818	7,917,182	11,905,000
Total	\$44,998,378	\$55,565,704	\$100,564,082

\$ of CABS	\$40,763,378
% of CABS	90.59%
Repayment Ratio	2.23 to 1

(1) Assumes interest rates as of March 30, 2015 and 'Aa2/AA' underlying ratings from Moody's and Standard & Poor's, respectively. Includes all financing costs. Rates are subject to market fluctuation until bonds are sold.

## Section II

---

Measure C Refinancing

# General Obligation Bond Refinancing Overview

---

The District's 2014 refundings left a portion of the Series 2007C bonds outstanding as it was not economical to refund at that time

Under current interest rates, the District may realize savings for its taxpayers by refinancing the remaining Series 2007C bonds

- ◆ Similar to refinancing a home mortgage, savings would be generated for the District's taxpayers by replacing the higher interest rate Series 2007C bonds with lower interest rate refunding bonds ("Refunding Bonds")
- ◆ Savings are subject to fluctuations in interest rates until the Refunding Bonds are sold
- ◆ Refinancing does NOT increase length of bonds (no extension of bond term)
- ◆ All financing costs (except for credit ratings) are contingent upon the successful issuance of the Refunding Bonds and are paid only from bond proceeds, not the General Fund

# Refinancing Summary (1)

Under current interest rates, a refinancing produces present value (“PV”) savings above the industry benchmark of 3% (~\$1.9 million in taxpayer savings and ~\$1.3 million PV)

◆ Note: savings figures are net of all estimated financing costs

Debt Service Comparison						Savings Statistics	
Date	Before		After		Debt Service Savings	Tax Rate Savings (2)	
	Refunding		Refunding				
8/1/2015	\$ 1,110,750	\$	1,108,650	\$ 2,100	\$ -	-	Debt Service Savings: \$5,372,100
8/1/2016	2,221,500		2,068,500	153,000	0.20	0.20	Present Value Savings: \$3,890,153
8/1/2017	2,221,500		2,068,500	153,000	0.18	0.18	Present Value Savings %: 8.76%
8/1/2018	2,221,500		2,068,500	153,000	0.16	0.16	Interest Rate of Prior Bonds: 5.00%
8/1/2019	2,221,500		2,068,500	153,000	0.16	0.16	Interest Rate of Refunding Bonds: 3.38%
8/1/2020	2,221,500		2,068,500	153,000	0.15	0.15	Redemption Date: 8/1/2017
8/1/2021	2,221,500		2,068,500	153,000	0.15	0.15	Escrow Yield (3): 0.00%
8/1/2022	2,221,500		2,068,500	153,000	0.14	0.14	Refunding Bond Yield: 2.76%
8/1/2023	2,221,500		2,068,500	153,000	0.14	0.14	Escrow Negative Arbitrage: (\$2,653,006)
8/1/2024	2,221,500		2,068,500	153,000	0.13	0.13	Principal of Refunded Bonds: \$44,430,000
8/1/2025	2,221,500		2,068,500	153,000	0.13	0.13	Principal of Refunding Bonds: \$42,270,000
8/1/2026	2,221,500		2,068,500	153,000	0.13	0.13	
8/1/2027	2,221,500		2,068,500	153,000	0.12	0.12	
8/1/2028	11,741,500		11,033,500	708,000	0.60	0.60	
8/1/2029	12,095,500		11,390,250	705,250	0.56	0.56	
8/1/2030	12,538,000		11,831,750	706,250	0.50	0.50	
8/1/2031	12,912,500		12,206,750	705,750	0.49	0.49	
8/1/2032	1,050,000		341,250	708,750	0.47	0.47	
<b>Total</b>	<b>\$ 78,106,250</b>	<b>\$</b>	<b>72,734,150</b>	<b>\$5,372,100</b>	<b>\$ 4.44</b>	<b>4.44</b>	

(1) Assumes interest rates as of March 30, 2015 and ‘Aa2/AA’ underlying ratings from Moody’s and Standard & Poor’s, respectively. Includes all financing costs. Rates are subject to market fluctuation until bonds are sold.  
 (2) Tax rate savings per \$100,000 of AV. Assumes annual AV growth rate of 3.5%.  
 (3) Subject to bid.

# Estimated Costs of Issuance

	New Money	Refunding
<b>Estimated Principal Amount</b>	\$ 45,000,000	\$ 43,000,000

<b>Items</b>	<b>Provider</b>	<b>Not-to-Exceed</b>	<b>Not-to-Exceed</b>
Bond & Disclosure Counsel	Stradling Yocca Carlson & Rauth	\$ 70,000	\$ 70,000
Bond/Disclosure Counsel Expenses	Stradling Yocca Carlson & Rauth	4,000	4,000
Financial Advisor	Keygent LLC	62,500	62,500
Financial Advisor Expenses	Keygent LLC	1,500	1,500
Underwriting	Piper Jaffray & Co.	202,500	193,500
OS/POS Printing/Posting & Distribution	AVIA Communications	2,000	2,000
Demographics	California Municipal Statistics, Inc.	1,000	1,000
Rating	Moody's Investors Service	25,000	25,000
Rating	Standard & Poor's Ratings Service	25,000	25,000
Escrow Verification Agent	Causey, Demgen & Moore, P.C.	-	3,500
Paying/Escrow Agent	U.S. Bank, N.A.	2,500	2,500
Contingency & Expenses		4,000	4,500
<b>Total</b>		<b>\$ 400,000</b>	<b>\$ 395,000</b>

**Costs as % of Principal      0.89%      0.92%**

# Financing Timeline

The new money and refinancing can be completed on the same timeline

Date	Event	Responsibility
Completed	Distribution of authorizing resolution and forms of preliminary official statement (POS) and other legal documents	BC
March 30	District Executive Cabinet Meeting to review bond financings	D
April 7	District Board Committee Meeting to review bond financings and legal documents	D
April 21	District Board Meeting to discuss bond financings as information item	D, BC, FA, UW
April 22	Credit packages sent to rating agencies	FA
Week of May 4	Rating agency preparation meeting	D, BC, FA, UW
May 5	District Board Meeting to adopt resolution and forms of POS and other legal documents	D, BC, FA, UW
May 7	Distribution of County resolution (including adopted District resolution) to Riverside County Board of Supervisors	BC
May 13	Rating agency meetings	D, BC, FA, UW
Week of May 18	Receive ratings	FA
June 2	Riverside County Board of Supervisors to adopt resolution	C
June 3	Finalize POS and post electronically	BC, FA, UW
June 10	Pre-pricing conference call to discuss market conditions, interest rate comparables and preliminary interest rates for bonds	D, FA, UW
June 11	Price bonds – Interest rates locked in	D, FA, UW
June 18	Print and mail final official statement	BC, FA, UW
June 24	Pre-closing – All documents signed	All Parties
June 25	Closing	All Parties

---

# Legal Documentation

Legal documents will be presented again to the Board of Trustees as an information item on April 21, 2015 and as an action item on May 5, 2015

- ◆ **Authorizing resolution**
  - Approves the issuance of bonds
  - Specifies the terms and parameters of the bonds
  - Authorizes the District administration to take the necessary steps to complete the bond issuance
- ◆ **Form of other legal documents**
  - Preliminary official statement
    - Offering document circulated to prospective investors describing the District and the bonds
  - Bond purchase agreement
    - Agreement in which the underwriter agrees to purchase the District's bonds under certain conditions and parameters
  - Continuing disclosure certificate
    - Agreement outlining the District's duties to provide ongoing information to the investing community on its finances, tax base information and listed events



## **Authorizing the Issuance of Riverside Community College District, Election of 2004 General Obligation Bonds, Series, 2015E and Actions Related Thereto**

**Pursuant to California Education Code Section 15146(b)(2), enacted by California Assembly Bill 182 (Stats. 2013, Chapter 477) and effective as of January 1, 2014, the Resolution and materials included in this agenda item are to first be publicly noticed as an information item at this April 21, 2015 Board meeting. At the Board's next consecutive meeting, currently scheduled for May 5, 2015, the attached Resolution and materials will be publicly noticed as an action item for consideration by the Board.**

(a) Bond Resolution. This Resolution petitions the Board of Supervisors of Riverside County to authorize the issuance of the Bonds on behalf of the District. The Resolution specifies the basic terms and parameters, and approves the form of Purchase Contract and form of Preliminary Official Statement described below. In particular, Section 2 of the Resolution establishes the maximum aggregate principal amount of the Bonds to be issued (\$50,000,000). Section 9 of the Resolution states the maximum underwriter's discount (0.45%) with respect to the Bonds, and authorizes the Bonds to be sold at a negotiated sale to Piper Jaffray & Co. (the "Underwriter"). The Resolution authorizes the issuance of any combination of current interest bonds, capital appreciation bonds and convertible capital appreciation bonds, to be issued in one or more series of taxable or tax-exempt bonds.

Additionally, the Resolution acknowledges that (i) in March 2014 the District adopted a resolution authorizing the issuance of general obligation refunding bonds of the District (the "2014 Refunding Bonds Resolution") to refund outstanding general obligation bonds of the District, including the District's Election of 2004 General Obligation Bonds, Series 2007C (the "Prior Bonds"), (ii) in May 2014, the District issued general obligation refunding bonds to refund a portion of the then outstanding Prior Bonds, and (iii) the District now desires to issue additional general obligation refunding bonds (the "Refunding Bonds") in an amount not-to-exceed \$61,910,000 pursuant to the 2014 Refunding Bonds Resolution to refund all or a portion of the remaining outstanding Prior Bonds. The Resolution approves the updated forms of the Purchase Contract and Escrow Agreement for the Refunding Bonds described below.

(b) Forms of Purchase Contracts. Pursuant to the respective Purchase Contracts for the Bonds and the Refunding Bonds, the Underwriter will agree to buy the Bonds and the Refunding Bonds from the District. All the conditions of closing the transactions are set forth in these documents, including the documentation to be provided at the closing by various parties. Upon

the pricing of the Bonds and the Refunding Bonds, the final execution copy of the Purchase Contract will be prepared following this form.

(c) Form of Preliminary Official Statement. The Preliminary Official Statement (“POS”) is the offering document describing the Bonds which may be distributed to prospective purchasers of the Bonds. The POS discloses information with respect to among other things (i) the proposed uses of proceeds of the Bonds, (ii) the terms of the Bonds (interest rate, redemption terms, etc.), (iii) the bond insurance policy for the Bonds, if any, (iv) the security for repayment of the Bonds (the *ad valorem* property tax levy), (v) information with respect to the District’s tax base (upon which such *ad valorem* property taxes may be levied), (vi) District financial and operating data, (vii) continuing disclosure with respect to the Bonds and the District, and (viii) absence of litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Bonds. Following the pricing of the Bonds, a final Official Statement for the Bonds will be prepared, substantially in the form of the POS.

(d) Form of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate can be found in APPENDIX C to the POS. Effective July 3, 1995, all underwriters of municipal bonds are obligated to procure from any public agency issuing debt a covenant that such public agency will annually file “material financial information and operating data” with respect to such public agency through the web-based Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (the “MSRB”) (a federal agency that regulates “broker-dealers,” including investment bank firms that underwrite municipal obligations). This requirement is expected to be satisfied by the filing of the District’s audited financial statements and other operating information about the District, in the same manner the District has filed in connection with prior bond issuances.

(e) Requirements of Education Code Section 15146(b) and 15146(c). In satisfaction of California Education Code Sections 15146(b) and 15146(c), enacted by California Assembly Bill 182 (Stats. 2013, Chapter 477) and effective as of January 1, 2014, appended to the Resolution is an information item (“Exhibit A”) containing the following information provided by Keygent LLC, the financial advisor to the District: approximations of the financing term of the Bonds; time of maturity of the Bonds; repayment ratio of the Bonds; estimated change in assessed value of taxable property within the District over the term of the Bonds; an analysis containing the total overall cost of the capital appreciation bonds expected to be issued; a comparison between the overall cost of the capital appreciation bonds expected to be issued and the overall cost of current interest bonds; and the reason that capital appreciation bonds are being recommended. Additionally, a copy of the disclosure made by the Underwriter in compliance with Rule G-17 adopted by the MSRB is included in Exhibit A to the Resolution.

(e) Escrow Agreement. Pursuant to the Escrow Agreement, proceeds from the sale of the Refunding Bonds in an amount sufficient to redeem the outstanding Prior Bonds will be

deposited in an escrow fund (the “Escrow Fund”) held by U.S. Bank National Association (acting as “Escrow Agent”). The monies in the Escrow Fund will be used by the Escrow Agent to refund all or a portion of the Prior Bonds on August 1, 2017. As a result of the deposit and application of funds so provided in the Escrow Agreement, the Prior Bonds will be defeased and the obligation of the County to levy *ad valorem* property taxes for payment of the Prior Bonds will cease.

Cost of Issuance

Estimated “not-to-exceed” issuance costs for the Series 2015E and 2007C Refunding are as follows:

	<u>2015E</u>	<u>2007C</u>
Bond & Disclosure Counsel	\$74,000	\$74,000
Financial Advisor	64,000	64,000
Underwriting	202,500	193,500
Printing & Distribution	2,000	2,000
Demographics	1,000	1,000
Rating Agencies	50,000	50,000
Escrow Agents	2,500	6,000
Expenses and Contingency	4,000	4,500
Total	<u>\$400,000</u>	<u>\$395,000</u>
Cost as a % of Principal	<u>0.89%</u>	<u>0.92%</u>

Fiscal Impact

There is no fiscal impact to the General Fund resulting from the issuance of the Bonds.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT  
RESOLUTION NO. 48-14/15**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE RIVERSIDE  
COMMUNITY COLLEGE DISTRICT AUTHORIZING THE ISSUANCE OF  
RIVERSIDE COMMUNITY COLLEGE DISTRICT, RIVERSIDE AND SAN  
BERNARDINO COUNTIES, CALIFORNIA, ELECTION OF 2004 GENERAL  
OBLIGATION BONDS, SERIES 2015E, AND ACTIONS RELATED  
THERETO**

**WHEREAS**, a duly called election was held in the Riverside Community College District (the “District”), Riverside County (the “County”) and San Bernardino County (together with the County, the “Counties”), State of California, on March 2, 2004 (the “Election”) and thereafter canvassed pursuant to law;

**WHEREAS**, at the Election there was submitted to and approved by the requisite fifty-five percent or more vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for the various purposes set forth in the ballot submitted to the voters, in the maximum amount not-to-exceed \$350,000,000, payable from the levy of an *ad valorem* property tax against the taxable property in the District (the “Authorization”);

**WHEREAS**, pursuant to the Authorization, the District has caused the issuance of (i) an aggregate principal amount of \$55,205,000 of Riverside Community College District, Riverside County, California, Election of 2004, General Obligation Bonds, Series 2004A, (ii) an aggregate principal amount of \$9,795,000 of Riverside Community College District, Riverside County, California, Election of 2004, General Obligation Bonds, Series 2004B (Federally Taxable), (iii) an aggregate principal amount of \$90,000,000 of Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2007C, (iv) an aggregate principal amount of \$7,699,278.45 of Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2010D (Tax-Exempt), and (v) an aggregate principal amount of \$102,300,000 of Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2010D-1 (Build America Bonds – Direct Payment to District) (Federally Taxable);

**WHEREAS**, at this time this Board of Trustees (the “Board”) has determined that it is necessary and desirable to request the Board of Supervisors of Riverside County (the “County Board”) to issue on behalf of the District the sixth series of general obligation bonds under the Authorization in an aggregate principal amount not to exceed \$50,000,000 to be styled as “Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2015E” (the “Bonds”);

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

**WHEREAS**, this Board desires to authorize the issuance of the Bonds as any combination of Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, to be issued in one or more Series of Taxable or Tax-Exempt Bonds (as such terms are defined herein);

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

**WHEREAS**, on March 18, 2014, this Board adopted Resolution No. 32-13/14 (the “2014 Refunding Resolution”), authorizing the issuance of general obligation refunding bonds of the District in an aggregate principal amount not to exceed \$135,000,000 to refund certain of the outstanding general obligation bonds of the District, including all or a portion of the District’s outstanding Election of 2004 General Obligation Bonds, Series 2007C (the “Prior Bonds”);

**WHEREAS**, on May 29, 2014, the District issued (i) an aggregate principal amount of \$29,130,000 of Riverside Community College District (Riverside and San Bernardino Counties, California) 2014 General Obligation Refunding Bonds, Series A (Tax-Exempt) (the “2014A Refunding Bonds”), and (ii) an aggregate principal amount of \$43,960,000 of Riverside Community College District (Riverside and San Bernardino Counties, California) 2014 General Obligation Refunding Bonds, Series B (Federally Taxable) the “2014B Refunding Bonds,” and together with the 2014A Refunding Bonds, the “2014 Refunding Bonds”);

**WHEREAS**, a portion of the net proceeds of the 2014A Refunding Bonds was used to advance refund a portion of the then-outstanding Prior Bonds;

**WHEREAS**, the District now desires to authorize the refunding of all or a portion of the remaining outstanding Prior Bonds through the issuance general obligation refunding bonds (the “Refunding Bonds”), in a principal amount not to exceed \$61,910,000, the remaining unissued principal amount of general obligation refunding bonds authorized pursuant to the 2014 Refunding Resolution; and

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

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE RIVERSIDE COMMUNITY COLLEGE DISTRICT AS FOLLOWS:**

**SECTION 1. Certain Definitions.** As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the County Resolution or the Purchase Contract):

(a) **“Accreted Interest”** means, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds prior to the Conversion Date, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

(b) **“Accretion Rate”** means that rate which, when applied to the Denominational Amount of a Capital Appreciation Bond or a Convertible Capital Appreciation Bond, and compounded semiannually on each February 1 and August 1, commencing August 1, 2015 (unless otherwise provided for in the Purchase Contract), produces the Maturity Value on the maturity date (with respect to Capital Appreciation Bonds) and the Conversion Value on the Conversion Date (with respect to Convertible Capital Appreciation Bonds).

(c) **“Accreted Value”** means, as of the date of calculation, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds through to the Conversion Date, the Denominational Amount thereof plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1, commencing August 1, 2015 (unless otherwise provided for in the Purchase Contract), at the stated Accretion Rate to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of 12, 30-day months.

(d) **“Authorized Officer”** means the Chancellor of the District or any interim or acting Chancellor (collectively, the “Chancellor”), the Vice Chancellor, Business and Financial Services of the District, and such other officers or employees of the District as may be designated by the Chancellor or the Vice Chancellor, Business and Financial Services.

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

(f) **“Bond Payment Date”** means, as applicable (and unless otherwise provided by the Purchase Contract), (i) with respect to the Current Interest Bonds, February 1 and August 1 of each year, commencing August 1, 2015, with respect to interest thereon, and the stated maturity dates thereof with respect to the Principal payments on the Current Interest Bonds, (ii) with respect to the Convertible Capital Appreciation Bonds, February 1 and August 1 of each year, commencing the first February 1 or August 1 following the respective Conversion Dates thereof, with respect to the interest thereon, and the stated maturity dates thereof with respect to the Conversion Value of the Convertible Capital Appreciation Bonds, and (iii) with respect to the Capital Appreciation Bonds, the stated maturity dates thereof.

(g) **“Capital Appreciation Bonds”** means the Bonds the interest component of which is compounded semiannually on each February 1 and August 1, commencing August 1, 2015 (unless otherwise provided in the Purchase Contract) to maturity as shown in the table of Accreted Values for such Bonds in the Official Statement or Purchase Contract, as the case may be.

(h) **“Code”** means the Internal Revenue Code of 1986, as amended. Reference to any particular section of the Code shall be deemed to be a reference to any successor to any such section.

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

(j) **“Conversion Date”** means, with respect to Convertible Capital Appreciation Bonds, the date from which such Bonds bear interest on a current, periodic basis.

(k) **“Conversion Value”** means, with respect to Convertible Capital Appreciation Bonds, the Accreted Value as of the Conversion Date.

(l) **“Convertible Capital Appreciation Bonds”** means the Bonds the interest component of which is compounded semiannually to the respective Conversion Dates thereof as shown in the table of Accreted Values for the Bonds in the Official Statement or Purchase Contract, as the case may be,



and which bear interest from such respective Conversion Dates on the Conversion Value thereof, payable semiannually thereafter on each Bond Payment Date.

(m) **“County Resolution”** means that certain resolution of the County Board providing for the issuance of the Bonds.

(n) **“Current Interest Bonds”** means Bonds, the interest on which is payable semiannually on each Bond Payment Date specified therefor, and maturing in the years and amounts set forth in the Purchase Contract.

(o) **“Denominational Amount”** means the initial Principal Amount of any Capital Appreciation Bond or Convertible Capital Appreciation Bond.

(p) **“Holder” or “Owner”** means the registered owner of a Bond as set forth on the Bond Register maintained by the Paying Agent pursuant to the County Resolution.

(q) **“Long Current Interest Bonds”** means Current Interest Bonds which mature more than 30 years from the date of issuance thereof, but not greater than 40 years.

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

(s) **“Official Statement”** means the Official Statement for the Bonds, as described in Section 8 hereof.

(t) **“Paying Agent”** means, initially, U.S. Bank National Association, or such other Paying Agent as shall be named in the Purchase Contract or Official Statement, and afterwards any successor financial institution.

(u) **“Principal” or “Principal Amount”** means, with respect to any Current Interest Bond, the Principal Amount thereof, with respect to any Capital Appreciation Bond or Convertible Capital Appreciation Bond, the Denominational Amount thereof.

(v) **“Purchase Contract”** means the contract or contracts for purchase and sale of the Bonds by and among the County, the District and the Underwriter. To the extent the Bonds are sold pursuant to more than one Purchase Contract, each shall be substantially in the form presented to the Board, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve.

(w) **“Series”** means any Bonds executed, authenticated and delivered pursuant to the provisions hereof which are identified as a separate series of Bonds.

(x) **“Taxable Bonds”** means any Bonds not issued as Tax-Exempt Bonds.

(y) **“Tax-Exempt Bonds”** means any Bonds the interest in which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Bonds.

(z) **“Underwriter”** means Piper Jaffray & Co., or such other underwriter as shall be named in the Purchase Contract.

**SECTION 2. Purpose; Authorization.** To raise money for the purposes authorized by voters of the District at the Election and to pay all necessary legal, financial and contingent costs in connection with the issuance of the Bonds, this Board hereby petitions the County Board to authorize the issuance of the Bonds pursuant to the Act and Section 15140 of the California Education Code. This Board hereby further orders such Bonds shall be sold at a negotiated sale such that the Bonds shall be dated as of a date to be determined by said County Board, shall bear interest at a rate not-to-exceed that authorized at the Election, shall be payable upon such terms and provisions as shall be set forth in the Bonds, and shall be in an aggregate principal amount not-to-exceed \$50,000,000. The Board hereby approves the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. The Board estimates that the costs associated with the issuance of the Bonds, excluding compensation to the Underwriter and including any such costs which the Underwriter agrees to pay pursuant to the Purchase Contract, will equal approximately 0.6% of the principal amount of the Bonds.

This Board hereby authorizes the issuance of the Bonds in one or more Series of Taxable or Tax-Exempt Bonds, with appropriate designation if more than one Series is issued, and as any combination of Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, all as set forth in the fully-executed Purchase Contract, subject to the provisions of the County Resolution.

**SECTION 3. Paying Agent.** This Board does hereby authorize the appointment of U.S. Bank National Association as the authenticating agent, bond registrar, transfer agent, and paying agent (collectively, the "Paying Agent") for the Bonds. This Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Bonds may be paid in each year from *ad valorem* property taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically by Section 15232 of the Education Code.

**SECTION 4. Tax Covenants.**

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

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



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

**SECTION 5. Rebate Fund.** The following provisions shall apply to any Bonds issued as Tax-Exempt Bonds.

(a) The District shall create and establish a special fund designated the "Riverside Community College District Election of 2004 General Obligation Bonds, Series 2015E Rebate Fund" (the "Rebate Fund"). 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 (the "Rebate Requirement") pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the "Treasury Regulations"). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate.

(b) Within 45 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Tax-Exempt Bonds the amount that would be considered the "rebate amount" within the meaning of Section 1.148-3 of the Treasury Regulations, using as the "computation date" for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, 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. 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) equals or 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. The District shall not be required to calculate the "rebate amount" and 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 Tax-Exempt Bonds (including amounts treated as proceeds of the Tax-Exempt 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 Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (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 (1½%) 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) Any funds remaining in the Rebate Fund after redemption of all the Tax-Exempt Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) 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 Treasury Regulations; and

(2) not later than 60 days after the payment of all Tax-Exempt 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 Treasury Regulations.

(e) In the event that, prior to the time any payment is 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 (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service, 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) 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, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) The District shall retain records of all determinations made hereunder until three years after the complete retirement of the Tax-Exempt Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Tax-Exempt Bonds.

**SECTION 6. Legislative Determinations.** This Board determines that all acts and conditions necessary to be performed by the District or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will be exceeded in the issuance of the Bonds.

**SECTION 7. Security for the Bonds.** There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are Outstanding (as such term is defined in the County Resolution) in an amount sufficient to pay the Principal, Accreted Value and Conversion Value of and interest on the Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District (as such term is defined in the County Resolution), which fund is hereby designated for the payment of the Principal, Accreted Value and Conversion Value of and interest on the Bonds when and as the same fall due, and for no other purpose. Pursuant to California Government Code Sections 5450 and

5451, moneys on deposit in the Debt Service Fund are hereby pledged to the payment of the Principal, Accreted Value and Conversion Value of and interest on the Bonds, and for no other purpose.

**SECTION 8. Official Statement.** The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Clerk of or Secretary to the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriter to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District’s approval of the Official Statement.

**SECTION 9. Purchase Contract.** The form of Purchase Contract for the Bonds on file with the Clerk of or Secretary to the Board is hereby approved. In connection with the sale of the Bonds, the Board authorizes the Authorized Officers, each alone, on behalf of the District, to execute and deliver to the Underwriter a Purchase Contract for the Bonds, with such terms and conditions as may be acceptable to such official; provided, however, that the interest rate on the Bonds shall not exceed that authorized at the Election, the underwriting discount (excluding original discount) shall not exceed 0.45% of the aggregate principal amount of the Bonds issued, and the aggregate principal amount of the Bonds shall not exceed \$50,000,000.

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

The form of the Purchase Contract for the Refunding Bonds on file with the Clerk of or Secretary to the Board is hereby approved. In connection with the sale of the Refunding Bonds, the Board authorizes the Authorized Officers, each alone, on behalf of the District, to execute and deliver to the Underwriter a Purchase Contract for the Refunding Bonds, with such terms and conditions as may be acceptable to such official; provided, however, that the terms of the Refunding Bonds are consistent with the constraints set forth in the 2014 Refunding Resolution, and, specifically, that the underwriting discount, exclusive of original issue discount and the reasonable expenses of the Underwriter, shall not exceed 0.50% of the aggregate principal amount of the Refunding Bonds issued, and the aggregate principal amount of the Refunding Bonds shall not exceed \$61,910,000.

**SECTION 10. Bond Insurance.** In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the Principal, Accreted Value and Conversion Value of and interest on the Bonds, it shall become the Owner of such Bonds with the right to payment of Principal, Accreted Value and Conversion Value of and interest on the Bonds, and shall be fully subrogated to all of the Owners’ rights, including the Owners’ rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims of past due interest, the Paying Agent shall note the Bond Insurer’s rights as subrogee on the registration books for the

Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal or Accreted Value, the Paying Agent shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**SECTION 11. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Board hereby approves the form of the Continuing Disclosure Certificate appended to the form of Preliminary Official Statement on file with the Clerk of or Secretary to the Board as of the date hereof, and the Authorized Officers, each alone, are hereby authorized to execute and deliver such Continuing Disclosure Certificate with such changes therein and modifications thereto as shall be approved by the Underwriter and the Authorized Officer executing the same, such approval to be conclusively evidenced by such execution and delivery. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

**SECTION 12. Authorized Actions.** Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

**SECTION 13. Professional Services.** The Board hereby appoints Keygent LLC, El Segundo, California as Financial Advisor to the District and Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel and Disclosure Counsel, each with respect to the issuance of the Bonds

**SECTION 14. Other Actions.** (a) Attached as Exhibit A is disclosure regarding the estimated term and time of maturity, repayment ratio and estimated change in assessed valuation of taxable property within the District over the term of the Bonds. Such disclosure is appended in satisfaction of Section 15146(b)(1)(E) of the Education Code, and shall not abrogate or otherwise limit any provision of this Resolution.

(b) To the extent the issuance of Bonds includes Long Current Interest Bonds, the useful life of any facility financed with such Long Current Interest Bonds will equal or exceed the maturity of such Long Current Interest Bonds, as shall be further evidenced by a certificate of the District substantially to such effect.

**SECTION 15. Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

**SECTION 13. Effective Date.** This Resolution shall take effect immediately upon its passage.

PASSED, ADOPTED AND APPROVED this 5<sup>th</sup> day of May, 2015, by the following vote:

AYES: MEMBERS \_\_\_\_\_

NOES: MEMBERS \_\_\_\_\_

ABSTAIN: MEMBERS \_\_\_\_\_

ABSENT: MEMBERS \_\_\_\_\_

\_\_\_\_\_  
President of the Board of Trustees

ATTEST:

\_\_\_\_\_  
Secretary to the Board of Trustees

SECRETARY'S CERTIFICATE

I, \_\_\_\_\_, Secretary to the Board of Trustees of the Riverside Community College District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on May 5, 2015, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

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

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

Dated: May \_\_\_\_, 2015

By: \_\_\_\_\_  
Secretary to the Board of Trustees

**EXHIBIT A**

**DISCLOSURE REQUIRED BY CALIFORNIA EDUCATION CODE SECTION 15146(b)(1)(E)**

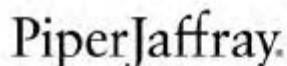
1. Financing term and time of maturity of the bonds (the entire series of bonds). Illustration 1 includes both current interest bonds (“CIBs”) and capital appreciation bonds (“CABs”), while Illustration 2 includes only CIBs.

Date	Illustration 1 - CIBs and CABs				Illustration 2 - CIBs Only			
	Principal	Interest	Debt Service Fund	Net Debt Service	Principal	Interest	Debt Service Fund	Net Debt Service
8/1/15	\$ 1,570,000	\$ 21,326	\$ -	\$ 1,591,326	\$ 1,590,000	\$ 187,792	\$ (187,792)	\$ 1,590,000
8/1/16	1,205,000	134,756	-	1,339,756	1,335,000	1,846,119	(1,846,119)	1,335,000
8/1/17	1,460,000	73,000	-	1,533,000	140,000	1,819,419	(430,000)	1,529,419
8/1/18	-	-	-	-	-	1,815,219	-	1,815,219
8/1/19	-	-	-	-	-	1,815,219	-	1,815,219
8/1/20	-	-	-	-	-	1,815,219	-	1,815,219
8/1/21	-	-	-	-	-	1,815,219	-	1,815,219
8/1/22	-	-	-	-	-	1,815,219	-	1,815,219
8/1/23	-	-	-	-	-	1,815,219	-	1,815,219
8/1/24	-	-	-	-	-	1,815,219	-	1,815,219
8/1/25	-	-	-	-	-	1,815,219	-	1,815,219
8/1/26	1,611,156	733,844	-	2,345,000	420,000	1,815,219	-	2,235,219
8/1/27	1,485,026	809,974	-	2,295,000	395,000	1,794,219	-	2,189,219
8/1/28	1,344,040	870,960	-	2,215,000	335,000	1,774,469	-	2,109,469
8/1/29	1,381,595	1,043,405	-	2,425,000	560,000	1,757,719	-	2,317,719
8/1/30	1,414,703	1,235,298	-	2,650,000	815,000	1,729,719	-	2,544,719
8/1/31	1,134,964	1,120,036	-	2,255,000	460,000	1,688,969	-	2,148,969
8/1/32	3,934,236	4,360,764	-	8,295,000	2,305,000	1,665,969	-	3,970,969
8/1/33	4,118,515	5,016,485	-	9,135,000	3,255,000	1,550,719	-	4,805,719
8/1/34	4,119,476	5,500,524	-	9,620,000	3,905,000	1,387,969	-	5,292,969
8/1/35	4,063,956	5,916,044	-	9,980,000	4,460,000	1,192,719	-	5,652,719
8/1/36	4,091,396	6,458,605	-	10,550,000	5,255,000	969,719	-	6,224,719
8/1/37	4,057,398	6,932,602	-	10,990,000	5,895,000	766,088	-	6,661,088
8/1/38	4,019,101	7,420,899	-	11,440,000	6,575,000	537,656	-	7,112,656
8/1/39	3,987,818	7,917,182	-	11,905,000	7,300,000	282,875	-	7,582,875
Total	\$44,998,378	\$55,565,704	\$ -	\$ 100,564,082	\$45,000,000	\$37,289,105	\$ (2,463,911)	\$79,825,194

2. Repayment ratio for the bonds (the entire series of bonds).
  - Illustration 1: 2.23
  - Illustration 2: 1.77
3. Estimated change in assessed value (“AV”) of taxable property within the District over the term of the bonds.
  - 3.5% annual growth.
4. Total overall cost of the CABs.
  - In Illustration 1, the estimated principal amount of CABs is \$40,763,378 with an estimated debt service cost of \$96,100,000. This is a repayment ratio for the CABs of 2.36.
5. Comparison of #4 to overall cost if instead of CABs, the District issued CIBs.

- A financing composed entirely of CIBs is shown in Illustration 2. The difference in the overall debt service cost is estimated at \$20,738,888.
6. Reason for recommending CABs.
    - CABs are being recommended in order to access the desired project fund amount while maintaining the tax rate estimate of \$18 per \$100,000 of AV and leaving upfront tax rate capacity for future bond series.
  7. Copy of G-17 Letter from Piper Jaffray & Co., as Underwriter. [See attached.]





50 California Street, Suite 5100, San Francisco, CA 94111  
Tel: 800 214-0540 Tel: 415 616-1600  
Piper Jaffray & Co. Since 1895. Member SIPC and NYSE.

March 20, 2015

Mr. Aaron Brown  
Vice Chancellor, Business and Financial Services  
Riverside Community College District  
1533 Spruce Street  
Riverside, CA 92507

Re: Disclosure Required For Issuing Bonds  
Riverside Community College District  
(Riverside County, California)  
Election of 2004 General Obligation Bonds, Series 2015E  
2015 General Obligation Refunding Bonds

Dear Aaron:

Thank you for engaging Piper Jaffray & Co. to serve as your underwriter. We are writing to provide you with certain disclosures relating to the captioned bond issue (the Bonds), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 in accordance with MSRB Notice 2012-25 (May 7, 2012). Under new federal regulations, all underwriters are now required to send the following disclosures to you (as the Issuer of the Bonds) in order to clarify with you the role of an underwriter and other matters relating to an underwriting of the Bonds.

Piper Jaffray intends to serve as an underwriter respecting the Bonds and not as a financial advisor or municipal advisor to you. As part of our services as an underwriter, Piper Jaffray may provide advice concerning the structure, timing, terms, and other similar matters concerning an issue of municipal securities that Piper Jaffray is underwriting or placing.

***Our Role as Underwriter:***

In serving as underwriter for the Bonds, these are some important disclosures that clarify our role and responsibilities:

- (i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
- (ii) The underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the Issuer and it has financial and other interests that differ from those of the Issuer;
- (iii) Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests;
- (iv) The underwriter has a duty to purchase securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and

# PiperJaffray

- (v) The underwriter will review the official statement for the Issuer's securities in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.<sup>1</sup>

## *Our Compensation:*

The underwriter will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

## *Conflicts of Interest:*

We have entered into an agreement with Pershing LLC which enables us to distribute certain new issue municipal securities underwritten by or allocated to us which could include the Bonds. Under the agreement, we could share with Pershing LLC a portion of the fee or commission paid to us as underwriter.

We have entered into a separate agreement with Charles Schwab & Co., Inc. that enables Charles Schwab & Co., Inc. to distribute certain new issue municipal securities underwritten by or allocated to us which could include the Bonds. Under that agreement, we will share with Charles Schwab & Co., a portion of the fee or commission paid to us.

Piper Jaffray has made a contribution to a bond referendum campaign or provided in-kind election related assistance to a bond referendum campaign and the campaign resulted in voter authorization for the Series 2015E Bonds being underwritten or privately placed.

## *Risk Disclosures:*

In accordance with the requirements of MSRB Rule G-17, attached to this letter as Appendix A and Appendix B are descriptions of the material aspects of the Bonds. This letter may be later supplemented if the material terms of the Bonds change from what is described here.

If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to me. In addition, you should consult with your own financial, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

It is our understanding that you are authorized or are expected to be authorized to sign the bond purchase agreement with us. If our understanding is incorrect, please notify the undersigned immediately.

---

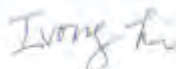
<sup>1</sup> Under federal securities law, an issuer of securities has the primary responsibility for disclosure for investors. The review of the official statement by the underwriter is solely for purposes of satisfying the underwriter's obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

# PiperJaffray.

Under MSRB Rules, we are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that affect, or sign and return the enclosed copy of this letter to me.

Thank you.

Sincerely,



---

Ivory Li  
Managing Director  
Piper Jaffray & Co.

Acknowledgement:

---

Aaron Brown  
Vice Chancellor, Business and Financial Services  
Riverside Community College District

Date: \_\_\_\_\_

Cc: David Casnocha, Stradling Yocca Carlson & Rauth  
Briana Abrams, Stradling Yocca Carlson & Rauth  
Chet Wang, Keygent LLC

Section 1.	Purpose of the Bonds .....	2
Section 2.	Terms and Conditions of Sale.....	2
Section 3.	Approval of Purchase Contract.....	3
Section 4.	Certain Definitions.....	3
Section 5.	Terms of the Bonds.....	9
Section 6.	Execution .....	10
Section 7.	Appointment of Paying Agent .....	11
Section 8.	Resignation or Removal of Paying Agent and Appointment of Successor .....	11
Section 9.	Payment of Principal and Interest .....	12
Section 10.	Bond Registration and Transfer .....	12
Section 11.	Redemption.....	14
Section 12.	Book-Entry System.....	17
Section 13.	Forms of Bonds.....	20
Section 14.	Deposit of Proceeds of Bonds; Creation of Funds .....	20
Section 15.	Security for the Bonds; Tax Levy .....	23
Section 16.	Defeasance .....	23
Section 17.	Continuing Disclosure .....	24
Section 18.	Tax Covenants of the District .....	24
Section 19.	Arbitrage Covenant.....	24
Section 20.	Conditions Precedent .....	25
Section 21.	Official Statement .....	25
Section 22.	Other Actions.....	25
Section 23.	Supplemental Resolutions.....	25
Section 24.	Insurance .....	26
Section 25.	Resolution to Constitute Contract.....	27
Section 26.	Notices .....	27
Section 27.	Unclaimed Moneys .....	27
Section 28.	Effective Date .....	28
Exhibit A	Form of District Resolution.....	A-1
Exhibit B	Form of Purchase Contract.....	B-1
Exhibit C	Forms of Bonds .....	C-1

---

RESOLUTION NO. 2015-\_\_\_

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, CALIFORNIA, AUTHORIZING THE SALE AND ISSUANCE OF RIVERSIDE COMMUNITY COLLEGE DISTRICT, RIVERSIDE AND SAN BERNARDINO COUNTIES, CALIFORNIA, ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2015E IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000

---



**RESOLUTION NO. 2015-\_\_\_**

**RESOLUTION OF THE BOARD OF SUPERVISORS  
OF THE COUNTY OF RIVERSIDE, CALIFORNIA,  
AUTHORIZING THE SALE AND ISSUANCE OF  
RIVERSIDE COMMUNITY COLLEGE DISTRICT,  
RIVERSIDE AND SAN BERNARDINO COUNTIES,  
CALIFORNIA, ELECTION OF 2004 GENERAL  
OBLIGATION BONDS, SERIES 2015E IN THE  
PRINCIPAL AMOUNT NOT TO EXCEED \$50,000,000**

**WHEREAS**, a duly called election was held in the Riverside Community College District (the “District”), County of Riverside (the “County”) and San Bernardino County (together with the County, the “Counties”), State of California, on March 2, 2004 (the “Election”), and thereafter canvassed pursuant to law; and

**WHEREAS**, at the Election there was submitted to and approved by the requisite fifty-five percent or more vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$350,000,000 payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Authorization”); and

**WHEREAS**, the District has caused the issuance of (i) an aggregate principal amount of \$55,205,000 of Riverside Community College District, Riverside County, California, Election of 2004, General Obligation Bonds, Series 2004A, (ii) an aggregate principal amount of \$9,795,000 of Riverside Community College District, Riverside County, California, Election of 2004, General Obligation Bonds, Series 2004B (Federally Taxable), (iii) an aggregate principal amount of \$90,000,000 of Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2007C, (iv) an aggregate principal amount of \$7,699,278.45 of Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2010D (Tax-Exempt), and (v) an aggregate principal amount of \$102,300,000 of Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2010D-1 (Build America Bonds – Direct Payment to District) (Federally Taxable), all authorized pursuant to the Authorization; and

**WHEREAS**, at this time this Board of Supervisors (this “Board”) has received a signed copy of the resolution of the Board of Trustees of the District (the “District Board”), approved thereby and adopted on May 5, 2015, requesting the issuance of the sixth series of bonds under the Authorization in an aggregate principal amount not-to-exceed \$50,000,000 and styled as “Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2015E” (the “Bonds”), which resolution is attached hereto as Exhibit A; and

**WHEREAS**, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53560 *et seq.*) (the “Act”), the

Bonds are authorized to be issued by the District for the purposes set forth in the ballot submitted to voters at the Election; and

**WHEREAS**, the District Board has authorized the issuance of the Bonds as any combination of Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, to be issued in one or more Series of Taxable or Tax-Exempt Bonds (as such terms are defined herein); and

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

**WHEREAS**, the District Board has estimated that the costs associated with the delivery of the Bonds, including any such costs which the Underwriter agrees to pay pursuant to the Purchase Contract (defined herein), and excluding compensation to the Underwriter, will equal approximately 0.6% of the aggregate principal amount of the Bonds; and

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

**WHEREAS**, the District Board has appointed Keygent LLC, El Segundo, California as Financial Advisor in connection with the issuance of the Bonds; and

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

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

**Section 1. Purpose of the Bonds.** The Bonds of the District shall be issued in the name and on behalf of the District in an aggregate Principal Amount not to exceed \$50,000,000 to raise money for the purposes authorized by voters of the District at the Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith.

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

**Section 3. Approval of Purchase Contract.** The form of Purchase Contract (as defined herein), by and among the County, the District and the Underwriter, for the purchase and sale of the Bonds, is hereby approved substantially in the form attached hereto as Exhibit B. The Treasurer-Tax Collector of the County (the “Treasurer”), or a designated deputy thereof, is hereby authorized to execute and deliver the Purchase Contract, and the Authorized Representatives of the District, each alone, are hereby authorized and requested to acknowledge the execution of such Purchase Contract, if necessary, but with such changes therein, deletions therefrom and modifications thereto as the Treasurer, or a designated deputy thereof, may approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the Bonds shall mature no later than forty (40) years from the date of issue and the Underwriter’s discount, excluding original issue discount, shall not exceed 0.45% of the aggregate principal amount of Bonds issued. The Treasurer, in conjunction with an Authorized Representative of the District, shall be authorized to determine the final principal amount of the Bonds, not-to-exceed \$50,000,000, and enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied.

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

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

“**Accretion Rate**” means that rate which, when applied to the Denominational Amount of a Capital Appreciation Bond or a Convertible Capital Appreciation Bond, and compounded semiannually on each February 1 and August 1, commencing August 1, 2015 (unless otherwise provided for in the Purchase Contract), produces the Maturity Value on the maturity date (with respect to Capital Appreciation Bonds) and the Conversion Value on the Conversion Date (with respect to Convertible Capital Appreciation Bonds).

“**Accreted Value**” means, as of the date of calculation, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds through to the Conversion Date, the Denominational Amount thereof plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1, commencing August 1, 2015 (unless otherwise provided for in the Purchase Contract), at the stated Accretion Rate to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of 12, 30-day months.

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

“**Authorized Representative of the District**” means the Chancellor of the District or any interim or acting Chancellor (collectively, the “Chancellor”), the Vice Chancellor, Business and Financial Services of the District, and such other officers or employees of the District as may be designated by the Chancellor or the Vice Chancellor, Business and Financial Services.



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

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

**“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal, Accreted Value and Conversion Value of and interest on the Bonds.

**“Bond Payment Date”** means, as applicable (and unless otherwise provided by the Purchase Contract), (i) with respect to the Current Interest Bonds, February 1 and August 1 of each year, commencing August 1, 2015, with respect to interest thereon, and the stated maturity dates thereof with respect to the Principal payments on the Current Interest Bonds, (ii) with respect to the Convertible Capital Appreciation Bonds, February 1 and August 1 of each year, commencing the first February 1 or August 1 following the respective Conversion Dates thereof, with respect to the interest thereon, and the stated maturity dates thereof with respect to the Conversion Value of the Convertible Capital Appreciation Bonds, and (iii) with respect to the Capital Appreciation Bonds, the stated maturity dates thereof.

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

**“Bonds”** means the Riverside Community College District, Election of 2004 General Obligation Bonds, Series 2015E, issued and delivered pursuant to this Resolution.

**“Building Fund”** means the Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2015E Building Fund established pursuant to Section 14 of this Resolution.

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

**“Capital Appreciation Bonds”** means the Bonds the interest component of which is compounded semiannually on each February 1 and August 1, commencing August 1, 2015 (unless otherwise provided in the Purchase Contract) to maturity as shown in the table of Accreted Values for such Bonds in the Official Statement or Purchase Contract, as the case may be.

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

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

**“Conversion Date”** means, with respect to Convertible Capital Appreciation Bonds, the date from which such Bonds bear interest on a current, periodic basis.

**“Conversion Value”** means, with respect to Convertible Capital Appreciation Bonds, the Accreted Value as of the Conversion Date.

**“Convertible Capital Appreciation Bonds”** means the Bonds the interest component of which is compounded semiannually to the respective Conversion Dates thereof as shown in the table of Accreted Values for the Bonds in the Official Statement or Purchase Contract, as the case may be, and which bear interest from such respective Conversion Dates on the Conversion Value thereof, payable semiannually thereafter on each Bond Payment Date.

**“County”** means the County of Riverside, California.

**“Current Interest Bonds”** means Bonds, the interest on which is payable semiannually on each Bond Payment Date specified therefor, and maturing in the years and amounts set forth in the Purchase Contract.

**“Date of Delivery”** means the date of initial issuance and delivery of the Bonds, or such other date as shall appear in the Purchase Contract or Official Statement.

**“Debt Service Fund”** means the Riverside Community College District, Election of 2004 General Obligation Bonds, Series 2015E Debt Service Fund established pursuant to Section 14 of this Resolution.

**“Denominational Amount”** means the initial Principal Amount of any Capital Appreciation Bond or Convertible Capital Appreciation Bond.

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

**“District”** means the Riverside Community College District.

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

**“Fair Market Value”** means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the

meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

**“Holder” or “Owner”** means the registered owner of a Bond as set forth on the registration books maintained by the Paying Agent pursuant to Section 10 hereof.

**“Informational Services”** means Financial Information, Inc.’s Financial Daily Called Bond Service; Mergent, Inc.’s Called Bond Department; or Standard & Poor’s J.J. Kenny Information Services’ Called Bond Service.

**“Long Current Interest Bonds”** means Current Interest Bonds which mature more than 30 years from the date of issuance thereof, but not greater than 40 years.

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

**“Moody’s”** means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the District.

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

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

**“Official Statement”** means the document by that name prepared by the District pursuant to which the Bonds are offered by the Underwriter to investors as described in Section 21 herein.

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

- (a) Bonds canceled at or prior to such date;
- (b) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 10 hereof; or
- (c) Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 16 of this Resolution.

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

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

**“Permitted Investments”** means (i) any lawful investments permitted by Section 16429.1 and Section 53601 of the Government Code, including Non-AMT Bonds and Qualified Non-AMT Mutual Funds, (ii) shares in a California common law 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, but without regard to any limitations in such Section concerning the percentage of moneys available for investment being invested in a particular type of security, (iii) a guaranteed investment contract with a provider having a rating meeting the minimum rating requirements of the County investment pool maintained by the Treasurer, (iv) the Local Agency Investments Fund of the California State Treasurer, (v) the County investment pool described above, and (vi) State and Local Government Series Securities.

**“Principal”** or **“Principal Amount”** means, with respect to any Current Interest Bond, the Principal Amount thereof, and with respect to any Capital Appreciation Bond or Convertible Capital Appreciation Bond, the Denominational Amount thereof.

**“Purchase Contract”** means the contract or contracts for purchase and sale of the Bonds by and among the County, the District and the Underwriter. To the extent the Bonds are sold pursuant to more than one Purchase Contract, each shall be substantially in the form presented to the Board, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve.

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

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

**“Rebate Fund”** means the Riverside Community College District, Election of 2004 General Obligation Bonds, Series 2015E Rebate Fund established pursuant to Section 14 of this Resolution.

**“Record Date”** means the close of business on the fifteenth day of the month preceding each Bond Payment Date.

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

**“Resolution”** means this Resolution adopted by this Board on June 2, 2015.

**“Series”** means any Bonds executed, authenticated and delivered pursuant to the provisions hereof which are identified as a separate series of Bond.

**“S&P”** means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, its successors and assigns, or, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, such other nationally recognized securities rating agency designated by the District.

**“Securities Depository”** means The Depository Trust Company, 55 Water Street, New York, New York 10041, Attn: Redemption Area, Facsimile transmission: (212) 855-7232, (212) 855-7233, or such other securities depositories as are designated by the District or the Paying Agent and whose business is to perform the functions of a clearing agency with respect to exempted securities, as defined in Section 3(a)(12) of the Securities Exchange Act of 1934, and who is registered as a clearing agency under Section 17A of the Act.

**“Supplemental Resolution”** means any resolution supplemental to or amendatory of this Resolution, adopted by the County in accordance with Section 23 hereof.

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

**“Taxable Bonds”** means any Bonds not issued as Tax-Exempt Bonds.

**“Tax-Exempt Bonds”** means any Bonds the interest in which is excludable from gross income for federal income tax purposes and is not treated as an item of tax

preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Bonds.

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

**“Transfer Amount”** means, (i) with respect to any Outstanding Current Interest Bond, the Principal Amount, (ii) with respect to any Outstanding Capital Appreciation Bond, the Maturity Value, and (iii) with respect to any Outstanding Convertible Capital Appreciation Bonds, the Conversion Value.

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

**“Underwriter”** means the Piper Jaffray & Co., or such other underwriter as shall be named in the Purchase Contract.

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

(a) The Bonds shall be issued as fully registered book-entry bonds in the following denominations: (i) with respect to the Current Interest Bonds, \$5,000 Principal Amount or any integral multiple thereof, (ii) with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination, if necessary), and (iii) with respect to Convertible Capital Appreciation Bonds, \$5,000 Conversion Value or any integral multiple thereof. The Bonds will initially be registered in the name of “Cede & Co.,” the Nominee of the Depository Trust Company, New York, New York.

(b) Each Current Interest Bond shall be dated as of the Date of Delivery, and shall bear interest at the rates set forth in the Purchase Contract or Official Statement from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from its Date of Delivery. Interest shall be payable on the respective Bond Payment Dates and shall be calculated on the basis of a 360-day year of 12, 30-day months.

(c) The Capital Appreciation Bonds shall mature in the years, shall be issued in aggregate Principal Amounts, and shall have Accretion Rates as shown in the Accreted Values Table attached to the Official Statement or Purchase Contract. The Convertible Capital Appreciation Bonds shall mature in the years, shall be issued in the aggregate Principal Amounts, and shall have Accretion Rates as shown in such Accreted Values Table attached to the Official Statement or Purchase Contract; provided, however, that in the event that the amount shown in the Accreted Values Table and the Accreted Value caused to be calculated by the District and approved by the Bond Insurer, if any, by application of the definition of Accreted Value set forth



in Section 5 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond or Convertible Capital Appreciation Bond, as applicable.

(d) Each Capital Appreciation Bond shall be dated, and shall accrete interest from, its date of initial delivery. Capital Appreciation Bonds will not bear interest on a current or periodic basis.

(e) Prior to their respective Conversion Dates, each Convertible Capital Appreciation Bond shall not bear current, periodic interest but will accrete in value through the Conversion Date thereof, from its Denominational Amount on the Date of Delivery thereof to its Conversion Value on the applicable Conversion Date. No payment will be made to the Owners of Convertible Capital Appreciation Bonds on the respective Conversion Dates thereof. From and after its Conversion Date, each Convertible Capital Appreciation Bond will bear current, periodic interest, and such interest will accrue based upon the Conversion Value of such Bonds at the Conversion Date. Following their respective Conversion Dates, each Convertible Capital Appreciation Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof, unless it is authenticated during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date after the Conversion Date, in which event it will bear interest from the Conversion Date.

(f) Notwithstanding any other provision herein, the ratio of total debt service to principal for each Series of Bonds shall not exceed four-to-one, and Capital Appreciation Bonds and Convertible Capital Appreciation Bonds may not mature more than 25 years from their respective dates of issuance.

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

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

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

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

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

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

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

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



removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

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

**Section 9. Payment of Principal and Interest.** Payment of interest on any Current Interest Bond or Convertible Capital Appreciation Bond after its respective Conversion Date, shall be made on any Bond Payment Date to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer or check mailed to such Owner on the Bond Payment Date at his or her address as it appears on such registration books or at such other address as he or she may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount, Conversion Value or Maturity Value of One Million Dollars (\$1,000,000) or more 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. The Principal, and redemption premiums, if any, payable on the Current Interest Bonds, the Accreted Value and redemption premiums, if any, on the Capital Appreciation Bonds, and the Conversion Value and redemption premiums, if any, on Convertible Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The Principal, Accreted Value and Conversion Value of, and premiums, if any, and interest on, the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes levied on property subject to taxation by the District. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

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

Subject to the provisions of Section 12 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, Accreted Value, and Conversion Value of, and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like Series, tenor, maturity and Transfer Amount upon presentation and surrender at the office of the Paying Agent designated for such purpose, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the designated office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new bond or bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds may not be exchanged for one another.

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

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

Neither the District, the County, nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

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

such Owner's ownership thereof in furnishing the Paying Agent and County with indemnity satisfactory to each of them.

Any new Bonds issued pursuant to this Section 10 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the District, whether or not the Bonds so alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Bonds.

**Section 11. Redemption.**

(a) Terms of Redemption. The Bonds shall be subject to optional or mandatory sinking fund redemption prior to maturity as provided in the Purchase Contract or the Official Statement; provided, however, that, notwithstanding any other provision herein, any Capital Appreciation Bond or Convertible Capital Appreciation Bond maturing more than 10 years after its date of issuance shall be subject to redemption before its fixed maturity date, with or without premium, at any time, or from time to time, at the option of the District, beginning no later than the 10th anniversary of the date such Bond is issued.

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

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

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

Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Paying Agent, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount, Accreted Value or Conversion Value, as applicable, to be redeemed, and the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest thereon shall cease to accrue or accrete.

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

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

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

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

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

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided herein shall be conclusive as against all parties. Neither failure to receive 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. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. Such Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon, or on the Bonds.

With respect to any notice of the optional redemption of Bonds (or portions thereof) pursuant to Section 11(a) hereof, unless upon the giving of such notice such Bonds shall be deemed to have been defeased pursuant to Sections 16 hereof, such notice shall state that such redemption shall be conditional upon the receipt by an independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the Principal, Accreted Value and Conversion Value of, premium, if any, and interest on such Bonds (or portions thereof) to be redeemed, and that if such moneys shall have been so received said notice shall be of no force and effect, no portion of the Bonds shall be subject to redemption on such date and such Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption shall not be made and the Paying Agent shall within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent shall distribute a notice of rescission of such Redemption Notice in the same manner as such Redemption Notice was originally provided.

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

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

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

(f) Effect of Notice of Redemption. If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in this Section 11, together with interest accrued or accreted to such redemption date, shall be held in trust by an independent escrow agent selected by the District, as described in Section 16 hereof, so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by such escrow agent for the



redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 11 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

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

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

(a) The Bonds shall be initially executed and delivered in the form of a single, fully registered Bond for each maturity (which may be typewritten). Upon initial execution and delivery, as provided for herein, the ownership of such Bond shall be registered in the Bond Register in the name of the Depository or Nominee, and its successors and assigns. Except as hereinafter provided, all of the outstanding Bonds shall be registered in the Bond Register in the name of the Nominee of the Depository, as determined from time to time pursuant to this Section. Each Bond certificate shall bear a legend substantially to the following effect: “UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.”

With respect to the Bonds registered in the Bond Register in the name of the Nominee, neither the District, the County nor the Paying Agent shall have any responsibility or obligation to any broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository (the “Participant”) or to any person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, neither the District, the County nor the Paying Agent shall have any responsibility or obligation 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 the payment of Principal of and interest with respect to such Bond, for the purpose of giving notices of redemption, if applicable, and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all 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.

(b) In order to qualify the book-entry Bonds for the Depository's book-entry system, the District and the Paying Agent shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

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

to the Bonds. In any such event, the Treasurer shall execute and deliver certificates representing the Bonds as provided below. Bonds issued in exchange for book-entry securities pursuant to this subsection (c) shall be registered in such names and delivered in such denominations as the Depository shall instruct the County and the District. The Treasurer shall deliver such bonds representing the Bonds to the persons in whose names such Bonds are so registered.

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

Notwithstanding any other provision of this Resolution to the contrary, so long as all Outstanding Bonds are held in book -entry form and registered in the name of the Nominee, all payments by the District or the Paying Agent with respect to Principal, Accreted Value and Conversion Value of, premium, if any, or interest on the Bonds and all notices with respect to such Bonds, including Redemption Notices, shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise required or instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

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

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

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

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

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



(f) In the case of any transfer pursuant to Section 11(e)(i) or (ii), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 11(e)(iii), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

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

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

**Section 13. Forms of Bonds.** The Bonds shall be in substantially the forms as shown in Exhibit C hereto; provided, however, that those officials executing the Bonds are hereby authorized to make the insertions and deletions necessary to conform the Bonds to this Resolution, the Purchase Contract, and the Official Statement, and to correct any defect or inconsistent provision therein or to cure any ambiguity or omission therein.

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

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

(b) The purchase price received from the Underwriter pursuant to the Purchase Contract, to the extent of the Principal Amount thereof, net costs of issuance, shall be paid to the County to the credit of the Building Fund, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued and provided further that such proceeds shall be applied solely to the purposes authorized by the voters of the District at the Election. The County shall have no responsibility for assuring the proper use of the Bond proceeds by the District. The Building Fund may contain subaccounts if the Bonds are issued in more than one Series. The purchase price received from the Underwriter pursuant to the Purchase Contract, to the extent of any accrued interest and any net original issue premium, shall be kept separate and apart in the Debt Service Fund and used for payment of Principal, Accreted Value and Conversion Value of and interest on the Bonds, and for no other purpose. The Debt Service Fund may contain subaccounts if the Bonds are issued in more than one Series. Interest earnings on monies held in the Building Fund shall be retained in the Building Fund. Interest earnings on monies held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued, upon written notice from the District, shall be transferred to the Debt Service Fund and applied to the payment of the Principal, Accreted Value and Conversion Value of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District

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

(d) Moneys in the Debt Service Fund and the Building Fund shall be invested at the written direction of the District, and after consultation with the County, in Permitted Investments. If at the time of issuance the District determines to issue the Bonds as Tax-Exempt Bonds without regard to the Internal Revenue Code "temporary period" restrictions, all investment of Bond proceeds shall be subject to paragraph (i) below; and the District, in consultation with the County, may provide for an agent to assist the District in investing funds pursuant to paragraph (i) below. If the District fails to direct such agent, the agent shall invest or cause the funds in the Building Fund to be invested in Qualified Permitted Investments, subject to the provisions of paragraph (i) below, until such time as the District provides written direction to invest such funds otherwise. Neither the County nor its officers and agents, as the case may be, shall have any responsibility or obligation to determine the tax consequences of any investment, nor shall the County or its officers and agents be liable for any loss on investments. The interest earned on the moneys deposited to the Building Fund shall be applied as set forth in subparagraph (ii) below.

(i) Covenant Regarding Investment of Proceeds.

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

B. Recordkeeping and Monitoring Relating to Building Fund. The investment of Bond proceeds pursuant to this paragraph (i) shall be subject to such recordkeeping and monitoring requirements as shall be covenanted to by the District in the Tax Certificate executed thereby in connection with such Bonds, and as shall be acceptable to the County.

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

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

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

(f) Interest earned on the investment of monies held in the Debt Service Fund shall be retained in the Debt Service Fund, interest earned on the investment of monies held in the Building Fund shall be retained in the Building Fund, and interest earned in the investments in the Rebate Fund shall be retained in the Rebate Fund.

(g) If at any time it is deemed necessary or desirable by the District, upon the written direction of the District, the County may establish additional funds under

this Resolution and/or accounts within any of the funds or accounts established hereunder.

**Section 15. Security for the Bonds; Tax Levy.** There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are Outstanding in an amount sufficient, together with moneys on deposit in the Debt Service Fund available for such purpose, to pay the Principal, Accreted Value and Conversion Value of and interest on the Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District, which moneys so deposited are, pursuant to California Government Code Sections 5450 and 5451, hereby pledged to the payment of the Principal, Accreted Value and Conversion Value of and interest on the Bonds when and as the same fall due, and for no other purpose. The Bonds are the general obligations of the District and do not constitute an obligation of the County except as expressly provided in this Resolution. Pursuant to the District Resolution, the District has pledged funds on deposit in the Debt Service Fund to payment of the Bonds. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds or the interest thereon.

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

**Section 16. Defeasance.** All or any portion of the outstanding maturities of the Bonds may be defeased at any time prior to maturity in the following ways:

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

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

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

For purposes of this Resolution, Government Obligations shall mean:

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

**Section 17. Continuing Disclosure.** The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Any Bond Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under the Continuing Disclosure Certificate.

**Section 18. Tax Covenants of the District.** The District has covenanted for and on behalf of the Owners that it shall not take any action, or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Bonds under Section 103 of the Code.

**Section 19. Arbitrage Covenant.** The District has covenanted for and on behalf of the Owners that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District. The County hereby covenants that it will follow such written directions as are given to it by the District to restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not



constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that section or any predecessor section.

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

**Section 21. Official Statement.** The District has agreed to cause a Preliminary Official Statement and a final Official Statement meeting the requirements of Securities and Exchange Commission Rule 15c2-12 to be prepared. Such Preliminary Official Statement and Official Statement shall be referred to as the "Official Statement," and will be substantially in the form of the Preliminary Official Statement on file with the Clerk of the Board of Supervisors, together with such changes as the District deems necessary to make such Official Statement accurate as of its date.

**Section 22. Other Actions.**

(a) Officers of the Board and County officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution, including the execution of any documents required by a Bond Insurer as a precondition to obtaining bond insurance if purchased by the District. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

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

**Section 23. Supplemental Resolutions.**

(a) This Resolution, and the rights and obligations of the County, the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the County with the written consent of Owners owning at least 60% in aggregate Principal Amount of the Outstanding Bonds, exclusive of Bonds, if any, owned by the County or the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal and interest is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent

thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and adversely affected by such amendment or modification.

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

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

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

(iii) To confirm as further assurance any pledge under, and the subjection to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

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

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

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

**Section 24. Insurance.** In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the Principal, Accreted Value and Conversion Value of or interest on the Bonds, it shall become the Owner of such Bonds with the right to payment of such Principal, Accreted Value, Conversion Value or interest, and shall be fully subrogated to all of the Owners' 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 for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer or other

evidence satisfactory to the Paying Agent for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal or interest, the Paying Agent shall note the Bond Insurer as subrogee on the Bond Register for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer. The Paying Agent shall request payment pursuant to the terms of any bond insurance policy to the extent required to pay the Principal of and interest on the Bonds when due if amounts on deposit in the Debt Service Fund are not adequate for that purpose.

**Section 25. Resolution to Constitute Contract.** In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the County, the District and the Owners from time to time of the Bonds; and the pledge made in this Resolution shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof.

**Section 26. Notices.** All notices or communications herein required or permitted to be given to any party shall be given to each of the following parties and shall be given in writing and shall be deemed to have been sufficiently given or served for all purposes by being delivered or sent by telecopier or by being deposited, postage prepaid, in a post office letter box, to the addresses set forth below, or to such other address as may be provided to the other parties hereinafter listed in writing from time to time, namely:

If to the County: County of Riverside  
4080 Lemon Street, 4th Floor  
Riverside, California 92502  
Attention: Treasurer-Tax Collector

If to the Paying Agent: U.S. Bank National Association  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, California 90071  
Attention: Corporate Trust Department

If to the District: Riverside Community College District  
1533 Spruce Street  
Riverside, California 92507  
Attention: Vice Chancellor, Business and Financial  
Services

**Section 27. Unclaimed Moneys.** Anything in this Resolution to the contrary notwithstanding, any moneys held by the Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Paying Agent at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Paying Agent after said date when such Bonds become due and payable, shall be repaid by the Paying Agent to the District, as its absolute property and free from trust, and the Paying Agent shall thereupon be



released and discharged with respect thereto and the Bond Owners shall look only to the District for the payment of such Bonds; provided, however, that before being required to make such payment to the District, the Paying Agent shall, at the expense of District, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the registration books, a notice that said moneys remain unclaimed and that, after a date in said notice, which date shall not be less than thirty (30) days after the date of mailing such notice, the balance of such moneys then unclaimed will be returned to the District.

**Section 28. Effective Date.** This Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted by the Board of Supervisors of the County of Riverside on June 2, 2015.

COUNTY OF RIVERSIDE

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

ATTEST:

\_\_\_\_\_  
Clerk of the Board of Supervisors

**EXHIBIT A**  
**FORM OF DISTRICT RESOLUTION**

[See Attached]

**EXHIBIT B**  
**FORM OF PURCHASE CONTRACT**

[See Attached]

**EXHIBIT C**  
**FORMS OF BONDS**

(Form of Current Interest Bond)

**REGISTERED  
NO.**

**REGISTERED  
\$**

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

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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT  
(RIVERSIDE AND SAN BERNARDINO COUNTIES, CALIFORNIA)  
ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2015E**

INTEREST RATE:            MATURITY DATE:            DATE OF DELIVERY:            CUSIP  
\_\_\_\_% per annum            August 1, 20\_\_            \_\_\_\_\_, 2015

REGISTERED OWNER:            CEDE & CO.

PRINCIPAL AMOUNT:

The Riverside Community College District (the "District") in Riverside County (the "County") and San Bernardino County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2015. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2015, in which

event it shall bear interest from the Date of Delivery. Interest shall be computed on the basis of a 360-day year of 12, 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered, such owner being the Registered Owner, on the Register maintained by the Paying Agent, initially U.S. Bank National Association. Principal is payable upon presentation and surrender of this bond at the designated office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and 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 (the "Record Date"). The Owner of Bonds in the aggregate Principal Amount of \$1,000,000 or more may request in writing to the Paying Agent that the 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 approved to raise money for the purposes authorized by voters of the District at the Election (as defined herein) and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a general election held on March 2, 2004 (the "Election"), upon the question of issuing bonds in the amount of \$350,000,000 and resolutions adopted by the Board of Trustees of the District on May 5, 2015 and by the Board of Supervisors of the County on June 2, 2015 (collectively, the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are general obligations of the District payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

The bonds of this issue (the "Bonds") comprise (i) \$\_\_\_\_\_ principal amount of Current Interest Bonds, of which this bond is a part, (ii) Capital Appreciation Bonds, of which \$\_\_\_\_\_ represents the Denominational Amount and \$\_\_\_\_\_ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which \$\_\_\_\_\_ represents the Denominational Amount and \$\_\_\_\_\_ represents the Conversion Value.

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

Neither the District, the County, nor the Paying Agent will be required to (a) issue or transfer any Bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable Redemption Notice is given or (b) transfer any Bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20\_\_ are subject to redemption at the option of the District, as a whole or in part, on any date on or after August 1, 20\_\_ at a redemption price equal to the principal amount of the Current Interest Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium.

The Current Interest Bonds maturing on August 1, 20\_\_, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount represented by such Current Interest Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

Redemption Dates

Principal Amounts

TOTAL

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 Paying Agent as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as shall be determined by the Paying Agent; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount, Maturity Value or Conversion Value of \$5,000 or some multiple thereof. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order directed by the District and, if not so directed, in the inverse order of maturity.

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

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that 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 the principal of and interest on the Bonds when due.

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

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

\_\_\_\_\_  
Chairman of the Board of Supervisors

COUNTERSIGNED:

\_\_\_\_\_  
Clerk of the Board of Supervisors

\_\_\_\_\_  
Treasurer-Tax Collector of the County of Riverside

**(FORM OF CERTIFICATE OF AUTHENTICATION)**

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2015.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By: \_\_\_\_\_  
Authorized Representative

**(FORM OF LEGAL OPINION)**

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

\_\_\_\_\_  
Clerk of the Board of Supervisors of the County of  
Riverside



**(FORM OF ASSIGNMENT)**

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

---

---

(Name, Address, and Tax Identification or Social Security Number of Assignee)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature(s) must be guaranteed by an eligible guarantor institution.

\_\_\_\_\_  
Note: The signature(s) on this Assignment must correspond with the names as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

(Form of Capital Appreciation Bond)

**REGISTERED  
NO.**

**REGISTERED  
\$**

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

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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT  
(RIVERSIDE AND SAN BERNARDINO COUNTIES, CALIFORNIA)  
ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2015E**

ACCRETION RATE:            MATURITY DATE:            DATED AS OF:            CUSIP  
\_\_\_\_\_ %                    August 1, \_\_\_\_\_            \_\_\_\_\_, 2015

REGISTERED OWNER:        CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The Riverside Community College District (the "District") in Riverside County (the "County") and San Bernardino County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2015, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denominational Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of 12, 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered, such owner being the Registered Owner, on the Register maintained by the Paying Agent,

initially U.S. Bank National Association. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the designated office of the Paying Agent.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the Election (as defined herein) and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a general election held on March 2, 2004 (the "Election"), upon the question of issuing bonds in the amount of \$350,000,000 and resolutions adopted by the Board of Trustees of the District on May 5, 2015 and by the Board of Supervisors of the County on June 2, 2015 (collectively, the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one general obligations of the District are payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

The bonds of this issue (the "Bonds") comprise (i) \$\_\_\_\_\_ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds, of which this bond is a part, and of which \$\_\_\_\_\_ represents the Denominational Amount and \$\_\_\_\_\_ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which \$\_\_\_\_\_ represents the Denominational Amount and \$\_\_\_\_\_ represents the Conversion Value.

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

Neither the District, the County, nor the Paying Agent will be required to (a) issue or transfer any Bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) transfer any Bond which has been selected or called for redemption in whole or in part.

The Capital Appreciation Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their fixed maturity dates. The Capital Appreciation Bonds maturing on or after August 1, 20\_\_ are subject to redemption at the option of the District, as a whole or in part, on any date on or after \_\_\_\_\_, 20\_\_ at a redemption price equal to the Accreted Value of such Capital Appreciation Bonds to be redeemed as of the date set for such redemption, without premium.

The Capital Appreciation 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 Accreted Value of such Capital Appreciation Bonds as of the date fixed for redemption, without premium. The Accreted Value represented by such Capital Appreciation Bonds to be so redeemed, the dates therefor and the final payment date are as indicated in the following table:

Redemption Dates

Accreted Value

TOTAL

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 Paying Agent as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as shall be determined by the Paying Agent, provided, however, that the portion of any Bond to be redeemed shall be in the principal amount, Maturity Value or Conversion Value of \$5,000 or some multiple thereof. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order directed by the District and, if not so directed, in the inverse order of maturity.

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

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

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

[REMAINDER OF PAGE LEFT BLANK]

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

\_\_\_\_\_  
Chairman of the Board of Supervisors

COUNTERSIGNED:

\_\_\_\_\_  
Clerk of the Board of Supervisors

\_\_\_\_\_  
Treasurer-Tax Collector of the County of Riverside

**(FORM OF CERTIFICATE OF AUTHENTICATION)**

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2015.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By: \_\_\_\_\_  
Authorized Representative

**(FORM OF LEGAL OPINION)**

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

\_\_\_\_\_  
Clerk of the Board of Supervisors of the County of  
Riverside

**(FORM OF ASSIGNMENT)**

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

---

---

(Name, Address, and Tax Identification or Social Security Number of Assignee)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature(s) must be guaranteed by an eligible guarantor institution.

\_\_\_\_\_  
Note: The signature(s) on this Assignment must correspond with the names as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

(Form of Convertible Capital Appreciation Bond)

**REGISTERED  
NO.**

**REGISTERED  
\$**

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

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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT  
ELECTION OF 2004 GENERAL OBLIGATION BONDS, SERIES 2015E**

<u>ACCRETION RATE TO CONVERSION DATE</u>	<u>CONVERSION DATE</u>	<u>INTEREST RATE AFTER THE CONVERSION DATE</u>	<u>MATURITY DATE:</u>	<u>DATED AS OF:</u>	<u>CUSIP</u>
_____	_____ 1, 20__	_____ %	_____ 1, 20__	_____, 2015	_____

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

CONVERSION VALUE :

The Riverside Community College District (the "District") in Riverside County (the "County") and San Bernardino County, California, for value received, promises to pay to the Registered Owner named above, or registered assigns, the Conversion Value on the Maturity Date, each as stated above, such Conversion Value comprising the Denominational Amount and interest accreted thereon to the Conversion Date. Prior to the Conversion Date, this bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2015, at the Accretion Rate specified above to the Conversion Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denominational Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of 12, 30-day months. After the Conversion Date, the District promises to pay to the Registered Owner named



above, interest on the Conversion Value from the Conversion Date until the Conversion Value is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_ (the "Bond Payment Dates"). This bond will bear such 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 16<sup>th</sup> day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before \_\_\_\_\_ 15, 20\_\_, in which event it will bear interest from the Conversion Date. Conversion Value and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially U.S. Bank National Association. Accreted Value or Conversion Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the designated office of the Paying Agent. Interest following the Conversion Date is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and 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 (the "Record Date"). The Owner of Convertible Capital Appreciation Bonds in the aggregate Conversion Value of \$1,000,000 or more may request in writing to the Paying Agent that the 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 approved to raise money for the purposes authorized by voters of the District at the Election (as defined herein) and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a general election held on March 2, 2004 (the "Election"), upon the question of issuing bonds in the amount of \$350,000,000 and resolutions adopted by the Board of Trustees of the District on May 5, 2015 and by the Board of Supervisors of the County on June 2, 2015 (collectively, the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one general obligations of the District are payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

[The bonds of this issue comprise (i) \$\_\_\_\_\_ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds of which \$\_\_\_\_\_ represents the Denominational Amount and \$\_\_\_\_\_ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which this bond is a part, and of which \$\_\_\_\_\_ represents the Denominational Amount and \$\_\_\_\_\_ represents the Conversion Value.]

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

Neither the District, the County, nor the Paying Agent will be required to (a) issue or transfer any bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) transfer any bond which has been selected or called for redemption in whole or in part.

The Convertible Capital Appreciation Bonds maturing on or before August 1, 20\_\_ are not subject to redemption prior to their fixed maturity dates. The Convertible Capital Appreciation Bonds maturing on or after August 1, 20\_\_ are subject to redemption at the option of the District, as a whole or in part, on any date on or after \_\_\_\_\_, 20 \_\_ at a redemption price equal to either (i) the Accreted Value thereof as of the date set for redemption, without premium, if redeemed prior to the Conversion Date, or (ii) the Conversion Value thereof, together with interest accrued thereon to the date fixed for redemption, without premium, if redeemed on and after the Conversion Date.

[The Capital Appreciation 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 Conversion Value of such Convertible Capital Appreciation Bonds, together with interest accrued thereon to the date set for redemption, without premium. The Conversion Value represented by such Bonds to be so redeemed and the dates therefor and the final payment date is as indicated in the following table:]

Redemption Dates

Conversion Value

TOTAL

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 Paying Agent as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as shall be determined by the Paying Agent, provided, however, that the portion of any Bond to be redeemed shall be in the principal amount, Maturity Value or Conversion Value of \$5,000 or some multiple thereof. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order directed by the District and, if not so directed, in the inverse order of maturity.

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

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that

due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

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

[REMAINDER OF PAGE LEFT BLANK]

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

\_\_\_\_\_  
Chairman of the Board of Supervisors

COUNTERSIGNED:

\_\_\_\_\_  
Clerk of the Board of Supervisors

\_\_\_\_\_  
Treasurer-Tax Collector of the County of Riverside

**(FORM OF CERTIFICATE OF AUTHENTICATION)**

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on \_\_\_\_\_, 2015.

U.S. BANK NATIONAL ASSOCIATION, as Paying Agent

By: \_\_\_\_\_  
Authorized Representative

**(FORM OF LEGAL OPINION)**

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

\_\_\_\_\_  
Clerk of the Board of Supervisors of the County of  
Riverside

**(FORM OF ASSIGNMENT)**

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

---

---

---

(Name, Address, and Tax Identification or Social Security Number of Assignee)

the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature(s) must be guaranteed by an eligible guarantor institution.

\_\_\_\_\_  
Note: The signature(s) on this Assignment must correspond with the names as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

**NEW ISSUE—FULL BOOK-ENTRY**

**RATINGS: Moody's: "\_\_\_"; S&P: "\_\_\_"**  
See "MISCELLANEOUS – Ratings" herein

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

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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT  
(Riverside and San Bernardino Counties, California)**

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

**Election of 2004 General Obligation Bonds,  
Series 2015E**

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

**2015 General Obligation Refunding Bonds**

**Dated: Date of Delivery**

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

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

The Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2015E (the "New Money Bonds") were authorized at an election of the registered voters of the Riverside Community College District (the "District") held on March 2, 2004, at which the requisite fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of \$350,000,000 principal amount of general obligation bonds of the District. The New Money Bonds are being issued to (i) finance the costs of renovating, acquiring, constructing, repairing and equipping District buildings and other facilities and (ii) pay certain costs of issuance of the New Money Bonds.

The Riverside Community College District (Riverside and San Bernardino Counties, California) 2015 General Obligation Refunding Bonds (the "Refunding Bonds," and together with the New Money Bonds, the "Bonds"), are being issued by the District to (i) advance refund the District's outstanding Election of 2004 General Obligation Bonds, Series 2007C (the "Prior Bonds") and (ii) pay certain costs of issuance of the Refunding Bonds.

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

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

The New Money Bonds will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"), and the Refunding Bonds will be issued as Current Interest Bonds. Interest on the Current Interest Bonds accrues from their Date of Delivery and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Capital Appreciation Bonds accrete interest from their Date of Delivery, compounded semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Current Interest Bonds are issuable in denominations of \$5,000 or any integral multiple thereof. The Capital Appreciation Bonds are issuable in denominations of \$5,000 Maturity Value, or any integral multiple thereof.

Payments of principal and Accreted Value of and interest on the Bonds will be made by U.S. Bank National Association, as the designated Paying Agent, Bond Registrar and Transfer Agent (in such capacity, the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants (as defined herein) who will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

**The Bonds are subject to optional and mandatory sinking fund redemption as further described herein.\***

**Maturity Schedule\***  
**(See inside front cover pages)**

*The Bonds are offered when, as and if issued, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel to the District. Certain matters will be passed on for the Underwriter by Nossaman LLP, Irvine, California. It is anticipated that the Bonds in definitive form will be available for delivery through the facilities of Cede & Co., as nominee of The Depository Trust Company, in New York, New York, on or about \_\_\_\_\_, 2015.\**

**Piper Jaffray & Co.**

Dated: \_\_\_\_\_, 2015

\*Preliminary, subject to change.

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

**MATURITY SCHEDULE\***

**Base CUSIP<sup>†</sup>: 76886P**

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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT  
 (Riverside and San Bernardino Counties, California)  
 Election of 2004 General Obligation Bonds,  
 Series 2015E**

\$ \_\_\_\_\_ **Current Interest Serial Bonds**

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

\$ \_\_\_\_\_ – \_\_\_\_\_ % **Current Interest Term Bonds due August 1, 20\_\_** – Yield \_\_\_\_\_ % - CUSIP<sup>(1)</sup> \_\_\_\_\_

\$ \_\_\_\_\_ **Capital Appreciation Serial Bonds**

<u>Maturity</u> (August 1)	<u>Denominational</u> <u>Amount</u>	<u>Accretion</u> <u>Rate</u>	<u>Reoffering</u> <u>Yield</u>	<u>Maturity</u> <u>Value</u>	<u>CUSIP<sup>(1)</sup></u>
-------------------------------	--	---------------------------------	-----------------------------------	---------------------------------	----------------------------

\_\_\_\_\_ \$ \_\_\_\_\_ **Capital Appreciation Term Bonds**

<u>Maturity</u> (August 1)	<u>Denominational</u> <u>Amount</u>	<u>Accretion</u> <u>Rate</u>	<u>Reoffering</u> <u>Yield</u>	<u>Maturity</u> <u>Value</u>	<u>CUSIP<sup>(1)</sup></u>
-------------------------------	--	---------------------------------	-----------------------------------	---------------------------------	----------------------------

\* Preliminary, subject to change.

<sup>(1)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein.



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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**  
**(Riverside and San Bernardino Counties, California)**  
**2015 General Obligation Refunding Bonds**

\$ \_\_\_\_\_ **Current Interest Serial Bonds**

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

\$ \_\_\_\_\_ - \_\_\_\_\_ % **Current Interest Term Bonds due August 1, 20\_\_** - Yield \_\_\_\_\_ % - CUSIP<sup>(1)</sup> \_\_\_\_\_

---

\* Preliminary, subject to change.

<sup>(1)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the Underwriter nor the District is responsible for the selection or correctness of the CUSIP numbers set forth herein.

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

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

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

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

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

“The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter do not guarantee the accuracy or the completeness of such information” herein.

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

The District maintains a website. However, the information presented on the District’s website is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

**Board of Trustees**

Virginia Blumenthal, *President*  
Janet Green, *Vice President*  
Nathan Miller, *Secretary*  
Mary Figueroa, *Trustee*  
Tracy Vackar, *Trustee*

**District Administration**

Michael L. Burke, Ph.D., *Chancellor*  
Aaron S. Brown, *Vice Chancellor, Business and Financial Services*  
Chris Carlson, *Chief of Staff and Facilities Development*  
Michael Reiner, Ph.D., *Vice Chancellor, Educational Service, Workforce Development and Planning*  
Sylvia Thomas, *Interim Vice Chancellor, Diversity and Human Resources*  
Paul Parnell, Ph.D., *President, Norco College*  
Wolde-Ab Isaac, Ph.D., *Interim President, Riverside City College*  
Sandra Mayo, Ed.D., *President, Moreno Valley College*

**PROFESSIONAL SERVICES**

**Bond Counsel and Disclosure Counsel**

Stradling Yocca Carlson & Rauth,  
A Professional Corporation  
*San Francisco, California*

**Financial Advisor**

Keygent LLC  
*El Segundo, California*

**Paying Agent, Bond Registrar, Transfer Agent and Escrow Agent**

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

**Verification Agent**

Causey Demgen & Moore P.C.  
*Denver, Colorado*

**TABLE OF CONTENTS**

**Page**

**INTRODUCTION ..... 3**

    THE DISTRICT ..... 3

    PURPOSE OF THE BONDS ..... 3

    AUTHORITY FOR ISSUANCE OF THE BONDS ..... 4

    SOURCES OF PAYMENT FOR THE BONDS ..... 4

    DESCRIPTION OF THE BONDS..... 4

    TAX MATTERS ..... 5

    OFFERING AND DELIVERY OF THE BONDS..... 5

    BOND OWNER’S RISKS..... 5

    CONTINUING DISCLOSURE ..... 6

    FORWARD LOOKING STATEMENTS..... 6

    PROFESSIONALS INVOLVED IN THE OFFERING..... 6

    OTHER INFORMATION ..... 6

**THE BONDS ..... 7**

    AUTHORITY FOR ISSUANCE ..... 7

    SECURITY AND SOURCES OF PAYMENT ..... 8

    GENERAL PROVISIONS ..... 9

    ANNUAL DEBT SERVICE..... 10

    APPLICATION AND INVESTMENT OF BOND PROCEEDS..... 11

    REDEMPTION..... 13

    BOOK-ENTRY ONLY SYSTEM..... 17

    DISCONTINUATION OF BOOK-ENTRY ONLY SYSTEM; PAYMENT TO BENEFICIAL OWNERS ..... 19

    DEFEASANCE ..... 19

**ESTIMATED SOURCES AND USES OF FUNDS ..... 20**

*AD VALOREM* PROPERTY TAXATION ..... 21

    ASSESSED VALUATIONS ..... 22

    APPEALS AND ADJUSTMENTS OF ASSESSED VALUATIONS ..... 23

    ASSESSED VALUATION OF SINGLE FAMILY HOMES ..... 24

    ASSESSED VALUATION AND PARCELS BY LAND USE ..... 25

    ASSESSED VALUATION BY JURISDICTION..... 26

    TAX LEVIES, COLLECTIONS AND DELINQUENCIES ..... 26

    ALTERNATIVE METHOD OF TAX APPORTIONMENT - TEETER PLAN ..... 27

    LARGEST PROPERTY OWNERS..... 28

    TAX RATES ..... 29

    STATEMENT OF DIRECT AND OVERLAPPING DEBT ..... 30

**CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING  
 DISTRICT REVENUES AND APPROPRIATIONS ..... 32**

    ARTICLE XIII A OF THE CALIFORNIA CONSTITUTION ..... 32

    LEGISLATION IMPLEMENTING ARTICLE XIII A..... 33

    STATE-ASSESSED UTILITY PROPERTY..... 33

    ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION ..... 34

    ARTICLE XIII C AND ARTICLE XIII D OF THE CALIFORNIA CONSTITUTION..... 34

    PROPOSITION 26..... 35

    PROPOSITIONS 98 AND 111..... 36

    PROPOSITION 39..... 37

*JARVIS VS. CONNELL*..... 38

    PROPOSITION 1A AND PROPOSITION 22..... 38

    PROPOSITION 30..... 39

    PROPOSITION 2..... 40

    FUTURE INITIATIVES ..... 41

**TABLE OF CONTENTS (cont'd)**

	<u>Page</u>
<b>FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA.....</b>	<b>41</b>
MAJOR REVENUES .....	41
TAX SHIFTS AND TRIPLE FLIP .....	43
BUDGET PROCEDURES .....	43
MINIMUM FUNDING GUARANTEES FOR CALIFORNIA COMMUNITY COLLEGE DISTRICTS	
UNDER PROPOSITIONS 98 AND 111 .....	44
STATE DISSOLUTION OF REDEVELOPMENT AGENCIES .....	46
STATE ASSISTANCE.....	47
<b>RIVERSIDE COMMUNITY COLLEGE DISTRICT.....</b>	<b>53</b>
INTRODUCTION .....	53
ADMINISTRATION.....	53
LABOR RELATIONS .....	54
RETIREMENT PROGRAMS .....	54
OTHER POST-EMPLOYMENT BENEFITS.....	58
ALTERNATIVE RETIREMENT SYSTEM.....	59
RISK MANAGEMENT .....	60
PARTICIPATION IN PUBLIC ENTITY RISK POOLS AND JPAS .....	61
ACCOUNTING PRACTICES.....	61
GENERAL FUND BUDGETING.....	61
COMPARATIVE FINANCIAL STATEMENTS .....	63
DISTRICT DEBT STRUCTURE .....	64
<b>TAX MATTERS.....</b>	<b>67</b>
<b>LEGAL MATTERS .....</b>	<b>69</b>
LEGALITY FOR INVESTMENT IN CALIFORNIA .....	69
CONTINUING DISCLOSURE .....	69
NO LITIGATION .....	69
INFORMATION REPORTING REQUIREMENTS .....	70
ESCROW VERIFICATION .....	70
LEGAL OPINIONS.....	70
<b>MISCELLANEOUS .....</b>	<b>70</b>
RATINGS .....	70
FINANCIAL STATEMENTS .....	71
UNDERWRITING .....	71
ADDITIONAL INFORMATION .....	71
APPENDIX A: FORMS OF OPINION OF BOND COUNSEL.....	A-1
APPENDIX B: THE DISTRICT’S 2013-14 AUDITED FINANCIAL STATEMENTS .....	B-1
APPENDIX C: FORM OF CONTINUING DISCLOSURE CERTIFICATE .....	C-1
APPENDIX D: ECONOMIC AND DEMOGRAPHIC PROFILE OF THE CITY OF RIVERSIDE AND RIVERSIDE COUNTY .....	D-1
APPENDIX E: RIVERSIDE COUNTY POOLED INVESTMENT FUND.....	E-1
APPENDIX F: ACCRETED VALUES TABLE .....	F-1



**Refunding Bonds.** The proceeds from the sale of the Refunding Bonds will be used by the District to (i) advance refund the outstanding Riverside Community College District (Riverside County, California) Election of 2004, General Obligation Bonds, Series 2007C (the “2007C Bonds”) and (ii) pay certain costs of issuance of the Refunding Bonds. The 2007C Bonds to be refunded with proceeds of the Refunding Bonds are referred to herein as the “Refunded Bonds.” See “ESTIMATED SOURCES AND USES OF FUNDS – Refunding Bonds” herein.

### **Authority for Issuance of the Bonds**

The Bonds are issued pursuant to certain provisions of the California Government Code and other applicable law, and pursuant to resolutions adopted by the Board and the County Board (as defined herein). See “The Bonds – Authority for Issuance” herein.

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

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

### **Description of the Bonds**

**Form and Registration.** The Bonds will be issued in fully registered form only, without coupons, and will mature on August 1 in the years indicated on the inside front cover pages hereof. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (the “DTC”). DTC will act as securities depository of the Bonds. See “THE BONDS – General Provisions” and “THE BONDS – BOOK-ENTRY ONLY SYSTEM” herein. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Refunding Bonds Resolutions and the New Money Bonds County Resolution (each, as defined herein), as applicable. See “THE BONDS – Discontinuation of Book-Entry Only System; Payment to Beneficial Owners” herein.

**Current Interest Bonds and Capital Appreciation Bonds.** The New Money Bonds will be issued as current interest bonds (the “Current Interest Bonds”) and capital appreciation bonds (the “Capital Appreciation Bonds”). The Refunding Bonds will be issued only as Current Interest Bonds.

The Current Interest Bonds will bear interest on a periodic basis as further described herein. The Capital Appreciation Bonds will not bear interest on a periodic basis. The value at maturity of a Capital Appreciation Bond (the “Maturity Value”) is equal to its Accreted Value upon the maturity thereof, such Accreted Value being composed of its initial principal amount (the “Denominational Amount”) and the interest accreting thereon between the Date of Delivery (as defined herein) and its respective maturity date.

**Denominations.** Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of \$5,000 principal amount or Maturity Value, as applicable, or any integral multiples thereof.

**So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the “Owners,” “Bondowners” or “Holders” of the Bonds (other than under the caption**



**“TAX MATTERS” herein and in APPENDIX A attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.**

**Redemption.**\* The Bonds are subject to optional redemption prior to their stated maturity dates, as further described herein. The Bonds are further subject to mandatory sinking fund redemption as further described herein. See “THE BONDS – Redemption” herein.

**Payments.** Interest on the Current Interest Bonds accrues from their initial date of delivery (the “Date of Delivery”), and is payable semiannually on each February 1 and August 1 (each a “Bond Payment Date”), commencing August 1, 2015. Principal of the Current Interest Bonds is payable on August 1 in the amounts and years as set forth on the inside front cover pages hereof. Interest on the Capital Appreciation Bonds accretes on the basis of a 360-day year of 12, 30-day months from the Date of Delivery at the Accretion Rates (as defined herein) set forth in the table of accreted values shown in APPENDIX F, compounded semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Maturity Value of the Capital Appreciation Bonds (or Accreted Value if redeemed prior to maturity) is payable on August 1, in the amounts and years as set forth in APPENDIX F hereto and on the inside front cover pages hereof.

Payments of the principal and Accreted Value of and interest on the Bonds will be made by U.S. Bank National Association, as the designated paying agent, registrar and transfer agent (the “Paying Agent”), to DTC for subsequent disbursement through DTC Participants (as defined herein) to the Beneficial Owners (as defined herein) of the Bonds.

## **Tax Matters**

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

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

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through DTC in New York, New York on or about \_\_\_\_\_, 2015.\*

## **Bond Owner’s Risks**

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

---

\* Preliminary, subject to change.

## **Continuing Disclosure**

The District will covenant for the benefit of Owners and Beneficial Owners to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). These covenants have been made in order to assist the Underwriter (as defined herein) in complying with the Rule. The specific nature of the information to be made available and of the notices of listed events required to be provided are summarized in APPENDIX C attached hereto.

## **Forward Looking Statements**

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

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

## **Professionals Involved in the Offering**

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, acting as Bond Counsel and Disclosure Counsel to the District and Keygent LLC, El Segundo, California, acting as financial advisor to the District with respect to the Bonds, will each receive compensation from the District contingent upon the sale and delivery of the Bonds. U.S. Bank National Association has been appointed as the Paying Agent (the “Paying Agent”) with respect to the Bonds and Escrow Agent (as defined herein) with respect to the Refunding Bonds and the Refunded Bonds. Certain matters are being passed upon for the Underwriter by Nossaman LLP, Irvine, California. Causey Demgen & Moore P.C. is acting as Verification Agent (as defined herein) with respect to the Refunding Bonds and the Refunded Bonds.

## **Other Information**

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

Copies of documents referred to herein and information concerning the Bonds are available from the Riverside Community College District, 4800 Magnolia Avenue, Riverside, California, Telephone: (951) 222-8789. The District may impose a charge for copying, mailing and handling.

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

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

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

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

## THE BONDS

### Authority for Issuance

**New Money Bonds.** The New Money Bonds are issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the State Government Code, Article XIII A of the State Constitution, and pursuant to resolutions adopted by the Board on May 5, 2015 (the “New Money Bonds District Resolution”) and the County Board of Supervisors (the “County Board”) on June 2, 2015 (the “New Money Bonds County Resolution,” and together with the New Money District Resolution, the “New Money Bonds Resolutions”). The District received authorization at an election held on March 2, 2004 by the requisite fifty-five percent of the votes cast by eligible voters within the District to issue \$350,000,000 of general obligation bonds (the “2004 Authorization”).

The District has previously caused the issuance of several series of bonds pursuant to the 2004 Authorization. On August 3, 2004, the District caused the issuance of \$55,205,000 aggregate principal amount of its Election of 2004, General Obligation Bonds, Series 2004A (the “2004A Bonds”) and \$9,795,000 aggregate principal amount of its Election of 2004, General Obligation Bonds, Series 2004B (Federally Taxable) (the “2004B Bonds”). On June 21, 2007, the District caused the issuance of \$90,000,000 aggregate principal amount of its 2007C Bonds. On November 10, 2010, the District caused the issuance of \$7,699,278.45 aggregate principal amount of its Election of 2004 General Obligation Bonds, Series 2010D (Tax-Exempt) (the “2010D Bonds”) and \$102,300,000 aggregate principal amount of its Election of 2004 General Obligation Bonds, Series 2010D-1 (Build America Bonds – Direct Payment to District) (Federally Taxable) (the “2010D-1 Bonds”). The New Money Bonds are the third

series of bonds issued pursuant to the 2004 Authorization. After the issuance of the New Money Bonds, \$\_\_\_\_\_ \* of the 2004 Authorization will remain unissued.

**Refunding Bonds.** The Refunding Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of the State Government Code and other applicable law, and pursuant to resolutions adopted by the Board on March 18, 2014 and May 5, 2015 (together, the “Refunding Bonds Resolutions,” and together with the New Money Bonds Resolutions, the “Resolutions”).

### **Security and Sources of Payment**

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), for the payment of the principal and Accreted Value of and interest on the Bonds when due. Such taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal and Accreted Value of and interest on of the Bonds when due. Such taxes, when collected, will be placed in the Debt Service Funds (as defined herein) for the applicable series of Bonds, which are segregated and held by the County and which are designated for the payment of the principal and Accreted Value of and interest on the Bonds when due, and for no other purpose. The District has pledged amounts on deposit in the respective Debt Service Funds to the payment of principal and Accreted Value of and interest on the applicable series of Bonds, and for no other purpose. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds, and the County will maintain the Debt Service Funds for the payment of the Bonds, the Bonds are not a debt of the County.

The moneys in the respective Debt Service Funds, to the extent necessary to pay the principal and Accreted Value of and interest on the Bonds as the same become due and payable, will be transferred to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and Accreted Value of and interest on the Bonds to DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds.

The rate of the annual *ad valorem* property taxes levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed valuation of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District’s control, such as general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, drought or toxic contamination, could cause a reduction in the assessed valuation of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District’s assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution” and “TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations” herein.

---

\* Preliminary, subject to change.

## General Provisions

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

**Current Interest Bonds.** Interest on the Current Interest Bonds accrues from the Date of Delivery thereof, and is payable semiannually on each Bond Payment Date, commencing August 1, 2015. Interest on the Current Interest Bonds will be computed on the basis of a 360-day year of 12, 30-day months. Each Current Interest Bond will bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2015, in which event it will bear interest from the Date of Delivery. The Current Interest Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof and mature on August 1 in the years and amounts set forth on the inside front cover pages hereof.

**Capital Appreciation Bonds.** The Capital Appreciation Bonds are payable only at maturity (or earlier redemption, if applicable), and will not pay interest on a current basis. The Capital Appreciation Bonds accrete in value from the Date of Delivery at the Accretion Rates per annum set forth on the inside front cover pages hereof, compounded semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Maturity Value of a Capital Appreciation Bond is its Accreted Value at its maturity date. Interest with respect to each Capital Appreciation Bond is represented by the amount each such Bond accretes in value from its Denominational Amount to the date for which Accreted Value is calculated. The Accreted Value of a Capital Appreciation Bond is calculated by discounting on a 30-day month, 360-day year basis its Maturity Value on the basis of a constant interest rate (the “Accretion Rate”) compounded semiannually on February 1 and August 1 of each year to the date for which an Accreted Value is calculated, and if the date for which Accreted Value is calculated is between February 1 and August 1, by pro-rating the Accreted Values to the closest prior or subsequent February 1 or August 1. See “APPENDIX F – Accreted Values Table” attached hereto. The Capital Appreciation Bonds are issuable in denominations of \$5,000 Maturity Value or any integral multiple thereof (except for one odd denomination, if necessary).

**Payments.** Payment of interest on any Current Interest Bond will be made on any Bond Payment Date to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the close of business on the 15th day of the month next preceding any Bond Payment Date (a “Record Date”), such interest to be paid by wire transfer or check mailed to such Owner on the Bond Payment Date at his or her address as it appears on such registration books or at such other address as he or she may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate principal amount or Maturity Value of \$1,000,000 or more 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. The principal, and redemption premiums, if any, payable on the Current Interest Bonds and the Accreted Value and redemption premiums, if any, payable on the Capital Appreciation Bonds will be payable upon maturity or redemption upon surrender at the designated office of the Paying Agent. The principal and Accreted Value of and interest on the Bonds will be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. See “THE BONDS – Book-Entry Only System” herein.

**Annual Debt Service**

The following table summarizes the annual debt service requirements of the District for the New Money Bonds, assuming no optional redemptions are made:

<u>Period Ending August 1</u>	<u>Current Interest Bonds</u>		<u>Capital Appreciation Bonds</u>		<u>Total Debt Service</u>
	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	<u>Annual Principal Payment<sup>(2)</sup></u>	<u>Annual Accreted Interest Payment<sup>(2)</sup></u>	

Totals

<sup>(1)</sup> Interest payments on the Current Interest Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2015.

<sup>(2)</sup> The Capital Appreciation Bonds are payable only at maturity (or earlier redemption, if applicable) on August 1 of the years indicated on the inside front cover pages hereof, and interest on such Capital Appreciation Bonds is compounded semiannually on February 1 and August 1, commencing August 1, 2015.



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

<u>Period Ending August 1</u>	<u>Annual Principal Payment</u>	<u>Annual Interest Payment<sup>(1)</sup></u>	<u>Total Debt Service</u>
---------------------------------------	---	--	-------------------------------

Totals

---

<sup>(1)</sup> Interest payments on the Refunding Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2015.

See “RIVERSIDE COMMUNITY COLLEGE DISTRICT – District Debt Structure – General Obligation Bonds” herein for a full debt service schedule of all of the District’s outstanding general obligation bond debt.

**Application and Investment of Bond Proceeds**

***New Money Bonds.*** The New Money Bonds are being issued to (i) finance the costs of renovating, acquiring, constructing, repairing and equipping District buildings and other facilities and (ii) pay certain costs of issuance of the New Money Bonds.

**Building Fund.** The purchase price received by the District from the sale of the New Money Bonds, to the extent of the principal amount thereof and net costs of issuance, will be paid to the County to the credit of the fund to be known as the “Riverside Community College District, Election of 2004 General Obligation Bonds, Series 2015E Building Fund” (the “Building Fund”). The Building Fund will be kept separate and apart from all other District and County funds, and those proceeds will be applied to renovate, acquire, construct, repair and equip District buildings and other facilities as authorized by the voters of the District in the 2004 Authorization. The County will have no responsibility for assuring proper use of New Money Bonds proceeds by the District. Any interest earnings on moneys held in the Building Fund will be retained in the Building Fund.



**Debt Service Fund.** The purchase price received by the District from the sale of the New Money Bonds, to the extent of any accrued interest and net original issue premium, will be paid to the County to the credit of the fund to be known as the “Riverside Community College District, Election of 2004 General Obligation Bonds, Series 2015E Debt Service Fund” (the “New Money Bonds Debt Service Fund”) and used only for payment of the interest on the New Money Bonds. Any excess proceeds of the New Money Bonds not needed for the authorized purposes for which the New Money Bonds are being issued shall be transferred to the New Money Bonds Debt Service Fund and applied to the payment of the principal and Accreted Value of and interest on the New Money Bonds. If, after payment in full of the New Money Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District. Any interest earnings on moneys held in the New Money Bonds Debt Service Fund shall be retained in the New Money Bonds Debt Service Fund.

**Refunding Bonds.** The Refunding Bonds are being issued to (i) advance refund the Refunded Bonds and (ii) pay certain costs of issuance of the Refunding Bonds.

**Escrow Fund.** The net proceeds from the sale of the Refunding Bonds will be deposited with U.S. Bank National Association, as escrow agent (the “Escrow Agent”), to the credit of the “Riverside Community College District, 2015 General Obligation Refunding Bonds Escrow Fund” (the “Escrow Fund”). Pursuant to an escrow agreement (the “Escrow Agreement”) relating to the Refunded Bonds, by and between the District and the Escrow Agent, a portion of the amount deposited in the Escrow Fund will be used to purchase certain Federal Securities, as such term is defined in the applicable Resolutions, the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the redemption price of the Refunded Bonds on August 1, 2017, such date being the first optional redemption date therefor, as well as the interest due on such Refunded Bonds on and before such date.

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to pay the redemption price of, and the accrued interest due on, the Refunded Bonds as described above will be verified by Causey Demgen & Moore P.C., Denver, Colorado, as verification agent (the “Verification Agent”). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the Underwriter’s and the Verification Agent’s computations, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* property taxes for the payment of the Refunded Bonds will terminate.

**Debt Service Fund.** Any accrued interest received by the District from the sale of the Refunding Bonds will be kept separate and apart in the fund designated as the “Riverside Community College District, 2015 General Obligation Refunding Bonds Debt Service Fund” (the “Refunding Bonds Debt Service Fund” and together with the New Money Bonds Debt Service Fund, the “Debt Service Funds”) and used by the District only for payment of principal of and interest on the Refunding Bonds. Any excess proceeds of the Refunding Bonds not needed for the authorized purposes for which the Refunding Bonds are being issued shall be transferred to the Refunding Bonds Debt Service Fund and applied to the payment of the principal of and interest on the Refunding Bonds. If, after payment in full of the Refunding Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District.

Moneys in the Building Fund and the respective Debt Service Funds are expected to be invested through the County’s pooled investment fund. See “APPENDIX E - RIVERSIDE COUNTY POOLED INVESTMENT FUND” attached hereto.

## Redemption

### *Optional Redemption.\**

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

The Capital Appreciation Bonds maturing on or before August 1, 20\_\_ are not subject to redemption. The Capital Appreciation Bonds maturing on or after August 1, 20\_\_ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 20\_\_, at a redemption price equal to the Accreted Value, as of the date fixed for redemption, of the Capital Appreciation Bonds called for redemption, without premium.

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

### *Mandatory Redemption.\**

New Money Bonds. The New Money Current Interest Term Bonds maturing on August 1, 20\_\_, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such New Money Current Interest Term Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

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

---

<sup>(1)</sup> Maturity.

In the event that a portion of the New Money Current Interest Term Bonds maturing on August 1, 20\_\_ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such New Money Current Interest Term Bonds optionally redeemed.

---

\* Preliminary, subject to change.

The Capital Appreciation Term Bonds maturing on August 1, 20\_\_ are subject to redemption prior to maturity from mandatory sinking fund payments on September 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the Accreted Value thereof as of the date fixed for redemption, without premium. The Accreted Value represented by such Capital Appreciation Term Bonds to be so redeemed and the dates therefor and the final payment date are as indicated in the following table:

Redemption Date (August 1)	Accreted Value
-------------------------------	-------------------

---

<sup>(1)</sup> Maturity.

In the event that a portion of the Capital Appreciation Term Bonds maturing on August 1, 20\_\_ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 of Maturity Value, in respect of the portion of such Capital Appreciation Term Bonds optionally redeemed.

Refunding Bonds. The Refunding Term Bonds maturing on August 1, 20\_\_, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Refunding Term Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

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

---

<sup>(1)</sup> Maturity.

In the event that a portion of the Refunding Term Bonds maturing on August 1, 20\_\_ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such Refunding Term Bonds optionally redeemed.

***Selection of Bonds for Redemption.*** Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select Bonds for redemption as so directed, and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption as directed by the District and, if not so directed, by lot. Redemption by lot will be in such manner as the Paying Agent shall determine; *provided, however*, that (a) the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof, and (b) the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof.

**Notice of Redemption.** When redemption is authorized or required pursuant to the Refunding Bonds Resolutions and the New Money Bonds County Resolution, as applicable, upon written instruction from the District, the Paying Agent will give notice (a “Redemption Notice”) of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount or Accreted Value of such Bond to be redeemed, and (g) the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part.

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

“Information Services” means Financial Information, Inc.’s “Daily Called Bond Service,” 1 Cragwood Road, 2<sup>nd</sup> Floor, South Plainfield, New Jersey 07080, Attention: Editor; Mergent Inc., 585 Kingsley Park Drive, Fort Mill, South Carolina 29715, Attention: Called Bond Department; and Standard and Poor’s J.J. Kenny Information Services’ “Called Bond Record,” 55 Water Street, 45<sup>th</sup> Floor, New York, New York 10041.

“Securities Depository” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041.

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

**Rescission of Notice of Redemption.** With respect to any notice of the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased as described in “–Defeasance” herein, such Redemption Notice will state that such redemption will be conditional upon the receipt by an independent escrow agent selected by the District, on or prior to the date fixed for such redemption, of the moneys necessary and sufficient to pay the principal and Accreted Value of, and premium, if any, and interest on such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the

redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of such rescission in the same manner as the Redemption Notice was originally provided.

***Payment of Redeemed Bonds.*** When notice of redemption has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal and interest or Accreted Value, and premium, if any) is irrevocably set aside in trust for that purpose, as described in “— Defeasance” herein, the Bonds designated for redemption will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the notice of redemption, said Bonds will be redeemed and paid at the redemption price thereof. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

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

***Effect of Notice of Redemption.*** If on the applicable redemption date, money for the redemption of all the Bonds to be redeemed, together with interest accrued or accreted to such redemption date, is held in trust by an independent escrow agent selected by the District so as to be available therefor on such redemption date as described in “— Defeasance” herein, and if notice of redemption thereof has been given substantially as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed will cease to accrue or accrete and become payable. All money held by such escrow agent for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the Refunding Bonds Resolutions and the New Money Bonds County Resolution, as applicable, will be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District will be cancelled by the Paying Agent.

***Bonds No Longer Outstanding.*** When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and accrued interest thereon, if applicable, to the date fixed for redemption, then such Bonds shall no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.



## **Book-Entry Only System**

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Bonds Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Bonds Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

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

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



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

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

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

The principal and Accreted Value of the Bonds and any interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the principal trust office of the Paying Agent. Interest on the Bonds will be paid by the Paying Agent by check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered Owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered Owner of at least \$1,000,000 in aggregate principal amount, interest payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of like series, tenor, maturity and Transfer Amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the designated office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent will complete, authenticate and deliver a new bond or bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date. Current Interest Bonds and Capital Appreciation Bonds may not be exchanged for one another.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

## **Defeasance**

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

- (a) Cash. By irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts then transferred from the applicable Debt Service Fund, if any, is sufficient to pay all Bonds outstanding and designated for defeasance (including all principal or Accreted Value thereof, accrued interest thereon and redemption premium, if any) at or before their maturity date; or
- (b) Government Obligations. By irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations (as defined herein) together

with amounts transferred from the applicable Debt Service Fund, if any, and any other cash, if required, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal or Accreted Value thereof, accrued interest thereon and redemption premiums, if any), at or before their maturity date;

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

“Government Obligations” means direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or “prerefunded” municipal obligations rated in the highest rating category by Moody’s Investors Service (“Moody’s”) or Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”). In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either by Moody’s or S&P.

## ESTIMATED SOURCES AND USES OF FUNDS

***New Money Bonds.*** The estimated sources and uses of funds with respect to the New Money Bonds are as follows:

Sources of Funds  
Principal Amount of New Money Bonds  
Net Original Issue Premium  
Total Sources

Uses of Funds  
Building Fund  
New Money Bonds Debt Service Fund  
Costs of Issuance<sup>(1)</sup>  
Total Uses

<sup>(1)</sup> A portion of the proceeds of the New Money Bonds will be used to pay the costs of issuance thereof, including, but not limited to, legal fees, Underwriter’s discount, financial advisory fees, printing costs, rating agency fees, the costs and fees of the Paying Agent, and other costs of issuance of the New Money Bonds.

**Refunding Bonds.** The estimated sources and uses of funds with respect to the Refunding Bonds are as follows:

Sources of Funds
Principal Amount of Refunding Bonds
Net Original Issue Premium
Total Sources
Uses of Funds
Escrow Fund
Costs of Issuance <sup>(1)</sup>
Total Uses

---

<sup>(1)</sup> A portion of the proceeds of the Refunding Bonds will be used to pay the costs of issuance thereof, including, but not limited to, legal fees, Underwriter's discount, financial advisory fees, printing costs, rating agency fees, the costs and fees of the Paying Agent, Escrow Agent and Verification Agent, and other costs of issuance of the Refunding Bonds.

### **TAX BASE FOR REPAYMENT OF BONDS**

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

#### **Ad Valorem Property Taxation**

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

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

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes are payable in two installments, due November 1 and February 1, respectively, and become delinquent on December 10 and April 10, respectively. A 10% penalty attaches to any delinquent installment, plus a minimum \$10 cost on the second installment, plus any additional amount to be determined by the County tax collector. Property on the secured roll with delinquent taxes is declared tax-defaulted on or about June 30 of the calendar year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County tax collector (or similar officer).

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if they are not paid by August 31. In the case of unsecured property taxes, a 10% penalty attaches to

delinquent taxes on property on the unsecured roll, an additional penalty of 1.5% per month begins to accrue beginning on November 1 of the fiscal year, and a lien may be recorded against the assessee. The County’s taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the County clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the applicable County recorder’s office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also “– Tax Levies, Collections and Delinquencies” herein.

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

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

Assessed valuation growth allowed under Article XIII A (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including K-14 school districts (as defined herein) will share the growth of “base” revenues from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation in the following year.

### Assessed Valuations

Property within the District has a total assessed valuation for fiscal year 2014-15 of \$83,625,392,181. The following table shows the assessed valuation for the District for fiscal years 2006-07 through 2014-15.

**ASSESSED VALUATIONS<sup>(1)</sup>**  
**Fiscal Years 2006-07 through 2014-15**  
**Riverside Community College District**

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>
2006-07	\$69,414,949,841	\$41,598,811	\$3,080,320,192	\$72,536,868,844
2007-08	80,943,923,323	21,271,229	3,468,230,073	84,433,424,625
2008-09	81,907,350,376	20,803,791	3,832,576,268	85,760,730,435
2009-10	72,856,368,535	17,341,229	3,679,778,103	76,553,487,867
2010-11	70,884,555,342	17,070,552	3,510,312,658	74,411,938,552
2011-12	71,033,382,597	18,140,282	3,671,974,029	74,723,496,908
2012-13	71,470,772,646	12,804,788	3,662,046,742	75,145,624,176
2013-14	74,096,179,170	12,523,766	3,588,456,165	77,697,159,101
2014-15	80,017,762,370	13,047,188	3,594,582,623	83,625,392,181

<sup>(1)</sup> Assessed valuation includes only the assessed valuation of the District located within the boundaries of the County. A small portion of the District is located within the boundaries of San Bernardino County in Tax Rate Area 119-001, which has an assessed valuation in fiscal year 2014-15 of \$770,522. However, there will not be a tax levied in Tax Rate Area 119-001 for the payment of the Bonds.

Source: *California Municipal Statistics, Inc.*

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

### **Appeals and Adjustments of Assessed Valuations**

Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, an appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution" herein.

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

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, or toxic contamination pursuant to relevant provisions of the State Constitution. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIII A of the California Constitution" herein. Such reductions are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIII A.

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

### Assessed Valuation of Single Family Homes

The following table displays the per-parcel analysis of single family residences within the District, in terms of their fiscal year 2014-15 assessed valuation.

#### ASSESSED VALUATION OF SINGLE FAMILY HOMES Fiscal Year 2014-15 Riverside Community College District

	No. of <u>Parcels</u>	2014-15 <u>Assessed Valuation</u>	Average <u>Assessed Valuation</u>	Median <u>Assessed Valuation</u>
Single Family Residential	201,187	\$50,765,670,015	\$252,331	\$222,655

2014-15 <u>Assessed Valuation</u>	No. of <u>Parcels<sup>(1)</sup></u>	% of <u>Total</u>	Cumulative <u>% of Total</u>	Total <u>Valuation</u>	% of <u>Total</u>	Cumulative <u>% of Total</u>
\$0 - \$24,999	517	0.257%	0.257%	\$9,850,234	0.019%	0.019%
25,000 - 49,999	3,791	1.884	2.141	151,951,885	0.299	0.319
50,000 - 74,999	5,909	2.937	5.078	369,190,760	0.727	1.046
75,000 - 99,999	7,304	3.630	8.709	645,678,666	1.272	2.318
100,000 - 124,999	11,981	5.955	14.664	1,356,169,509	2.671	4.989
125,000 - 149,999	16,642	8.272	22.936	2,291,559,649	4.514	9.503
150,000 - 174,999	19,325	9.605	32.541	3,141,255,443	6.188	15.691
175,000 - 199,999	19,210	9.548	42.090	3,598,117,216	7.088	22.779
200,000 - 224,999	17,320	8.609	50.699	3,672,736,475	7.235	30.013
225,000 - 249,999	15,748	7.828	58.526	3,730,600,276	7.349	37.362
250,000 - 274,999	13,281	6.601	65.127	3,476,639,785	6.848	44.210
275,000 - 299,999	10,562	5.250	70.377	3,028,265,635	5.965	50.176
300,000 - 324,999	9,012	4.479	74.857	2,808,829,821	5.533	55.709
325,000 - 349,999	7,927	3.940	78.797	2,672,695,303	5.265	60.973
350,000 - 374,999	7,375	3.666	82.463	2,668,703,205	5.257	66.230
375,000 - 399,999	6,516	3.239	85.701	2,519,408,882	4.963	71.193
400,000 - 424,999	5,295	2.632	88.333	2,180,870,905	4.296	75.489
425,000 - 449,999	4,747	2.359	90.693	2,072,078,978	4.082	79.571
450,000 - 474,999	4,446	2.210	92.903	2,053,521,683	4.045	83.616
475,000 - 499,999	3,547	1.763	94.666	1,725,242,340	3.398	87.014
500,000 and greater	<u>10,732</u>	<u>5.334</u>	100.000	<u>6,592,303,365</u>	<u>12.986</u>	100.000
Total	201,187	100.000%		\$50,765,670,015	100.000%	

<sup>(1)</sup> Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.  
 Source: California Municipal Statistics, Inc.



## Assessed Valuation and Parcels by Land Use

The following table shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2014-15 local secured assessed valuation of such parcels.

### ASSESSED VALUATION AND PARCELS BY LAND USE Fiscal Year 2014-15 Riverside Community College District

	2014-15 <u>Assessed Valuation</u> <sup>(1)</sup>	% of <u>Total</u>	No. of <u>Parcels</u>	% of <u>Total</u>
<b>Non-Residential:</b>				
Agricultural/Rural	\$497,040,836	0.62%	1,054	0.40%
Commercial/Industrial	15,227,307,076	19.03	10,806	4.09
Vacant Commercial/Industrial	2,093,705,496	2.62	5,319	2.02
Government/Social/Institutional	755,772,093	0.94	462	0.18
Miscellaneous	<u>18,193,681</u>	<u>0.02</u>	<u>331</u>	<u>0.13</u>
Subtotal Non-Residential	\$18,592,019,182	23.23%	17,972	6.81%
<b>Residential:</b>				
Single Family Residence	\$50,765,670,015	63.44%	201,187	76.22%
Condominium/Townhouse	1,877,473,761	2.35	11,905	4.51
Mobile Home	283,166,263	0.35	4,355	1.65
Mobile Home Park	111,516,168	0.14	97	0.04
2+ Residential Units/Apartments	6,940,815,050	8.67	4,291	1.63
Vacant Residential	<u>1,132,921,085</u>	<u>1.42</u>	<u>19,603</u>	<u>7.43</u>
Subtotal Residential	\$61,111,562,342	76.37%	241,438	91.47%
Other Vacant	\$314,180,846	0.39%	4,555	1.73%
<b>Total</b>	<b>\$80,017,762,370</b>	<b>100.00%</b>	<b>263,965</b>	<b>100.00%</b>

<sup>(1)</sup> Local Secured Assessed Valuation; excluding tax-exempt property.  
 Source: California Municipal Statistics, Inc.



## Assessed Valuation by Jurisdiction

The following table shows the District's fiscal year 2014-15 assessed valuation by jurisdiction.

### ASSESSED VALUATION BY JURISDICTION<sup>(1)</sup> Fiscal Year 2014-15 Riverside Community College District

<u>Jurisdiction:</u>	<u>Assessed Valuation in District</u>	<u>% of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in District</u>
City of Corona	\$17,298,729,318	20.69%	\$17,298,729,318	100.00%
City of Eastvale	7,591,778,770	9.08	7,591,778,770	100.00
City of Jurupa Valley	7,373,132,922	8.82	7,373,758,322	99.99
City of Moreno Valley	12,189,458,228	14.58	12,199,658,731	99.92
City of Norco	2,747,010,883	3.28	2,747,010,883	100.00
City of Perris	2,459,351,857	2.94	4,396,577,460	55.94
City of Riverside	24,614,768,393	29.43	24,614,768,393	100.00
Unincorporated Riverside County	<u>9,351,161,810</u>	<u>11.18</u>	34,589,271,495	27.03
Total District	\$83,625,392,181	100.00%		
Total Riverside County	\$83,625,392,181	100.00%	\$225,770,065,829	37.04%

<sup>(1)</sup> Before deduction of redevelopment incremental valuation.  
 Source: California Municipal Statistics, Inc.

## Tax Levies, Collections and Delinquencies

The following table shows secured property tax levies within the District, and amounts delinquent, as of June 30, for fiscal years 2007-08 through 2013-14.

### SECURED TAX CHARGES AND DELINQUENCIES Fiscal Years 2007-08 through 2013-14 Riverside Community College District

	<u>Secured Tax Charge<sup>(1)</sup></u>	<u>Amount Delinquent (as of June 30)</u>	<u>Percent Delinquent (as of June 30)</u>
2007-08	\$10,079,820.88	\$950,350.31	9.43%
2008-09	10,147,196.95	681,826.55	6.72
2009-10	8,880,302.97	356,348.11	4.01
2010-11	10,425,501.54	275,122.05	2.64
2011-12	11,842,215.59	221,473.41	1.87
2012-13	11,968,419.36	159,660.04	1.33
2013-14	12,937,391.89	148,094.31	1.14

<sup>(1)</sup> Bond debt service levy only.  
 Source: California Municipal Statistics, Inc.

### **Alternative Method of Tax Apportionment - Teeter Plan**

With respect to collection of property taxes, the County has adopted the Teeter Plan, which is an alternate method of tax apportionment authorized in Chapter 3, Part 8, Division 1 of the Revenue and Taxation Code of the State of California (comprising Sections 4701 through 4717, inclusive) (the “Teeter Law”) for distribution of certain property tax and assessment levies on the secured roll. Pursuant to the Teeter Law, the County adopted the Teeter Plan. The Teeter Plan provides for a tax distribution procedure in which secured roll taxes and assessments are distributed to participating County taxing agencies on the basis of the tax levy, rather than on the basis of actual tax collections. The County then receives all future delinquent tax payments, penalties and interest, and a complex tax redemption distribution system for all taxing agencies is avoided. In connection with its adoption of the Teeter Plan, the County advanced to the participating taxing agencies an amount equal to 95% of the total prior years delinquent secured property taxes and assessments (not including penalties and interest) and 100% of the current year’s delinquent secured property taxes and assessments outstanding.

Pursuant to the Teeter Law, the County is required to establish a tax losses reserve fund to cover losses that may occur in the amount of tax liens as a result of special sales of tax-defaulted property (i.e., if the sale price of the property is less than the amount owed). The appropriate amount in the fund is determined by one of two methods: (1) an amount not less than 1% of the total amount of taxes and assessments levied on the secured roll for a particular year for entities participating in the Teeter Plan, or (2) an amount not less than 25% of the total delinquent secured taxes and assessments calculated as of the end of the fiscal year for entities participating in the Teeter Plan. Any amount in excess of the 1% or 25% level determined pursuant to either method of calculation may be credited to the County’s general fund. The County is currently governed by the first alternative, and this amount has consistently been sufficient to provide for any tax losses.

Once adopted by the County, the Teeter Plan remains in effect unless the County orders its discontinuance or prior to the commencement of any subsequent fiscal years the County receives a petition for its discontinuance adopted by resolution of two-thirds of the participating revenue districts in the County. Further, the County may by resolution adopted not later than July 15 of any subsequent fiscal year after a public hearing, discontinue the Teeter Plan as to any levying or assessment levying agency if the rate of secured tax delinquency in that agency in any year exceeds three percent of the total of all taxes and assessments levied on the secured rolls for the agency.

The *ad valorem* property tax to be levied by the County to pay the principal and Accreted Value of and interest on the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy. The District will receive 100% of the *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

## Largest Property Owners

The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2014-15 local secured assessed valuations.

### LARGEST LOCAL SECURED TAXPAYERS Fiscal Year 2014-15 Riverside Community College District

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2014-15 Assessed Valuation</u>	<u>% of Total<sup>(1)</sup></u>
1.	Ross Dress for Less Inc.	Industrial	\$285,327,307	0.36%
2.	Kaiser Foundation Health Plan Inc.	Medical Buildings	203,674,900	0.25
3.	Tyler Mall LP	Shopping Center	195,438,624	0.24
4.	Watson Laboratories Inc.	Industrial	186,988,189	0.23
5.	Castle & Cooke Corona Crossings I & II Inc.	Shopping Center	173,968,839	0.22
6.	Prologis Calif I	Industrial	153,631,940	0.19
7.	Walgreen Co.	Industrial	151,364,925	0.19
8.	Lowes HIW Inc.	Industrial	146,779,690	0.18
9.	DB Rreef Perris CA Inc.	Industrial	132,642,622	0.17
10.	Teachers Insurance and Annuity Association	Industrial	132,504,970	0.17
11.	Riverside Healthcare System	Medical Buildings	132,447,947	0.17
12.	HF Logistics XKK T1	Industrial	128,078,892	0.16
13.	Homecoming at Eastvale	Apartments	127,987,699	0.16
14.	Costco Wholesale Corp.	Industrial	118,671,890	0.15
15.	IIT Inland Empire Logistics Center	Industrial	118,635,616	0.15
16.	La Sierra University	Apartments	111,261,968	0.14
17.	Sysco Riverside Inc.	Industrial	109,874,316	0.14
18.	Rexco Magnolia	Industrial	107,345,836	0.13
19.	AMB Institutional Alliance Fund III	Industrial	102,098,627	0.13
20.	Wal Mart Real Estate Business Trust	Industrial/Commercial	<u>100,422,636</u>	<u>0.13</u>
			<u>\$2,919,147,433</u>	<u>3.65%</u>

<sup>(1)</sup> The fiscal year 2014-15 local secured assessed valuation of the District is \$80,017,762,370.

Source: California Municipal Statistics, Inc.

## Tax Rates

Representative tax rate areas (each, a “TRA”) located within the District are TRA’s 9-002, 4-000, and 27-002. The table below shows the total *ad valorem* tax rates, as a percentage of assessed valuation, levied by all taxing entities in these TRA’s during the five-year period from fiscal years 2010-11 through 2014-15.

**TYPICAL TAX RATES (TRA 9-002)  
 Fiscal Years 2010-11 through 2014-15  
 Riverside Community College District**

TRA 9-002 – 2014-15 Assessed Valuation: \$5,394,436,182

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
City of Riverside	.00575	.00571	.00572	.00673	.00626
Riverside City Community College District	.01499	.01700	.01702	.01768	.01791
Riverside Unified School District	.05670	.05698	.05307	.05307	.05307
Metropolitan Water District	<u>.00370</u>	<u>.00370</u>	<u>.00350</u>	<u>.00350</u>	<u>.00350</u>
Total	1.08114%	1.08339%	1.07931%	1.08098%	1.08074%

TRA 4-000 – 2014-15 Assessed Valuation: \$2,541,635,389

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Corona-Norco Unified School District	.04524	.06614	.06543	.06844	.06473
Riverside City Community College District	.01499	.01700	.01702	.01768	.01791
Metropolitan Water District	<u>.00370</u>	<u>.00370</u>	<u>.00350</u>	<u>.00350</u>	<u>.00350</u>
Total	1.06393%	1.08684%	1.08595%	1.08962%	1.08614%

TRA 27-002 – 2014-15 Assessed Valuation: \$3,065,065,447

	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
General	1.00000%	1.00000%	1.00000%	1.00000%	1.00000%
Corona-Norco Unified School District	.04524	.06614	.06543	.06844	.06473
Riverside City Community College District	.01499	.01700	.01702	.01768	.01791
Metropolitan Water District	<u>.00370</u>	<u>.00370</u>	<u>.00350</u>	<u>.00350</u>	<u>.00350</u>
Total	1.06393%	1.08684%	1.08595%	1.08962%	1.08614%

*Source: California Municipal Statistics, Inc.*

## **Statement of Direct and Overlapping Debt**

Set forth on the following page is a direct and overlapping debt report (the “Debt Report”) prepared by California Municipal Statistics, Inc. effective as of April 1, 2015. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The table on the following page shows the percentage of each overlapping entity’s assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity’s existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency’s assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

**STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT  
 Riverside Community College District**

2014-15 Assessed Valuation: \$83,625,392,181 (Riverside County only)<sup>(1)</sup>

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 4/1/15</u>
Metropolitan Water District	3.604%	\$3,979,537
Eastern Municipal Water District Improvement Districts	79.592-100.000	4,876,454
<b>Riverside City Community College District</b>	<b>100.000</b>	<b>227,097,323<sup>(2)</sup></b>
Alvord Unified School District	100.000	224,305,233
Corona-Norco Unified School District	100.000	252,194,584
Jurupa Unified School District	100.000	44,747,972
Moreno Valley Unified School District	100.000	33,588,521
Riverside Unified School District	100.000	135,170,000
Val Verde Unified School District	100.000	109,531,488
City of Riverside	100.000	13,395,000
Community Facilities Districts	Various	1,096,174,229
1915 Act Bonds	100.000	<u>29,280,000</u>
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$2,174,340,341</b>

<u>OVERLAPPING GENERAL FUND DEBT:</u>		
Riverside County General Fund Obligations	37.040%	\$243,407,182
Riverside County Pension Obligation Bonds	37.040	118,702,088
Riverside County Board of Education Certificates of Participation	37.040	679,684
Corona-Norco Unified School District General Fund Obligations	100.000	27,880,000
Moreno Valley Unified School District Certificates of Participation	100.000	12,475,000
Val Verde Unified School District Certificates of Participation	100.000	71,445,000
Other Unified School District Certificates of Participation	100.000	27,716,277
City of Corona General Fund Obligations	100.000	50,100,308
City of Moreno Valley Certificates of Participation	99.916	63,729,922
City of Riverside General Fund and Pension Obligation Bonds	100.000	<u>352,952,825</u>
<b>TOTAL GROSS OVERLAPPING GENERAL FUND DEBT</b>		<b>\$969,088,286</b>
Less: Riverside County supported obligations		<u>3,125,530</u>
<b>TOTAL NET OVERLAPPING GENERAL FUND DEBT</b>		<b>\$965,962,756</b>

OVERLAPPING TAX INCREMENT DEBT (Successor Agencies): \$923,377,321

GROSS COMBINED TOTAL DEBT \$4,066,805,948<sup>(3)</sup>  
 NET COMBINED TOTAL DEBT \$4,063,680,418

Ratios to 2014-15 Assessed Valuation:

<b>Direct Debt (\$227,097,323)</b> .....	<b>0.27%</b>
Total Overlapping Tax and Assessment Debt .....	2.60%
Gross Combined Total Debt .....	4.86%
Net Combined Total Debt .....	4.86%

Ratio to Redevelopment Incremental Valuation (\$18,826,708,436):  
 Total Overlapping Tax Increment Debt .....4.90%

<sup>(1)</sup> Excludes \$770,522 assessed valuation representing Tax Rate Area 119-001, the only portion of the District located in San Bernardino County. However, there will not be a tax levied in Tax Rate Area 119-001 for the payment of the Bonds.

<sup>(2)</sup> Excludes the Bonds and includes the Refunded Bonds expected to be refinanced with proceeds of the Refunding Bonds.

<sup>(3)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

## CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

*The principal and Accreted Value of and interest on the Bonds are payable from the proceeds of an ad valorem property tax levied by the County on the taxable property in the District for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein. Articles XIII A, XIII B, XIII C and XIII D of the Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes on behalf of the District and the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such information that these laws impose any limitation on the ability of the County to levy taxes for payment of the Bonds. The tax levied by the County for the payment of the principal and Accreted Value of and interest on the Bonds was approved by the voters of the District in compliance with Article XIII A, Article XIII C, and all applicable laws.*

### Article XIII A of the California Constitution

Article XIII A (“Article XIII A”) of the State Constitution limits the amount of *ad valorem* taxes on real property to 1% of “full cash value” as determined by the county assessor of each county. Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the fiscal year 1975-76 bill under ‘full cash value,’ or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment,” subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the “base year value.” The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the adjusted base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rates levied by the County to pay debt service on the Bonds. See “THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations” herein.

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (i) on any indebtedness approved by the voters prior to July 1, 1978, or (ii) as the result of an amendment approved by State voters on July 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for the payment of the Bonds falls within the exception described in item (iii) of the immediately preceding sentence. In addition, Article XIII A requires the approval of



two-thirds of all members of the legislature of the State (the “State Legislature”) to change any State taxes for the purpose of increasing tax revenues.

### **Legislation Implementing Article XIII A**

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

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

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Both the United States Supreme Court and the State Supreme Court have upheld the general validity of Article XIII A.

### **State-Assessed Utility Property**

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions. Under the State Constitution, such property is assessed by the State Board of Equalization as part of a “going concern” rather than as individual pieces of real or personal property. Such State-assessed property is allocated to the counties by the State Board of Equalization, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

The State electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on the District’s utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State’s methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State’s financing formula for community college districts. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – Major Revenues” herein.

## **Article XIII B of the California Constitution**

Article XIII B of the State Constitution (“Article XIII B”), as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, community college district, or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines:

(a) “change in the cost of living” with respect to school districts and community college districts (collectively, “K-14 school districts”) to mean the percentage change in State per capita income from the preceding year, and

(b) “change in population” with respect to a K-14 school districts to mean the percentage change in the average daily attendance (the “ADA”) of K-14 school districts from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for fiscal year 1986-87 adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIII B also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See “– Propositions 98 and 111” herein.

## **Article XIII C and Article XIII D of the California Constitution**

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the State Constitution Articles XIII C and XIII D (respectively, “Article XIII C” and “Article XIII D”), which contain a number of provisions affecting the ability of local agencies, including K-14 school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as K-14 school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the State Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

### **Proposition 26**

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

## Propositions 98 and 111

On November 8, 1988, State voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act, have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-14 school districts at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, or (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically be increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State’s budgets in a different way than is proposed in the Governor’s budget for the State for each fiscal year.

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the “Traffic Congestion Relief and Spending Limitations Act of 1990” (“Proposition 111”) which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and education funding priority and allocation. Proposition 111 took effect on July 1, 1990.

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

- a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the “change in the cost of living” is now measured by the change in State per capita personal income. The definition of “change in population” specifies that a portion of the State’s spending limit is to be adjusted to reflect changes in pupil attendance.
- b. Treatment of Excess Tax Revenues. “Excess” tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess is to be transferred to K-14 school districts with the balance returned to

taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of such districts' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into such districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

- c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, all appropriations for "qualified capital outlay projects," as defined by the State Legislature, are excluded. Also, any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990 are all excluded. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.
- d. Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) a certain percentage of State general fund revenues (Test 1) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (Test 2). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) Test 3, which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" to K-14 school districts which will be paid in future years when State general fund revenue growth exceeds personal income growth.

### **Proposition 39**

On November 7, 2000, State voters approved an amendment (commonly known as "Proposition 39") to the State Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-14 school districts, including the District, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed



this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

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

### ***Jarvis vs. Connell***

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

### **Proposition 1A and Proposition 22**

On November 2, 2004, State voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to K-14 school districts, (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A allows the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to K-14 school districts or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for K-14 school districts, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the LAO on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

### **Proposition 30**

On November 6, 2012, voters of the State approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax will be levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,000 for single filers (over \$340,000 but less than \$408,000 for joint filers), (ii) 2% for taxable income over \$300,000 but less than \$500,000 for single filers (over \$408,000 but less than \$680,000 for joint filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$680,000 for joint filers).

The revenues generated from the temporary tax increases are included in the calculation of the Proposition 98 minimum funding guarantee for K-14 school districts. See "– Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the temporary tax increases are deposited into the State account created pursuant to Proposition 30 called the Education Protection Account. Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds are being distributed to K-14 school districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each K-14 school district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.



## Proposition 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as “Proposition 2”). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the Budget Stabilization Account (the “BSA”) established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the “Annual BSA Transfer”). Supplemental transfers to the BSA (a “Supplemental BSA Transfer”) are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as an emergency within the meaning of Article XIII B of the Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be

made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the State Constitution and Propositions 22, 26, 30, 39, and 98 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

## **FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA**

*The information in this section concerning State funding of community college districts is provided as supplementary information only, and it should not be inferred from the inclusion of the information under this heading that the principal and Accreted Value of and interest on the Bonds are payable from State revenues. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

### **Major Revenues**

**General.** State community college districts (other than Basic Aid Districts, as described below) receive a majority of their funding from the State, and the balance from local and federal sources. State funds include general apportionment, categorical funds, capital construction, the lottery (which is generally less than 3%), and other minor sources. Local funds include property taxes, student fees, and miscellaneous sources.

A bill passed by the State Legislature ("SB 361"), and signed by the Governor of the State (the "Governor") on September 29, 2006, established the present system of funding for community college districts. This system includes allocation of State general apportionment revenues to community college districts based on criteria developed by the Board of Governors of the California Community Colleges (the "Board of Governors") in accordance with prescribed statewide minimum requirements. In establishing these minimum requirements, the Board of Governors was required to acknowledge community college districts' need to receive an annual allocation based on the number of colleges and comprehensive centers in each respective district, plus funding received based on the number of credit and noncredit FTES in each district.

SB 361 also specified that, commencing with the 2006-07 fiscal year, the minimum funding per FTES would be: (a) not less than \$4,367 per credit FTES; (b) at a uniform rate of \$2,626 per noncredit FTES; and (c) set at \$3,092 per FTES for a new instructional category of "career development and college preparation" ("CDCP") enhanced non-credit rate. Each such minimum funding rate is subject to cost of living adjustments (a "COLA"), if any, funded through the State budgeting legislation in each fiscal year. Pursuant to SB 361, the Chancellor of the California Community Colleges (the "Chancellor") developed criteria for one-time grants for districts that would have received more funding under the prior system or a then-proposed rural college access grant, than under the current system.

The following table shows the District’s FTES counts for fiscal years 2007-08 through 2013-14, and the projected FTES count for fiscal year 2014-15.

**FULL TIME EQUIVALENT STUDENTS<sup>(1)</sup>**  
**Fiscal Years 2007-08 through 2014-15**  
**Riverside Community College District**

<u>Year</u>	<u>Funded FTES<sup>(2)</sup></u>	<u>Unfunded FTES<sup>(2)(3)</sup></u>	<u>Total FTES</u>
2007-08	26,806	205	27,011
2008-09	27,216	3,895	31,111
2009-10	26,245	4,940	31,185
2010-11	26,901	2,248	29,149
2011-12	24,845	1,013	25,858
2012-13	25,119	--	25,119
2013-14	25,808	592	26,400
2014-15 <sup>(4)</sup>	27,122	723	27,845

<sup>(1)</sup> One FTES is equivalent to 525 student contact hours, which is determined based on a State formula of one student multiplied by 15 weekly contact hours multiplied by 35 weeks. Accordingly, the number of FTES in the District may not equal the number of students enrolled in the District. Reflects resident FTES counts only. Non-resident FTES are generally excluded from State funding formula calculations.

<sup>(2)</sup> In each fiscal year, the State budget will establish an enrollment cap on the maximum number of FTES, known as the “funded” FTES, for which a community college district will receive a revenue allocation, as determined by the program-based model. A district’s enrollment cap is based on the previous fiscal year’s reported FTES, plus the growth allowance provide for by the State budget, if any. All student hours in excess of the enrollment cap are considered “unfunded” FTES.

<sup>(3)</sup> Unfunded FTES amounts are the product of increased enrollment coupled with lower State funding levels.

<sup>(4)</sup> Projected.

*Source: Riverside Community College District.*

Local revenues are first used to satisfy District expenditures. The major local revenue source is local property taxes that are collected from within District boundaries. Student enrollment fees from the local community college district generally account for the remainder of local revenues for the District. Property taxes and student enrollment fees are applied towards fulfilling the District’s financial need. Once these sources are exhausted, State funds are used. State aid is subject to the appropriation of funds in the State’s annual budget. Decreases in State revenues may affect appropriations made by the State Legislature to the District. The sum of the property taxes, student enrollment fees, and State aid generally comprise the District’s total funding allocation.

“Basic Aid” community college districts are those districts whose local property tax and student enrollment fee collections, and Education Protection Account (“EPA”) funds, exceed the revenue allocation determined by the program-based model. The current law in the State allows these districts to keep the excess funds without penalty. Basic Aid districts do not receive any general apportionment funding from the State. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 30” herein. The implication for Basic Aid districts is that the legislatively determined annual COLA and other politically determined factors are less significant in determining such districts’ primary funding sources. Rather, property tax growth and the local economy become the determining factors. The District is not a Basic Aid district.

A small part of a community college district’s budget is from local sources other than property taxes and student enrollment fees, such as interest income, donations and sales of property. Every community college district receives the same amount of lottery funds per pupil from the State, however, these are not categorical funds as they are not for particular programs or students. The initiative authorizing the lottery does require the funds to be used for instructional purposes, and prohibits their use for capital purposes.

## **Tax Shifts and Triple Flip**

Assembly Bill No. 1755 (“AB 1755”), introduced March 10, 2003 and substantially amended June 23, 2003, requires the shifting of property taxes between redevelopment agencies and K-14 school districts. On July 29, 2003, the Assembly amended Senate Bill No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required Education Revenue Augmentation Fund (“ERAF”) shift to \$135 million. Legislation commonly referred to as the “Triple Flip” was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the “California Economic Recovery Act.” This act authorized the issuance of \$15 billion in bonds (the “Economic Recovery Bonds”) to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the “Triple Flip.” Under the “Triple Flip,” one-quarter of local governments’ 1% share of the sales tax imposed on taxable transactions within their jurisdiction is redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for K-14 school districts, the legislation provides for K-14 school districts to receive other State general fund revenues. See “FUNDING OF COMMUNITY COLLEGE DISTRICTS IN CALIFORNIA – State Assistance – 2014-15 Budget” herein.

## **Budget Procedures**

On or before September 15, the Board of Trustees of a community college district is required under Section 58305 of the State Code of Regulations, Title V, to adopt a balanced budget. Each September, every State agency, including the Chancellor’s Office of the California Community Colleges (the “Chancellor’s Office”), submits to the State Department of Finance proposals for changes in the State budget. These proposals are submitted in the form of Budget Change Proposals (“BCPs”), involving analyses of needs, proposed solutions and expected outcomes. Thereafter, the State Department of Finance makes recommendations to the Governor, and by January 10 a proposed State budget is presented by the Governor to the State Legislature. The Governor’s State budget is then analyzed and discussed in committees and hearings begin in the State Assembly and Senate. In May, based on the debate, analysis and changes in the economic forecasts, the Governor issues a revised budget with changes he or she can support. The law requires the State Legislature to submit its approved budget by June 15, and by June 30 the Governor should announce his or her line item reductions and sign the State budget. In response to growing concern for accountability and with enabling legislation (AB 2910, Chapter 1486, Statutes of 1986), the Board of Governors and the Chancellor’s Office have established expectations for sound district fiscal management and a process for monitoring and evaluating the financial condition to ensure the financial health of the State’s community college districts. In accordance with statutory and regulatory provisions, the Chancellor has been given the responsibility to identify districts at risk and, when necessary, the authority to intervene to bring about improvement in their financial condition. To stabilize a district’s financial condition, the Chancellor may, as a last resort, seek an appropriation for an emergency apportionment.

The monitoring and evaluation process is designed to provide early detection and amelioration that will stabilize the financial condition of a district before an emergency apportionment is necessary. This is accomplished by (1) assessing the financial condition of districts through the use of various information sources and (2) taking appropriate and timely follow-up action to bring about improvement in a district’s financial condition, as needed. A variety of instruments and sources of information are used to provide a composite of each district’s financial condition, including quarterly financial status reports, annual financial and budget reports, attendance reports, annual district audit reports, district input and other financial records. In assessing each district’s financial condition, the Chancellor will pay special attention to each district’s general fund balance, spending pattern, and full-time equivalent student

patterns. Those districts with greater financial difficulty will receive follow-up visits from the Chancellor's Office where financial solutions to the district's problems will be addressed and implemented.

See "RIVERSIDE COMMUNITY COLLEGE DISTRICT – General Fund Budgeting" herein for more information regarding the District's recent budgeting trends.

### **Minimum Funding Guarantees for California Community College Districts Under Propositions 98 and 111**

**General.** In 1988, State voters approved Proposition 98, an initiative that amended Article XVI of the State Constitution and provided specific procedures to determine a minimum guarantee for annual school district and community college district ("K-14") funding. The constitutional provision links the K-14 funding formulas to growth factors that are also used to compute the State appropriations limit. Proposition 111 (Senate Constitutional Amendment 1), adopted in June 1990, among other things, changed some earlier school funding provisions of Proposition 98 relating to the treatment of revenues in excess of the State spending limit and added a third funding "test" ("Test 3") to calculate the annual funding guarantee. This third calculation is operative in years in which general fund tax revenue growth is weak. The amendment also specified that under Test 2 (see below), the annual COLA for the minimum guarantee for annual K-14 funding would be the change in the State's per-capita personal income, which is the same COLA used to make annual adjustments to the State appropriations limit (Article XIII B). See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98 and 111" herein.

**Calculating Minimum Funding Guarantee.** There are currently three tests which determine the minimum level of K-14 funding. Under implementing legislation for Proposition 98 (AB 198 and SB 98 of 1989), each segment of public education (K-14 school districts and direct elementary and secondary level instructional services provided by the State) has separately calculated amounts under the Proposition 98 tests. The base year for the separate calculations is the 1989-90 fiscal year. Each year, each segment is entitled to the greater of the amounts separately computed for each under Test 1 or 2. Should the calculated amount under Proposition 98 guarantee (K-14 education aggregated) be less than the sum of the separate calculations, then the Proposition 98 guarantee amount shall be prorated to the three segments in proportion to the amount calculated for each. This statutory split has been suspended in every year beginning with 1992-93. In those years, community colleges received less than was required from the statutory split.

Test 1 guarantees that K-14 education will receive at least the same funding share of the State general fund budget it received in 1986-87. Initially, that share was just over 40%. Because of the major shifts of property tax from local government to K-14 school districts which began in 1992-93 and increased in 1993-94, the percentage dropped to 33.0%.

Test 2 provides that K-14 education will receive as a minimum, its prior-year total funding (including State general fund and local revenues) adjusted for enrollment growth and per-capita personal income COLA.

Test 3, established pursuant to Proposition 111, provides an alternative calculation of the funding base in years in which State per-capita General Fund revenues grow more slowly than per-capita personal income. When this condition exists, K-14 minimum funding is determined based on the prior-year funding level, adjusted for changes in enrollment and COLA where the COLA is measured by the annual increase in per-capita general fund revenues, instead of the higher per-capita personal income factor. The



total allocation, however, is increased by an amount equal to one-half of 1% of the prior-year funding level as a funding supplement.

In order to make up for the lower funding level under Test 3, in subsequent years K-14 education receives a maintenance allowance (also referred to as a “maintenance factor”) equal to the difference between what should have been provided if the revenue conditions had not been weak and what was actually received under the Test 3 formula. This maintenance allowance is paid in subsequent years when the growth in per-capita State tax revenue outpaces the growth in per-capita personal income.

The enabling legislation to Proposition 111, Chapter 60, Statutes of 1990 (SB 98, Garamendi), further provides that K-14 education shall receive a supplemental appropriation in a Test 3 year if the annual growth rate in non-Proposition 98 per-capita appropriations exceeds the annual growth rate in per-pupil total spending.

**Riverside Community College District Foundation**

The Riverside Community College District Foundation (the “Foundation”) is a not-for-profit public benefit corporation organized under Section 501(c)(3) of the Code. The Foundation provides grants and scholarships to students and support to employees, programs and departments of the District. Under Governmental Accounting Standards Board (“GASB”) rules, the Foundation is a component unit of the District for financial reporting purposes. During fiscal years 2012-13 and 2013-14, the Foundation contributed \$563,593 and \$\_\_\_\_\_, respectively, to the District. The District has projected that the Foundation will contribute \$\_\_\_\_\_ to the District in fiscal year 2014-15. [Contributions received by the District from the Foundation are deposited into the District’s general fund.]

**Tax Offset and Pass-Through Revenues.**

The District receives tax offset revenue from the County as a part of certain redevelopment projects within the County (the “Tax Offset Revenues”). The Tax Offset Revenues received are deposited directly into the general fund of the District and are offset against the State apportionment received by the District. The District also receives pass-through tax increment revenue (the “Pass-Through Revenues”) from the redevelopment agencies within the District’s boundaries. The Pass-Through Revenues received by the District are deposited into the District’s Redevelopment Fund, and are used for capital facilities projects and capital equipment. The Pass-Through Revenues are not offset against the State apportionment received by the District. The amount of Tax Offset Revenues and Pass-Through Revenues received by the District from fiscal years 2012-13 through 2013-14, and a projected amount for fiscal year 2014-15 are shown in the following table.

**TAX OFFSET AND PASS-THROUGH REVENUES  
 Fiscal Years 2012-13 through 2014-15  
 Riverside Community College District**

<u>Fiscal Year</u>	<u>Tax Offset Revenues<sup>(1)</sup></u>	<u>Pass-Through Revenues<sup>(2)</sup></u>
2012-13	\$31,737,281	\$1,470,356
2013-14	29,023,841	1,508,689
2014-15 <sup>(3)</sup>	27,154,911	1,667,657

(1) Tax Offset Revenues received by the District are offset against the State apportionments received by the District.  
 (2) Pass-Through Revenues received by the District are not offset against the State apportionments received by the District.  
 (3) Projected.

Source: Riverside Community College District.

The District, however, can make no representations that Tax Offset and Pass-Through Revenues will continue to be received by the District in amounts consistent with prior years, or as currently projected, particularly in light of the recently enacted legislation eliminating redevelopment agencies. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22” herein. The Bonds, however, are not payable from such revenue. The Bonds are payable solely from the proceeds of an *ad valorem* property tax required to be levied by the County in an amount sufficient for the payment thereof. See “THE BONDS – Security and Sources of Payment” herein.

### **State Dissolution of Redevelopment Agencies**

On December 30, 2011, the State Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* (“*Matosantos*”), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in the State ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the State Constitution, as amended by Proposition 22. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22” herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to K-14 school districts and county offices of education, totaling \$1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) (“AB 1484”), which, together with ABx1 26, is referred to herein as the “Dissolution Act.” The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a “Successor Agency”). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller’s cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund (“Trust Fund”), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any “enforceable obligations” of the Successor Agency (as defined in the Dissolution Act), as well as to pay certain administrative costs. The Dissolution Act defines “enforceable obligations” to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least \$250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency



shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory 2% pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) (“AB 1290”), are restricted to educational facilities without offset against apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the affected local taxing entity uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount “which would have been received . . . had the redevelopment agency existed at that time,” and that the county auditor-controller shall “determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of [ABX1 26] using current assessed values . . . and pursuant to statutory [pass-through] formulas and contractual agreements with other taxing agencies.”

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

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

## **State Assistance**

*State community college districts’ principal funding formulas and revenue sources are derived from the budget of the State. The following information concerning the State’s budgets has been obtained from publicly available information which the District believes to be reliable; however, neither the District nor the Underwriter takes responsibility as to the accuracy or completeness thereof and neither has independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal or Accreted Value of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem property tax required to be levied by the County in an amount sufficient for the payment thereof.*

**2014-15 Budget.** On June 20, 2014, the Governor signed into law the State budget for fiscal year 2014-15 (the “2014-15 Budget”). The following information is drawn from the State Department of Finance’s summary of the 2014-15 Budget and the LAO report entitled “The 2014-15 Budget: California Spending Plan,” and certain other sources relating to Proposition 2.

The 2014-15 Budget is based on revenue projections previously included in the Governor’s May revision to the proposed budget for fiscal year 2014-15. For fiscal year 2013-14, the 2014-15 Budget

projects total State general fund revenues of \$102.2 billion, and total State general fund expenditures of \$100.7 billion. The 2014-15 Budget projects that the State will end the 2013-14 fiscal year with a \$2.9 billion general fund surplus. For fiscal year 2014-15, the 2014-15 Budget projects total State general fund revenues of \$109.5 billion and total State general fund expenditures of \$108 billion, leaving the State with a projected general fund surplus for fiscal year 2014-15 of approximately \$2.1 billion. This projected reserve is a combination of \$449 million in the State's general fund traditional reserve, and an authorized deposit of \$1.6 billion into the BSA established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

As part of implementing certain provisions of the 2014-15 Budget, a legislatively-referred constitutional amendment (Proposition 2) was placed on the ballot, and ultimately approved by the voters at the November 4, 2014 statewide election. Among other things, Proposition 2 creates a reserve account that is expected to smooth spikes in education funding. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

As a result of changes in State general fund revenues, local property tax collections and changes in student attendance, the 2014-15 Budget includes revised estimates to the minimum funding guarantees for fiscal years 2012-13 and 2013-14. The 2012-13 minimum guarantee is revised upward to \$57.8 billion, an increase of \$1.3 billion over the estimate included in the 2013-14 State budget. For fiscal year 2013-14, the 2014-15 Budget revises the minimum guarantee at \$58.3 billion, approximately \$3 billion higher than that included in the 2013-14 State budget.

The 2014-15 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2014-15 at \$60.9 billion, including \$44.5 billion of support from the State general fund. This represents an increase of \$2.6 billion over the estimates included in the Governor's May revision. The 2014-15 Budget also authorizes certain payments to reduce the State's outstanding maintenance factor, including \$5.2 billion allocable to fiscal year 2012-13 and \$2.6 billion allocable to fiscal year 2014-15. The State is expected to end fiscal year 2014-15 with an outstanding maintenance factor of approximately \$4 billion.

Significant features of the 2014-15 Budget related to the funding of community college districts include the following:

- *State Pensions.* The 2014-15 Budget includes a plan to reduce the \$74.4 billion unfunded STRS (as defined herein) liability in approximately 30 years by increasing contribution rates among the State, K-14 school districts, and participating employees. For fiscal year 2014-15, these increases are expected to result in \$276 million of additional contributions from all three entities. The plan also provides the STRS Board (as defined herein) with limited authority to (i) increase State and K-14 school district contributions based on changing conditions, and (ii) reduce K-14 school district contributions if they are no longer necessary. For additional information, see "RIVERSIDE COMMUNITY COLLEGE DISTRICT – Retirement Programs" herein.
- *Implementing Statewide Performance Strategies* – \$1.1 million of non-Proposition 98 funding to add nine positions for the Chancellor's Office to develop leading indicators of student success and to monitor community college districts' performance. The 2014-15 Budget also provides \$2.5 million of Proposition 98 funding to provide local technical assistance to support the implementation of effective practices across all community college districts, with a focus on underperforming districts.
- *Student Success and Support Programs* – \$170 million in Proposition 98 funding to improve and expand student success programs and to strengthen efforts to assist underrepresented

students. This amount is allocated as follows: (i) \$100 million to increase orientation, assessment, placement, counseling and other education planning services for all matriculated students, and (ii) \$70 million to close gaps in access and achievement in underrepresented student groups, as identified in local Student Equity Plans.

- *Apportionments* – An increase of \$140.4 million in Proposition 98 funding for growth in general-purpose apportionments, which represents a 2.75% increase in enrollment, and which, according to the LAO, equates to an additional 30,000 FTES. The 2014-15 Budget directs the State Board of Governors to adopt a growth formula beginning in fiscal year 2015-16 that gives first priority to the community college districts identified as having the greatest unmet need in adequately serving their community's higher educational needs. The 2014-15 Budget also provides \$47.3 million of Proposition 98 funding for a 0.85% COLA.
- *Career Technical Education* – A one-time increase of \$50 million in Proposition 98 funding to improve career technical education. The \$50 million will support the Economic and Workforce Development program at the Chancellor's Office. Additionally, beginning in fiscal year 2015-16, the State Budget increases the funding rate for career development and college preparation noncredit courses to equal the funding rate for credit courses.
- *Technology Infrastructure* – A \$1.4 million one-time increase in Proposition 98 funding and a \$4.6 million ongoing increase in Proposition 98 funding to upgrade bandwidth and replace technology equipment at community college districts.
- *Disabled Student Programs and Services* – \$30 million in Proposition 98 funding to provide support services to students with disabilities.
- *Apportionment Deferrals* – The 2014-15 Budget provides \$5.2 billion to reduce outstanding apportionment deferrals, including \$498 billion for community college districts. Under the budget plan, \$992 million in deferrals, including \$94 million for community college districts, are expected to remain outstanding at the end of fiscal year 2014-15. The 2014-15 Budget also provides for a trigger mechanism whereby potentially all outstanding deferrals would be repaid if the Proposition 98 minimum guarantee increases as a result of additional funding sources. Effectively, the 2014-15 Budget earmarks the first \$992 million of additional State spending allocable to fiscal years 2013-14 and 2014-15 to the pay-down of deferrals.
- *Mandates* – \$49.5 million in one-time Proposition 98 funding to reimburse community college districts for the cost of State-mandated programs to be distributed on a per-student basis. For community college districts, the 2014-15 Budget repeals one mandate related to certain information included in infrastructure plans and adds to the block grant one mandate related to public contracts. The LAO notes that the 2014-15 Budget does not increase funding for the block grant as the added costs are expected to be minimal.
- *Financial Stability for Apportionments* – An increase of \$40.5 million in fiscal year 2013-14 and \$37.8 million in fiscal year 2014-15 in Proposition 98 funding by shifting a portion of the revenues from former redevelopment agencies that are scheduled to be received in the final months of the fiscal year to the following fiscal year. Proposition 98 funding will backfill the difference between estimated total fiscal year redevelopment agency revenues and the amount the community college districts receive through April 15.
- *Deferred Maintenance and Instructional Equipment* – A one-time increase of \$148 million in Proposition 98 funding for deferred maintenance or instructional equipment purchases. This program funds facility maintenance projects as well as replacement of instructional equipment and library materials.

- *Proposition 39.* Passed by voters in November 2012, Proposition 39 increases State corporate tax revenues and requires a five-year period, starting in fiscal year 2013-14, that a portion of these revenues be used to improve energy efficiency and expand the use of alternative energy in public buildings. The 2014-15 Budget provides \$38 million in Proposition 98 funding for community college grants and \$28 million of Proposition 98 funding for a revolving loan program for K-14 school districts.
- *Quality Education Investment Act* – The 2014-15 Budget authorizes a final payment of \$410 million to retire the State’s obligation under the Quality Education Investment Act of 2006 (Stats. 2006, Chapter 751), which required the State to provide additional annual K-14 school district funding payments. Of this amount, \$316 million is for continued funding of the QEIA program (including \$48 million for community college districts) and \$94 million is to pay down a separate State obligation related to school facility repairs.
- *Pay Down of Remainder of Economic Recovery Bonds.* The 2014-15 Budget transfers 3% of general fund revenues – or \$3.2 billion – to the BSA. Under Proposition 98, one-half of those revenues must be used to accelerate the repayment of the State’s Economic Recovery Bonds. The \$1.6 billion payment is expected to pay off the remaining principal amount of the Economic Recovery Bonds during fiscal year 2014-15. See “– Tax Shifts and Triple Flip” herein.
- *Capital Outlay.* The 2014-15 Budget appropriates a total of \$21 million in general obligation bond funding for one continuing community college project and seven new projects. The LAO notes that future State costs for these projects are expected to total an additional \$102 million.

For additional information regarding the State’s budgets and revenue projections and a more detailed description of the 2014-15 Budget, see the State Department of Finance website at [www.dof.ca.gov](http://www.dof.ca.gov) and the LAO’s website at [www.lao.ca.gov](http://www.lao.ca.gov). However, the information presented on such websites is not incorporated herein by reference.

***Governor’s Proposed 2015-16 Budget.*** On January 9, 2015, the Governor released his proposed State budget for fiscal year 2015-16 (the “Proposed Budget”). The following information is taken from the LAO’s overview of the Proposed Budget, dated January 13, 2015.

The Proposed Budget assumes, for fiscal year 2014-15, total general fund revenues and transfers of \$108 billion and authorizes total expenditures of \$111.7 billion. The State is projected to end the 2014-15 fiscal year with a general fund surplus of \$2.1 billion, comprised of a balance of \$452 million in the State’s traditional budget reserve and balance of \$1.6 billion in the BSA. For fiscal year 2015-16, the Proposed Budget assumes total general fund revenues of \$113.4 billion and authorizes expenditures of \$113.3 billion. The State is projected to end the 2015-16 fiscal year with a \$3.4 billion general fund surplus, comprised of a \$534 million balance in the budget reserve and \$2.8 billion in the BSA. The balance in the BSA includes a \$1.2 billion deposit mandated by the provisions of Proposition 2. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2” herein. This \$1.2 billion deposit to the BSA reflects half of the total Annual BSA Transfer and Supplemental BSA Transfer required by Proposition 2, and the Proposed Budget allocates the other \$1.2 billion towards paying down special fund loans and certain Proposition 98 “settle up” obligations created by previous budgetary legislation that understated the minimum funding guarantee. Under the Proposed Budget, outstanding Proposition 98 settle up obligations at the end of fiscal year 2015-16 total \$1.3 billion.

As a result of projected increases to State general fund revenues, as well as certain revisions to student attendance, the Proposed Budget includes revised estimates of the minimum funding guarantees for fiscal years 2013-14 and 2014-15. The 2013-14 minimum funding guarantee is revised upward to \$58.7 billion, an increase of \$371 million from the estimate included in the 2014-15 Budget. For fiscal year 2014-15, the minimum funding guarantee is revised at \$63.2 billion, approximately \$2.3 billion higher than that included in the 2014-15 Budget.

For fiscal year 2015-16, the Proposed Budget sets the minimum funding guarantee at \$65.7 billion, including \$47 billion from the State general fund, and reflects an increase of \$2.6 billion (or 4%) from the revised level for fiscal year 2014-15. Despite the increase in the minimum guarantee, the State general fund share is only \$371 million. A projected growth in available local property tax collections accounts for the balance, and results primarily from the Governor's assumption that the "triple flip" legislation, which diverts local property tax revenues from school districts and community colleges to local governments, will sunset. See also "– Tax Shifts and Triple Flip" herein. For purposes of Proposition 98, fiscal year 2015-16 is a "Test 2" year, with the minimum guarantee driven primarily by an increase in per-capita personal income. Under the Proposed Budget, total per-student Proposition 98 funding increases to \$9,571, an increase of \$640 (or 7.2%) from the prior year.

Significant proposals or adjustments with respect to community college funding include the following:

- *Maintenance Factor* – The Proposed Budget authorizes a maintenance factor payment of \$725 million owed to school districts and community college districts, leaving an outstanding maintenance factor of \$1.9 billion.
- *Student Fees* – The Proposed Budget makes no change to resident student fee levels, which would remain at \$46 per unit.
- *Cost of Living Adjustment* – the Proposed Budget provides \$92.4 million to support a 1.58% COLA to general purpose apportionments.
- *Base Allocations* – \$107 million to support a 2% growth in student enrollment. The Proposed Budget also provides \$125 million to support a 2.1% increase to base allocations to account for increased operating expenses in the areas of facilities, retirement benefits, professional development, staffing and other general expenses.
- *Non-Credit FTES* – \$49 million to reflect an increase in the funding rate for CDCP non-credit courses, to equal the rate provided for similar credit courses.
- *Apportionment Deferrals* – An increase of \$95 million in one-time funding to eliminate all outstanding community college apportionment deferrals.
- *Student Success* - \$200 million to improve and expand student success and support programs, including \$100 million for orientation, assessment, placement, academic counseling and other education planning services. The balance is allocated to implement local student equity plans designed to improve access and outcomes, as well as to identify and address achievement disparities for disadvantaged groups.



- *Adult Education* – \$500 million in ongoing funding for adult education. This proposal would build on prior budgetary legislation which mandated the establishment of regional adult education consortia composed of school districts, community college districts and certain other stakeholders for delivery of adult education services. Under the Governor’s proposal, the ongoing funding would support programs in elementary and secondary basic skills, citizenship and English as a second language for immigrants, educational programs for disabled adults, short-term career technical education (CTE) and apprenticeship programs. For fiscal year 2015-16 only, these funds would replace, on a dollar-for-dollar basis, LCFE funds currently allocated to school district-run adult education programs in these five areas.
- *Career Technical Education* – \$250 million in funding in each of the next three fiscal years to fund a competitive grant initiative that supports K-12 CTE programs that lead to industry-recognized credentials or postsecondary training. Participating school districts, county offices of education and charter schools would be required to match grant contributions dollar-for-dollar, collect accountability data and commit to providing ongoing support to CTE programs after the expiration of grant funding. Applicants would also be expected to partner with local postsecondary institutions, labor organizations and businesses in applying for the grant funds. The Proposed Budget also includes \$48 million to extend the Career Technical Education Pathways Grant Program, created as part of the 2013-14 State budgetary legislation. The primary purpose of the program is to improve linkages between CTE programs and schools and community colleges, as well as between K-14 education and local businesses. The California Department of Education and the California Community Colleges Chancellor’s Office jointly administer the program and allocate funding through an interagency agreement.
- *Apprenticeship Programs* – \$29 million to support the expansion of apprenticeship programs. This includes \$14 million to grow such existing programs and \$15 million to create innovative apprenticeship projects the focus on new and emerging industries with unmet labor demands.
- *Mandates* - \$379 million to reduce a backlog of unpaid reimbursement claims to community college districts for the cost of State-mandated programs.

For additional information regarding the Proposed 2015-16 Budget, see the State Department of Finance’s website at [www.dof.ca.gov](http://www.dof.ca.gov) and the LAO’s website at [www.lao.ca.gov](http://www.lao.ca.gov). However, the information presented on such websites is not incorporated herein by reference.

***Future Budgets and Actions.*** The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State’s ability to fund education. State budget shortfalls in future fiscal years could have an adverse financial impact on the State general fund budget. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal and Accreted Value of and interest on the Bonds would not be impaired.



## RIVERSIDE COMMUNITY COLLEGE DISTRICT

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

### Introduction

Founded in 1916, the District encompasses approximately 440 square miles in the Counties. The assessed valuation of the territory of the District located in the County represents more than 99.9% of the District's assessed valuation. The District provides collegiate level instruction in grades 13 and 14 and contains the Riverside Unified, Alvord Unified, Corona/Norco Unified, Jurupa Unified, Moreno Valley Unified and Val Verde School Districts. Each of the District's three colleges, Riverside City College, Norco College, and Moreno Valley College, is fully accredited by the ACCJC. For fiscal year 2014-15, the District has an assessed valuation of \$83,625,392,181, and the District's FTES count is projected to be 27,845 students.

### Administration

The District is governed by the five-member Board, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current Board members, together with their office and the date their term expires, are listed below:

<u>Board Member</u>	<u>Office</u>	<u>Term Expires</u>
Virginia Blumenthal	President	December 2018
Janet Green	Vice President	December 2018
Nathan Miller	Secretary	December 2016
Mary Figueroa	Trustee	December 2016
Tracy Vackar	Trustee	December 2018

The Chancellor of the District is appointed by and reports to the Board, is responsible for management of the District's day-to-day operations and supervises the work of other key administrators. Michael L. Burke, Ph.D. is the District's current Chancellor.

**Michael L. Burke, Ph.D., Chancellor.** Dr. Burke became the Chancellor of the District on July 21, 2014. Prior to joining the District, Dr. Burke served as President at Milwaukee Area Technical College. Dr. Burke's 25 years of experience in community colleges also includes his service as President at San Jose City College and President at North Idaho College. Dr. Burke has served on the Executive Committee of the Board of Directors for the American Association of Community Colleges (the "AACC"), co-chaired the AACC Commission on Diversity, Equity and Inclusion, and served as Chairman of the AACC Presidents Academy Executive Committee. Dr. Burke holds a bachelor's degree in English and a master's degree in English, each from the University of Houston. He also holds a Ph.D. in Educational Administration from the Community College Leadership Program at the University of Texas at Austin, as well as certificates of completion from the Institute for Educational Management and the League for Innovation's Executive Leadership Institute, each from Harvard University.

**Aaron S. Brown, Vice Chancellor, Business and Financial Services.** Mr. Brown was appointed Vice Chancellor, Business and Financial Services on January 22, 2013. Prior to his appointment, Mr. Brown had served as the District’s Associate Vice Chancellor of Finance since November 2002 with an interim assignment as Vice Chancellor of Administration and Finance during the 2007-2008 fiscal year. Mr. Brown also served as the District’s Director of Accounting Services from March 1999 to November 2002. Mr. Brown has been a California Certified Public Accountant since January 1988. Prior to beginning his career in higher education in March 1999, Mr. Brown worked in the public accounting profession performing audits of community colleges, K-12 educational institutions and not-for-profit organizations. Mr. Brown holds a bachelor’s degree in Business with an emphasis in Accounting from California State University, Fullerton.

**Labor Relations**

The District currently employs \_\_\_ full-time certificated professionals, \_\_\_ full-time classified employees, and \_\_\_ managerial employees. In addition, the District employs \_\_\_ part-time faculty and \_\_\_ part-time staff. These employees, except supervisors, management and some part-time employees, are represented by two bargaining units as noted below.

**BARGAINING UNITS  
 Riverside Community College District**

<u>Labor Organization</u>	<u>Number of Employees In Organization</u>	<u>Contract Expiration Date</u>
California School Employees Association		June 30, 2015
California Teachers Association		June 30, 2015

*Source: Riverside Community College District.*

**Retirement Programs**

*The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

**STRS.** All full-time certificated employees, as well as certain classified employees, are members of the State Teachers’ Retirement System (“STRS”). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the “STRS Defined Benefit Program”). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, neither the employee, employer or State contribution rate to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized.

In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State recently passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 (“AB 1469”) into law as a part of the State’s fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the “2014 Liability”), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rates will increase over a three-year phase-in period in accordance with the following schedule:

**MEMBER CONTRIBUTION RATES  
 STRS (Defined Benefit Program)**

Effective Date (July 1)	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

*Source: AB 1469.*

Pursuant to AB 1469, the K-14 school district contribution rate will increase over a seven-year phase-in period in accordance with the following schedule:

**K-14 SCHOOL DISTRICT CONTRIBUTION RATES  
 STRS (Defined Benefit Program)**

Effective Date (July 1)	K-14 School Districts
2014	8.88%
2015	10.73
2016	12.58
2017	14.43
2018	16.28
2019	18.13
2020	19.10

*Source: AB 1469.*

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter, the STRS Teachers’ Retirement Board (the “STRS Board”) is required to increase or decrease the K-14 school districts’ contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members’ contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify

adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

The District's contribution to STRS was \$4,995,773 for fiscal year 2011-12, \$4,744,140 for fiscal year 2012-13, and \$5,072,101 for fiscal year 2013-14. The District has projected \$5,690,911 as its contribution to STRS for fiscal year 2014-15.

The State also contributes to STRS, currently in an amount equal to 3.454% of teacher payroll for fiscal year 2014-15. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Pursuant to AB 1469, the State contribution rate will increase over the next three years to a total of 6.328% in fiscal year 2016-17. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

**PERS.** Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2013 included 1,580 public agencies and K-14 school districts (representing more than 2,500 entities). PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of K-14 school district employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 11.771% of eligible salary expenditures for fiscal year 2014-15. Participants enrolled in PERS prior to January 1, 2013 contribute 7% of their respective salaries, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which was 6% of their respective salaries for fiscal year 2014-15. See "California Public Employees' Pension Reform Act of 2013" herein.

The District's contribution to PERS was \$3,827,482 for fiscal year 2011-12, \$3,975,690 for fiscal year 2012-13, and \$4,103,502 for fiscal year 2013-14. The District has projected \$4,270,196 as its contribution to PERS for fiscal year 2014-15.

**State Pension Trusts.** Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: [www.calstrs.com](http://www.calstrs.com);

(ii) PERS: [www.calpers.ca.gov](http://www.calpers.ca.gov). However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are “forward-looking” information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

**FUNDED STATUS**  
**Fiscal Years 2010-11 through 2012-13**  
**STRS (Defined Benefit Program) and PERS**  
**(Dollar Amounts in Millions)<sup>(1)</sup>**

Fiscal Year	STRS				PERS			
	Accrued Liability	Value of Trust Assets (MVA) <sup>(2)</sup>	Unfunded Liability (MVA) <sup>(2)(3)</sup>	Unfunded Liability (AVA) <sup>(4)</sup>	Accrued Liability	Value of Trust Assets (MVA) <sup>(2)</sup>	Unfunded Liability (MVA) <sup>(2)</sup>	Unfunded Liability (AVA) <sup>(4)</sup>
2010-11	\$208,405	\$147,140	\$68,365	\$64,475	\$58,358	\$45,901	\$12,457	\$6,811
2011-12	215,189	143,118	80,354	70,957	59,439	44,854	14,585	5,648
2012-13	222,281	157,176	74,374	73,667	61,487	49,482	12,005	5,237

<sup>(1)</sup> Amounts may not add due to rounding.

<sup>(2)</sup> Reflects market value of assets.

<sup>(3)</sup> Excludes SBPA reserve.

<sup>(4)</sup> Reflects actuarial value of assets.

Source: PERS State & Schools Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

Over the past two years, the PERS Board of Administration (the “PERS Board”) has taken several steps, as described below, intended to reduce the amount of the unfunded actuarial accrued liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS’ rate of expected price inflation and its investment rate of return (net of administrative expenses) (the “PERS Discount Rate”) from 7.75% to 7.5%. As one consequence of such decrease, the annual contribution amounts paid by PERS member public agencies, including the District, have been increased by 1-to-2% for miscellaneous plans and by 2-to-3% for safety plans beginning in fiscal year 2013-14. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five-year reduction of public agency contribution rates at the end of such amortization period. The PERS Board has delayed the implementation of the new actuarial policies until fiscal year 2015-16 for the State, K-14 school districts and all other public agencies.



Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The cost of the revised assumptions shall be amortized over a 20-year period and related increases in public agency contribution rates shall be affected over a three year period, beginning in fiscal year 2014-15. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

**California Public Employees' Pension Reform Act of 2013.** On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

### **Other Post-Employment Benefits**

**Plan Description.** The Riverside Community College District Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical insurance benefits to eligible retirees and one dependent (the "Benefits"). As of \_\_\_\_\_, membership of the Plan consisted of [79] retirees and beneficiaries currently receiving Benefits and [905] active Plan members eligible for, but not yet receiving, Benefits.

**Funding Policy.** The contribution requirements of the Plan members and the District are established and amended by the District and the District's bargaining units on an annual basis. The District's contribution is currently based on a projected pay-as-you-go basis to cover the cost of Benefits for current retirees. For fiscal year 2013-14, the District contributed \$1,159,902 to the Plan, all of which was used for premiums. The District projects a contribution of \$1,206,739 to the Plan in fiscal year 2014-15, all of which will be used for current premiums.



On April 21, 2015, the Board will consider a plan to begin funding its unfunded actuarial accrued liability (“UAAL”) with respect to the Benefits. The Board-approved plan, which will take effect on July 1, 2015, has two components. First, the Board will establish an irrevocable, GASB-qualifying trust to fund its UAAL (the “Irrevocable Trust”). Second, the District will develop a charge rate to apply to every dollar of payroll to cover the projected pay-as-you-go cost of the Benefits, plus a minimum of \$250,000 annually to begin providing for future Benefits. Such amounts will be deposited into the Irrevocable Trust.

**Actuarial Valuation.** The District has implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans*, pursuant to which the District has commissioned and received several actuarial studies of its outstanding liability with respect to the Benefits. The most recent of these studies, concluded that the District’s UAAL with respect to the Benefits, as of a July 1, 2013 valuation date, was \$24,161,707. The study also calculated the annual required contribution (the “ARC”) to be \$3,041,672. The ARC is the amount that would be necessary to fund the value of future benefits earned by current employees during each fiscal year (the “Normal Cost”) and the amount necessary to amortize the UAAL, in accordance with the GASB Statements Nos. 43 and 45.

**Net Obligation.** As of June 30, 2014, the District recognized a net long-term obligation (the “Net OPEB Obligation”) of \$7,844,898, with respect to its accrued liability for the Benefits. The Net OPEB Obligation is based on the District’s contributions towards the ARC during fiscal year 2013-14, plus interest on the prior year’s Net OPEB Obligation and minus any adjustments to reflect the amortization thereof. See also “– District Debt Structure – Long-Term Debt” herein and “APPENDIX B –THE 2013-14 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11” attached hereto.

### **Alternative Retirement System**

As established by Federal law, all public sector employees who are not members of their employer’s existing retirement systems (STRS or PERS) must be covered by social security or an alternative plan. The District has elected to use the Public Agency Retirement System (“PARS”) as its alternate retirement system (the “Alternative Retirement System”). The Alternative Retirement System is a multiple-employer retirement trust established by a coalition of public employers. The Alternative Retirement System covers the District’s part-time, temporary, and other employees not covered under PERS or STRS, but whose salaries would otherwise be subject to Social Security tax. The Alternative Retirement System is a defined contribution qualified retirement plan under Section 401(a) of the Internal Revenue Code.

Benefits under the Alternative Retirement System are established by the District management based on agreements with bargaining units. The minimum total contribution to the Alternative Retirement System is 7.5% of employees’ salaries, of which the employee contributes the total 7.5%. For fiscal year 2013-14, total contributions to PARS amounted to \$563,095.

## Supplementary Retirement Plan

The District has adopted the PARS supplementary retirement plan (the “SRP”), which is designed to meet the requirements of Section 403(b) of the Code and, to the extent applicable, the Employee Retirement Income Security Act of 1974, as amended. Under the SRP, retirement benefits were purchased for 98 eligible employees. The retirement benefits provided under the SRP are funded in five annual contributions, and as of June 30, 2014, the outstanding balance was \$2,130,916. The SRP payments through 2016 are as follows:

<u>Fiscal Year</u>	<u>SRP Payment</u>
2015	\$1,284,856
2016	846,060
Total	<u>\$2,130,916</u>

*Source: Riverside Community College District.*

## Risk Management

**Insurance Coverage.** The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The District obtains coverage for these risks both by purchasing insurance coverage and through coverage in a risk retention group. The District’s coverage for liability and tort risks extends up to \$25,000,000, and is subject to a \$250,000 self-insured retention. The District also carries replacement coverage on its buildings, furniture, and equipment with limits of \$600,000,000 (total pool value) and exposure of \$332,514,000, with a \$100,000 self-insurance retention. Employee health benefits are covered by the employees enrolling in one of two health maintenance organizations or in the District’s self-insurance health plan. The District’s self-insured limit for the self-insured plan is \$100,000, and the District purchases insurance coverage for the excess claims. The District purchases dental benefits from a joint powers authority (a “JPA”).

**JPA Risk Pools.** The District contracted with the Southern California Schools Risk Management (“SCSRM”) JPA for property and liability insurance coverage in fiscal year 2013-14. Settled claims have not exceeded this commercial coverage in any of the past three years and there has not been a significant reduction in coverage from the prior year.

**Workers Compensation.** The District participated in the Schools Excess Liability Fund (“SELF”) JPA, an insurance purchasing pool for workers’ compensation coverage, in fiscal year 2013-14. The District is self-insured for the first \$500,000 of each workers’ compensation claim.

**Employee Medical Benefits.** The District contracts with Kaiser Permanente and Health Net, and also offers the RCCD Self-Insured Health Plan to provide employee medical benefits. The District provides health and welfare benefits to all full-time and part-time employees (20 hours or more) and their dependents.

## **Participation in Public Entity Risk Pools and JPAs**

The District contracts with the Alliance of Schools for Cooperative Insurance Program JPA (“ASCIP”), SELF, Riverside Community College – County Superintendent Self-Insurance Program for Employees (“RCCCSSIPE”), and the Riverside Employers/Employees Plan (“REEP”). During fiscal year 2013-14, the District made payments of \$130,978, \$41,169, \$1,417,063, and \$545,353 to SELF, RCCCSSIPE, REEP and ASCIP, respectively.

The District pays annual premiums for its property liability, health, and workers’ compensation coverage. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes. See also “APPENDIX B –THE 2013-14 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Notes 12 and 15” attached hereto.

## **Accounting Practices**

The accounting policies of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California Community College Budget and Accounting Manual. This manual, according to Section 84030 of the California Education Code, is to be followed by all California community college districts. The GASB has released Statement No. 34, which makes changes in the annual financial statements for all governmental agencies in the United States, especially in recording of fixed assets and their depreciation, and in the way the report itself is formatted. These requirements became effective on May 15, 2002 for the District, as well as for any other governmental agency with annual revenues of between \$10 million and \$100 million. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

## **General Fund Budgeting**

The table on the following page shows the District’s combined unrestricted and restricted general fund adopted budgets for fiscal years 2011-12 through 2014-15, unaudited ending results for the fiscal years 2011-12 through 2013-14, and projected ending results for fiscal year 2014-15.

[REMAINDER OF PAGE LEFT BLANK]

**GENERAL FUND BUDGETING<sup>(1)</sup>**  
**Fiscal Years 2011-12 through 2014-15**  
**Riverside Community College District**

	Fiscal Year 2011-12		Fiscal Year 2012-13		Fiscal Year 2013-14		Fiscal Year 2014-15	
	Budgeted <sup>(2)</sup>	Unaudited <sup>(2)</sup>	Budgeted <sup>(2)</sup>	Unaudited <sup>(2)</sup>	Budgeted <sup>(2)</sup>	Unaudited <sup>(2)</sup>	Budgeted <sup>(2)</sup>	Projected <sup>(3)</sup>
<b>REVENUES:</b>								
Federal	\$13,775,681	\$10,788,224	\$17,467,253	\$11,791,448	\$16,828,763	\$12,574,883	\$13,748,962	
State	105,564,551	100,909,162	103,948,469	98,621,081	109,097,491	109,903,368	117,670,843	
Local	47,953,003	44,542,640	49,871,265	53,804,390	52,394,115	51,137,753	52,846,882	
<b>TOTAL REVENUES</b>	<b>167,293,235</b>	<b>156,240,026</b>	<b>171,286,987</b>	<b>164,216,919</b>	<b>178,320,369</b>	<b>173,616,004</b>	<b>184,266,687</b>	
<b>EXPENDITURES:</b>								
Academic Salaries	65,434,590	64,974,316	63,970,496	64,088,130	66,808,595	68,382,323	70,909,761	
Classified Salaries	39,900,695	38,174,802	38,277,222	36,896,799	40,426,032	38,830,396	41,566,615	
Employee Benefits	35,081,995	34,053,729	33,932,670	33,457,391	36,252,417	33,620,432	36,992,498	
Supplies and Materials	4,489,734	3,521,724	5,558,196	3,214,515	5,133,442	3,313,390	4,948,479	
Other Operating Expenses and Services	22,652,426	18,188,445	24,675,607	17,655,457	23,734,040	18,160,433	26,779,001	
Capital Outlay	7,298,454	6,465,148	8,081,575	3,133,615	9,592,850	5,189,189	11,173,491	
<b>TOTAL EXPENDITURES</b>	<b>174,857,894</b>	<b>165,378,164</b>	<b>174,495,766</b>	<b>158,445,907</b>	<b>181,947,376</b>	<b>167,496,163</b>	<b>192,369,845</b>	
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(7,564,659)</b>	<b>(9,138,138)</b>	<b>(3,208,779)</b>	<b>5,771,012</b>	<b>(3,627,007)</b>	<b>6,119,841</b>	<b>(8,103,158)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>	1,628,982	1,631,009	2,013,000	2,012,488	13,000	8,646	1,392,193	
<b>OTHER OUTGO</b>	(3,517,084)	(2,007,329)	(4,102,101)	(2,790,573)	(5,241,139)	(4,221,951)	(4,158,558)	
<b>NET INCREASE (DECREASE) IN FUND BALANCE</b>	<b>(9,452,761)</b>	<b>(9,514,458)</b>	<b>(5,297,880)</b>	<b>4,992,927</b>	<b>(8,855,146)</b>	<b>1,906,536</b>	<b>(10,869,523)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>24,778,002</b>	<b>24,778,002</b>	<b>15,388,779</b>	<b>15,388,779</b>	<b>20,415,836</b>	<b>20,415,836</b>	<b>22,322,372</b>	
<b>Prior Year Adjustments</b>	--	125,235 <sup>(4)</sup>	--	34,130 <sup>(5)</sup>	--	--	--	
<b>Adjusted Beginning Balance</b>	<b>24,778,002</b>	<b>24,903,237</b>	<b>15,388,779</b>	<b>15,422,909</b>	<b>20,415,836</b>	<b>20,415,836</b>	<b>22,322,372</b>	
<b>ENDING FUND BALANCE</b>	<b>\$15,325,241</b>	<b>\$15,388,779</b>	<b>\$10,090,899</b>	<b>\$20,415,836</b>	<b>\$11,560,690</b>	<b>\$22,322,372</b>	<b>\$11,452,849</b>	

<sup>(1)</sup> Reflects combined unrestricted and restricted general funds.

<sup>(2)</sup> From the District's CCFS-311 Reports filed with the Chancellor's Office. Budgeted amounts for fiscal years 2011-12 through 2014-15 and unaudited ending results for fiscal years 2011-12 through 2013-14 in object-oriented format provided for comparison. For audited results of fiscal years 2009-10 through 2013-14 in the revised reporting format, see "-- Comparative Financial Statements" herein.

<sup>(3)</sup> Projected as of December 31, 2014.

<sup>(4)</sup> [Explanation for adjustment to beginning fund balance in fiscal year 2011-12.]

<sup>(5)</sup> [Explanation for adjustment to beginning fund balance in fiscal year 2012-13.]

Source: Riverside Community College District.

## Comparative Financial Statements

The following table reflects the District's audited revenues, expenditures and fund balances for its governmental funds, from fiscal years 2009-10 through 2013-14. See also "APPENDIX B –THE 2013-14 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT" attached hereto.

### SUMMARY OF AUDITED REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS Fiscal Years 2009-10 through 2012-13 Riverside Community College District

	2009-10	2010-11	2011-12	2012-13	2013-14
<b>REVENUES</b>					
Student Tuition and Fees	\$25,287,574	\$25,422,048	\$28,691,148	\$34,447,543	\$37,992,745
Less: Scholarship discount and allowance	(10,154,399)	(11,174,056)	(14,870,480)	(19,192,627)	(21,456,127)
Net tuition and fees	15,133,175	14,247,992	13,820,668	15,254,916	16,536,618
Other Operating Revenue	53,357	1,941	2,794	296	23,090
<b>TOTAL OPERATING REVENUES</b>	<b>15,186,532</b>	<b>14,249,933</b>	<b>13,823,462</b>	<b>15,255,212</b>	<b>16,559,708</b>
<b>OPERATING EXPENSES</b>					
Salaries	116,073,026	114,372,496	105,022,839	102,014,682	108,269,614
Employee benefits	27,680,221	32,201,817	32,900,152	32,447,122	32,462,402
Supplies, materials and other operating expenses and services	29,532,675	30,321,355	31,269,625	32,151,415	30,019,823
Student financial aid	36,424,698	51,887,584	45,575,301	46,767,408	50,666,043
Equipment, maintenance and repairs	2,100,884	1,301,734	10,397,955	1,380,028	3,399,899
Depreciation	8,481,150	11,094,650	11,833,261	18,592,580	15,834,281
<b>TOTAL OPERATING EXPENSES</b>	<b>220,292,654</b>	<b>241,179,636</b>	<b>236,999,133</b>	<b>233,353,235</b>	<b>240,652,062</b>
<b>OPERATING LOSS</b>	<b>(205,106,122)</b>	<b>(226,929,703)</b>	<b>(223,175,671)</b>	<b>(218,098,023)</b>	<b>(224,092,354)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
State apportionments, noncapital	93,478,402	100,148,696	88,517,209	84,731,624	93,567,956
Federal grants	47,991,459	64,571,078	57,390,248	58,614,887	61,721,576
State grants	9,476,664	9,963,513	9,795,854	10,414,479	13,710,929
Local property taxes levied for general purposes	28,277,296	25,217,503	24,351,264	24,675,519	25,395,020
Local property taxes levied for capital debt	9,685,568	10,815,265	12,451,654	12,511,382	13,806,538
State taxes and other revenues	4,901,096	5,078,096	4,814,300	5,604,071	8,580,722
Investment income	1,976,617	1,552,553	1,292,122	923,765	314,781
Interest expense on capital related debt	(7,313,415)	(12,287,170)	(15,264,865)	(13,784,557)	(9,590,099)
Investment income on capital related debt, net	156,053	69,374	38,544	25,705	20,585
Loss on disposal of capital assets	--	(21,909)	(10,513)	(584,330)	(1,539)
Other nonoperating revenue	15,631,813	12,877,617	12,174,187	20,800,350	13,052,773
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>204,261,553</b>	<b>217,984,616</b>	<b>195,550,004</b>	<b>203,932,895</b>	<b>220,579,242</b>
<b>GAIN (LOSS) BEFORE OTHER REVENUES</b>	<b>(844,569)</b>	<b>(8,945,087)</b>	<b>(27,625,667)</b>	<b>(14,165,128)</b>	<b>(3,513,112)</b>
<b>OTHER REVENUES</b>					
State revenues, capital	9,851,149	30,377,255	12,940,526	9,728,785	3,875,979
<b>TOTAL OTHER REVENUES</b>	<b>9,851,149</b>	<b>30,377,255</b>	<b>12,940,526</b>	<b>9,728,785</b>	<b>3,875,979</b>
<b>CHANGE IN NET POSITION</b>	<b>9,006,580</b>	<b>21,432,168</b>	<b>(14,685,141)</b>	<b>(4,436,343)</b>	<b>362,867</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>186,547,372</b>	<b>195,553,952</b>	<b>216,986,120</b>	<b>218,945,064</b>	<b>212,435,212</b>
<b>PRIOR PERIOD RESTATEMENT</b>	<b>--</b>	<b>--</b>	<b>16,644,085<sup>(1)</sup></b>	<b>(2,221,600)<sup>(2)</sup></b>	<b>--</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$195,553,952</b>	<b>\$216,986,120</b>	<b>\$218,945,064</b>	<b>\$212,435,212</b>	<b>\$212,798,079</b>

<sup>(1)</sup> GASB. Statement No. 62 establishes standards of financial accounting and reporting for capitalizing interest cost as part of the historical cost of acquiring certain assets. As a result of the implementation of such standards, the District's beginning net position in fiscal year 2011-12 was restated by \$16,644,085.

<sup>(2)</sup> Effective in fiscal year 2013-2014, the District was required to expense issuance costs associated with its general obligation bond debt, as well as amortize and present deferred charges on refunding as a deferred outflow of resources. The implementation of this standard required a change in accounting principle and restatement of the beginning net position of the District by \$2,221,600.

Source: Riverside Community College District.

## District Debt Structure

**Short-Term Debt.** The District currently has no outstanding short-term debt obligations.

**Long-Term Debt.** A schedule of changes of the District in long-term debt for the year ended June 30, 2014, is shown below:

	<u>Balance</u> <u>Beginning of Year</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>End of Year</u>
<b>Bonds Payable</b>				
2004A Bonds	\$2,355,000	--	\$1,355,000	\$1,000,000
2005 Refunding Bonds	52,140,578	\$633,427	48,130,000	4,644,005
Unamortized debt premium	6,111,264	--	552,278	5,558,986
2007C Bonds <sup>(1)</sup>	68,510,000	--	24,080,000	44,430,000
Unamortized debt premium <sup>(1)</sup>	1,760,604	--	176,060	1,584,544
2010D Bonds and 2010D-1 Bonds	111,282,250	656,909	--	111,939,159
Unamortized debt premium	1,575,599	--	58,176	1,517,423
2014A Refunding and 2014B Refunding	--	73,090,000	--	73,090,000
Unamortized debt premium	--	<u>4,876,704</u>	--	<u>4,876,704</u>
Total Bonds Payable	243,735,295	79,257,040	74,351,514	248,640,821
<b>Other Liabilities</b>				
Compensated absences	2,548,813	--	98,642	2,450,171
Capital leases	166,126	--	47,579	118,547
Supplementary Retirement Plan (SRP)	3,415,773	--	1,284,857	2,130,916
Load banking <sup>(2)</sup>	748,669	189,040	238,872	698,837
Other postemployment benefits (OPEB)	<u>6,044,632</u>	<u>2,960,168</u>	<u>1,159,902</u>	<u>7,844,898</u>
Total Other Liabilities	12,924,013	3,149,208	2,829,852	13,243,369
Total Long-Term Obligations	<u>\$256,659,308</u>	<u>\$82,406,248</u>	<u>\$77,181,366</u>	<u>\$261,884,190</u>

<sup>(1)</sup> Includes debt service on the Refunded Bonds expected to be refinanced with proceeds of the Refunding Bonds.

<sup>(2)</sup> The District participates in "load banking" with eligible employees whereby the employee may teach extra courses in one period in exchange for time off in another period.

Source: Riverside Community College District.

**General Obligation Bonds.** The 2004 Authorization was the result of an election held on March 2, 2004 and approved by at least fifty-five percent of the votes cast by eligible voters within the District to issue \$350,000,000 maximum principal amount of general obligation bonds. On August 3, 2004, the District caused the issuance of (I) \$55,205,000 aggregate principal amount of its 2004A Bonds and (II) \$9,795,000 aggregate principal amount of its 2004B Bonds. On June 21, 2007, the District caused the issuance of \$90,000,000 aggregate principal amount of its 2007C Bonds. On November 10, 2010, the District caused the issuance of (i) \$7,699,278.45 aggregate principal amount of its 2010D Bonds and (ii) \$102,300,000 aggregate principal amount of its 2010D-1 Bonds. The New Money Bonds are the sixth series of bonds issued pursuant to the 2004 Authorization. After the issuance of the New Money Bonds, \$\_\_\_\_\_ \* principal amount of the 2004 Authorization will remain unissued.

On June 8, 2005, the District issued \$58,386,109.30 aggregate principal amount of its 2005 General Obligation Refunding Bonds (the "2005 Refunding Bonds"), the net proceeds of which were used to advance refund a portion of the then-outstanding 2004A Bonds. On May 29, 2014, the District issued \$29,130,000 aggregate principal AMOUNT of its 2014 General Obligation Refunding Bonds,

\* Preliminary, subject to change.



Series A (Tax-Exempt) (the “2014A Refunding Bonds”), the net proceeds of which were used to (i) currently refund a portion of the remaining outstanding 2004A Bonds, (ii) advance refund a portion of the then-outstanding 2005 Refunding Bonds, and (iii) advance refund a portion of the then-outstanding 2007C Bonds. On May 29, 2014, the District also issued \$43,960,000 aggregate principal amount of its 2014 General Obligation Refunding Bonds, Series B (Federally Taxable) (the “2014B Refunding Bonds”), the net proceeds of which were used to advance refund a portion of the then-outstanding 2005 Refunding Bonds. The District expects to use the proceeds of the Refunding Bonds to refund the remaining outstanding 2007C Bonds.

The table on the following page shows the total debt service with respect to the District’s outstanding general obligation bonded debt, assuming no optional redemptions.

[REMAINDER OF PAGE LEFT BLANK]

**COMBINED GENERAL OBLIGATION BONDS DEBT SERVICE\***  
**Riverside Community College District**

Year Ending (August 1)	2007C Bonds <sup>(1)</sup>	2005 Refunding Bonds	2010D Bonds	2010D-1 Bonds <sup>(2)</sup>	2014A Refunding Bonds	2014 B Refunding Bonds	New Money Bonds	Refunding Bonds	Total Annual Debt Service
2015	\$2,221,500.00	\$2,930,000.00	\$375,000.00	\$7,164,193.00	\$1,397,350.00	\$1,776,515.70			
2016	2,221,500.00	--	570,000.00	7,164,193.00	1,762,350.00	4,572,838.00			
2017	2,221,500.00	--	765,000.00	7,164,193.00	1,807,750.00	4,788,195.80			
2018	2,221,500.00	--	970,000.00	7,164,193.00	1,830,750.00	5,014,444.60			
2019	2,221,500.00	--	1,175,000.00	7,164,193.00	1,867,500.00	5,249,876.36			
2020	2,221,500.00	--	1,360,000.00	7,164,193.00	1,896,250.00	5,500,331.10			
2021	2,221,500.00	--	1,560,000.00	7,164,193.00	1,922,250.00	5,774,465.50			
2022	2,221,500.00	--	1,775,000.00	7,164,193.00	1,970,500.00	6,031,565.50			
2023	2,221,500.00	--	1,975,000.00	7,164,193.00	2,009,750.00	6,320,704.50			
2024	2,221,500.00	--	2,190,000.00	7,164,193.00	2,060,250.00	6,610,318.00			
2025	2,221,500.00	--	3,205,000.00	7,164,193.00	8,213,250.00	--			
2026	2,221,500.00	--	--	7,164,193.00	8,540,500.00	--			
2027	2,221,500.00	--	--	7,164,193.00	8,873,750.00	--			
2028	11,741,500.00	--	--	7,164,193.00	--	--			
2029	12,095,500.00	--	--	7,164,193.00	--	--			
2030	12,538,000.00	--	--	7,164,193.00	--	--			
2031	12,912,500.00	--	--	7,924,193.00	--	--			
2032	1,050,000.00	--	--	14,516,213.00	--	--			
2033	--	--	--	15,270,011.00	--	--			
2034	--	--	--	15,445,277.00	--	--			
2035	--	--	--	15,616,169.00	--	--			
2036	--	--	--	15,774,201.00	--	--			
2037	--	--	--	15,925,658.00	--	--			
2038	--	--	--	16,066,468.00	--	--			
2039	--	--	--	16,197,770.00	--	--			
2040	--	--	--	16,315,351.00	--	--			
<b>Total</b>	<b>\$79,217,000.00</b>	<b>\$2,930,000.00</b>	<b>\$15,920,000.00</b>	<b>\$263,678,399.00</b>	<b>\$44,152,200.00</b>	<b>\$51,639,255.06</b>			

<sup>(1)</sup> Includes debt service on the Refunded Bonds expected to be refinanced with proceeds of the Refunding Bonds.

<sup>(2)</sup> The 2010D-1 Bonds are designated as "Build America Bonds" pursuant to an irrevocable election by the District to have Sections 54AA and Section 54AA(g) of the Code apply thereto. The District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to 3.5% of the interest payable on such bonds on or about each semi-annual interest payment date (each a "BAB Subsidy"). This table reflects gross debt service payments with respect to the 2010D-1 Bonds and does not reflect the anticipated receipt of the BAB Subsidy. The BAB Subsidy is subject to reduction (the "Sequestration Reduction") pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the BAB Subsidy by 7.3% through the end of the current federal fiscal year (September 30, 2015). In the absence of action by the United States Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect the BAB Subsidies currently scheduled for receipt in future federal fiscal years. However, notwithstanding any such reduction, the Board of Supervisors of the County is empowered and obligated to levy *ad valorem* property taxes in an amount sufficient to pay the principal of and interest on the 2010D-1 Bonds. The County will deposit any cash BAB Subsidy received into the debt service fund for the 2010D-1.

Source: *Riverside Community College District*.

\* Preliminary, subject to change.

**Capital Leases.** The District has entered into lease agreements primarily to lease equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The current lease agreements in the amount of \$166,126 will be paid through 2017. The District's liability on the lease agreements with the option to purchase is summarized below:

Year Ending	Lease
<u>June 30,</u>	<u>Payment</u>
2015	\$57,940
2016	54,612
2017	<u>18,003</u>
Total	\$130,555
Less: Amount Represent Interest	<u>12,008</u>
Present Value of Minimum Lease Payments	<u>\$118,547</u>

The equipment purchased through the capital leases has been capitalized and is being depreciated over the estimated useful lives, as shown below.

Equipment	\$226,424
Less: Accumulated Depreciation	<u>(214,719)</u>
Total	\$11,705

Amortization of the leased equipment under the capital leases is included with depreciation expense.

*Source: Riverside Community College District.*

## TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of corporations.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the

Internal Revenue Code of 1986, as amended (the “Code”), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bondowner’s original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bondowner’s basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS, THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE INTEREST ON THE BONDS OR THE MARKET VALUE OF THE BONDS. LEGISLATIVE CHANGES HAVE BEEN PROPOSED IN CONGRESS, WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME TAX BEING IMPOSED ON CERTAIN OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS SUCH AS THE BONDS. THE INTRODUCTION OR ENACTMENT OF ANY SUCH CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT, SUBSEQUENT TO THE ISSUANCE OF THE BONDS, SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel’s opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolutions and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

## LEGAL MATTERS

### Legality for Investment in California

Under provisions of the State Financial Code, the Bonds are legal investments for commercial banks in the State to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the State Government Code, are eligible for security for deposits of public moneys in the State.

### Continuing Disclosure

**Current Undertaking.** The District has covenanted for the benefit of bondholders (including beneficial owners of the Bonds) to provide certain financial information and operating data relating to the District (the “Annual Report”) by not later than nine months following the end of the District’s fiscal year (presently ending June 30), commencing with the report for the 2014-15 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Report and the notices of listed events will be filed in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Report or the notices of listed events is included in “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

**Previous Undertakings.** [The District has previously entered into undertakings pursuant to the Rule with respect to its outstanding general obligation bonds. Within the past five years, the District has failed to file in a timely manner notices of certain listed events, as required by its prior continuing disclosure undertakings. Within the past five years, the District has never filed a notice of a failure to provide annual financial information, on or before the date specified in its prior continuing disclosure undertakings. The District has retained Keygent LLC as its dissemination agent to assist it in preparing and filing the annual reports and notices of listed events required under its existing continuing disclosure obligations with respect to the District’s outstanding general obligation bonds, as well as the undertaking in connection with the Bonds.]

### No Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District’s ability to receive *ad valorem* property taxes or to collect other revenues or contesting the District’s ability to issue and retire the Bonds.

## **Information Reporting Requirements**

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 (“TIPRA”). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations is subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date of this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

## **Escrow Verification**

Upon delivery of the Bonds, Causey Demgen & Moore P.C. will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriter relating to (a) the adequacy of the moneys in the Escrow Fund to pay the redemption price of and interest on the Refunded Bonds and (b) the computations of yield of the Bonds which support Bond Counsel’s opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes.

## **Legal Opinions**

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel. Copies of the proposed forms of such legal opinions are attached hereto as APPENDIX A.

## **MISCELLANEOUS**

### **Ratings**

Moody’s and S&P have assigned the Bonds the ratings of “\_\_\_” and “\_\_\_,” respectively. Generally, rating agencies base their ratings on information and material furnished directly to them and on investigations, studies and assumptions made by them. The ratings reflect only the views of such organizations and an explanation of the significance of such ratings may be obtained from the applicable rating agencies, at the following addresses: Moody’s Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007; Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, 55 Water Street, 45th Floor, New York, New York 10041. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if, in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

The District will covenant in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access website (“EMMA”) notices of any ratings changes on the Bonds. See “APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE” attached hereto. Notwithstanding such covenant, information relating to ratings changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the ratings agencies and their respective websites and official



media outlets for the most current ratings changes with respect to the Bonds after the initial issuance of the Bonds.

### **Financial Statements**

The District's audited financial statements with supplemental information for the year ended June 30, 2014, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated November 24, 2014 of Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants (the "Auditor"), are attached to this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

### **Underwriting**

Piper Jaffray & Co. (the "Underwriter") has agreed, pursuant to a purchase contract by and between the District and the Underwriter, to (i) purchase all of the New Money Bonds for a purchase price of \$\_\_\_\_\_ (consisting of the principal amount of the New Money Bonds of \$\_\_\_\_\_, plus net original issue premium of \$\_\_\_\_\_, less Underwriter's discount of \$\_\_\_\_\_), and (ii) purchase all of the Refunding Bonds for a purchase price of \$\_\_\_\_\_ (consisting of the principal amount of the Refunding Bonds of \$\_\_\_\_\_, plus net original issue premium of \$\_\_\_\_\_, less Underwriter's discount of \$\_\_\_\_\_).

The purchase contract related to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the purchase contract, the approval of certain legal matters by bond counsel and certain other conditions. The initial offering prices stated on the inside front cover pages of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices. The offering prices may be changed from time to time by the Underwriter.

### **Additional Information**

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolutions providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

Some of the data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners, beneficial or otherwise, of any of the Bonds.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

By: \_\_\_\_\_  
Aaron S. Brown  
Vice Chancellor, Business and Financial Services

## APPENDIX A

### FORMS OF OPINION OF BOND COUNSEL

*Upon the issuance and delivery of the New Money Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the New Money Bonds in substantially the following form:*

[Closing Date]

Board of Trustees  
Riverside Community College District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$ \_\_\_\_\_ Riverside Community College District (Riverside and San Bernardino Counties, California) Election of 2004 General Obligation Bonds, Series 2015E (the “Bonds”). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, a greater than fifty-five percent vote of the qualified electors of the Riverside Community College District (the “District”) voting at an election held on March 2, 2004, resolutions adopted by the Board of Trustees of the Riverside Community College District (the “District”) on May 5, 2015 and by the Riverside County Board of Supervisors on June 2, 2015 (together, the “Resolution”).
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of such corporations.
4. Interest on the Bonds is exempt from State of California personal income tax.
5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. For

purposes of the previous sentence, the stated redemption price at maturity includes the aggregate sum of all debt service payments on Capital Appreciation Bonds. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

*Upon the issuance and delivery of the Refunding Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Refunding Bonds in substantially the following form:*

[Closing Date]

Board of Trustees  
San Mateo Union High School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of \$\_\_\_\_\_ Riverside Community College District (Riverside and San Bernardino Counties, California) 2015 General Obligation Refunding Bonds (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and resolutions adopted by the Board of Trustees of the Riverside Community College District (the "District") on March 18, 2014 and May 5, 2015 (together, the "Resolution").
2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.
3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of such corporations.
4. Interest on the Bonds is exempt from State of California personal income tax.
5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.



6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

**APPENDIX B**

**THE DISTRICT'S 2013-14 AUDITED FINANCIAL STATEMENTS**

## APPENDIX C

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

*The Riverside Community College District will execute a Continuing Disclosure Certificate in substantially the following form in connection with the issuance of the Bonds (as defined below).*

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Riverside Community College District (the “District”) in connection with the issuance of \$\_\_\_\_\_ of the District’s Election of 2004 General Obligation Bonds, Series 2015E (the “Series 2015E Bonds”) and 2015 General Obligation Refunding Bonds (the “Refunding Bonds,” and together with the Series 2015E Bonds, the “Bonds”). The Series 2015E Bonds are being issued pursuant to a resolution of the District Board of Trustees dated May 5, 2015 and a resolution of the Riverside County Board of Trustees dated June 2, 2015. The Refunding Bonds are being issued pursuant to resolutions of the District dated March 18, 2014 and May 5, 2015. 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 S.E.C. Rule 15c2-12(b)(5).

**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 Keygent LLC, 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 Section 5(b) of this Disclosure Certificate.

“Participating Underwriter” shall mean Piper Jaffray & Co., as the original underwriter 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 2014-15 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(c).

(b) Not later than thirty (30) days (nor more than sixty (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 fifteen (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 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 and listing all the Repository to which it was provided.

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) FTES 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) assessed valuation of real property located within the District for the current fiscal year; and
- (f) secured *ad valorem* property tax delinquencies within the District for the current year, to the extent that Riverside County discontinues the Teeter Plan (as such term is defined in the Official Statement).

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. rating changes.
5. 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).
6. unscheduled draws on the debt service reserves reflecting financial difficulties.
7. unscheduled draws on credit enhancement reflecting financial difficulties.
8. substitution of the credit or liquidity providers or their failure to perform.
9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) 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. optional, contingent or unscheduled bond calls.
4. 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.
5. release, substitution or sale of property securing repayment of the Bonds.
6. 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.
7. 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(c) 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) or Section 5(b), as applicable.

**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 fifteen (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, 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(b), 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 attorney's 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: \_\_\_\_\_, 2015

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By: \_\_\_\_\_  
Executive Director of Business Services/  
Chief Business Officer

**EXHIBIT A**

**NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT**

Name of District: RIVERSIDE COMMUNITY COLLEGE DISTRICT

Name of Bond Issue: Election of 2004 General Obligation Bonds, Series 2015E;  
2015 General Obligation Refunding Bonds

Date of Issuance: \_\_\_\_\_, 2015

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: \_\_\_\_\_

ANTELOPE VALLEY COMMUNITY COLLEGE  
DISTRICT

By [form only; no signature required]

## APPENDIX D

### GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF RIVERSIDE AND RIVERSIDE COUNTY

*The following information regarding the City of Riverside and Riverside County is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of either the City of Riverside or Riverside County. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District or Bond Counsel.*

#### **General**

***The City of Riverside.*** The City of Riverside (the “City”) is located in Riverside County in the Inland Empire of the State of California (the “State”) and is the most populous city in the County and the Inland Empire. It is the 12th largest city in the State and the 6th largest city in Southern California. The City is governed by a mayor and a city council made up of seven members. The City was founded in 1870, and boasts a long history of agriculture with the citrus industry boom, as the City is the birthplace of the California citrus industry.

***Riverside County.*** Riverside County (the “County”) is the fourth largest county in the State, encompassing approximately 7,243 square miles. It is located in the southern portion of the State and is bordered by San Bernardino County on the north, Los Angeles and Orange Counties on the west, the State of Arizona and the Colorado River on the east, and San Diego and Imperial Counties on the south. The County has experienced a long period of growth and development. It is currently the eleventh most populous county in the United States, and fourth largest in the State. The County, incorporated in 1893, is a general law county, with its seat located in the City.

## Population

The following table shows historical population figures for the City, the County and the State from 2000 through 2014.

**POPULATION ESTIMATES**  
**2000 through 2014**  
**City of Riverside, Riverside County and State of California**

Year <sup>(1)</sup>	City of Riverside		Riverside County		State of California	
	Population	% Change	Population	% Change	Population	% Change
2000 <sup>(2)</sup>	255,166	--	1,545,387	--	33,873,086	--
2001	261,464	2.5%	1,589,708	2.9%	34,256,789	1.1%
2002	269,746	3.2	1,655,291	4.1	34,725,516	1.4
2003	275,867	2.3	1,730,219	4.5	35,163,609	1.3
2004	279,829	1.4	1,814,485	4.9	35,570,847	1.2
2005	284,715	1.7	1,895,695	4.5	35,869,173	0.8
2006	286,720	0.7	1,975,913	4.2	36,116,202	0.7
2007	289,674	1.0	2,049,902	3.7	36,399,676	0.8
2008	293,988	1.5	2,102,741	2.6	36,704,375	0.8
2009	298,721	1.6	2,140,626	1.8	36,966,713	0.7
2010 <sup>(2)</sup>	303,871	1.7	2,189,641	2.3	37,253,956	0.8
2011	306,069	0.7	2,205,731	0.7	37,427,946	0.5
2012	309,409	1.1	2,234,209	1.3	37,668,804	0.6
2013	312,035	0.8	2,255,653	1.0	37,984,138	0.8
2014	314,034	0.6	2,279,967	1.1	38,340,074	0.9

<sup>(1)</sup> January 1 data.

<sup>(2)</sup> April 1 data.

Source: California Department of Finance.

**Personal Income**

The following table shows per capita personal income for the County, the State and the United States from 2004 through 2013.

**PER CAPITA PERSONAL INCOME<sup>(1)</sup>  
 2004 through 2013  
 Riverside County, State of California and United States**

<u>Year</u>	<u>Riverside County</u>	<u>State of California</u>	<u>United States</u>
2004	\$27,801	\$37,156	\$34,300
2005	28,933	38,964	35,888
2006	30,368	41,623	38,127
2007	30,934	43,152	39,804
2008	30,876	43,608	40,873
2009	29,651	41,587	39,379
2010	29,612	42,282	40,144
2011	31,196	44,749	42,332
2012	32,534	47,505	44,200
2013	33,278	48,434	44,765

<sup>(1)</sup> Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).  
 Source: U.S. Department of Commerce, Bureau of Economic Analysis.



## Employment

The following table summarizes the labor force, employment and unemployment figures for the City, the County and the State from 2010 through 2014.

**CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATE**  
**2010 through 2014<sup>(1)</sup>**  
**Riverside County and State of California**

<u>Year and Area</u>	<u>Labor Force</u>	<u>Employment<sup>(2)</sup></u>	<u>Unemployment<sup>(3)</sup></u>	<u>Unemployment Rate (%)</u>
<u>2010</u>				
City of Riverside	165,100	140,900	24,200	14.6%
Riverside County	938,400	802,300	136,200	14.5
State of California	18,336,300	16,068,400	2,267,900	12.4
<u>2011</u>				
City of Riverside	165,300	142,400	22,900	13.9%
Riverside County	939,600	810,400	129,200	13.8
State of California	18,417,900	16,249,600	2,168,300	11.8
<u>2012</u>				
City of Riverside	166,100	145,600	20,500	12.3%
Riverside County	944,500	828,800	115,600	12.3
State of California	18,519,000	16,589,700	1,929,300	10.4
<u>2013</u>				
City of Riverside	167,600	150,300	17,400	10.4%
Riverside County	953,200	855,300	97,900	10.3
State of California	18,596,800	16,933,300	1,663,500	8.9
<u>2014</u>				
City of Riverside	146,500	135,000	11,500	7.9%
Riverside County	1,011,500	928,200	83,400	8.2
State of California	18,811,500	17,397,140	1,430,973	8.9

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2014 Benchmark.

## Industry

The following table summarizes the average annual industry employment in the County from 2009 through 2013.

### LABOR FORCE AND INDUSTRY EMPLOYMENT ANNUAL AVERAGES 2009 through 2013 Riverside County

<u>Type of Employment</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Total Farm	12,400	12,400	12,400	12,900	12,400
Mining and Logging	500	400	400	400	300
Construction	40,400	35,400	34,100	35,200	42,400
Manufacturing	39,000	37,900	38,600	39,500	39,100
Transportation, Warehousing and Utilities	19,700	19,400	20,200	21,100	24,000
Wholesale Trade	18,700	19,100	19,700	20,600	22,300
Retail Trade	78,800	78,500	81,600	81,100	82,000
Information	8,500	10,200	7,600	6,300	6,200
Financial Activities	20,700	19,300	18,600	19,300	20,000
Professional and Business Services	53,600	50,300	52,200	53,900	57,400
Educational and Health Services	68,300	67,800	70,700	76,100	83,000
Leisure and Hospitality	68,700	67,700	68,900	72,200	75,800
Other Services	18,100	18,300	18,800	19,200	20,000
Government	<u>109,300</u>	<u>109,200</u>	<u>114,200</u>	<u>112,100</u>	<u>111,200</u>
Total All Industries	556,700	545,800	557,900	570,700	596,200

Note: Items may not add to total due to independent rounding.

Source: California Employment Development Department, Labor Market Information Division. March 2014 Benchmark.

## Principal Employers

The following tables list the principal employers located in the City and the County.

### PRINCIPAL EMPLOYERS As of June 30, 2014 City of Riverside

<u>Employer Name</u>	<u>Employees</u>	Percentage of Total City <u>Employment</u>
County of Riverside	11,187	7.6%
University of California, Riverside	7,218	4.9
Riverside Unified School District	3,461	2.4
Kaiser	3,156	2.1
City of Riverside	2,476	1.7
Riverside Community Hospital	1,880	1.3
Riverside County Office of Education	1,765	1.2
Alvord Unified School District	1,445	1.0
Parkview Community Hospital	1,350	0.9
Riverside Community College District	1,064	0.7

Source: "Comprehensive Annual Financial Report" of the City of Riverside, California for the fiscal year July 1, 2013 through June 30, 2014.

### PRINCIPAL EMPLOYERS As of June 30, 2014 Riverside County

<u>Employer Name</u>	<u>Employees</u>	Percentage of Total County <u>Employment</u>
County of Riverside	19,916	2.30%
March Air Reserve Base	8,500	0.98
Stater Bros. Markets	6,900	0.80
University of California, Riverside	5,514	0.64
Kaiser Permanente Riverside Med. Center	5,270	0.61
Pechanga Resort & Casino	4,500	0.52
Corona-Norco Unified School District	4,300	0.50
Walmart	4,068	0.47
Riverside Unified School District	4,000	0.46
Hemet Unified School District	3,572	0.41

Source: "Comprehensive Annual Financial Report" of Riverside County, California for the fiscal year July 1, 2013 through June 30, 2014.

## Commercial Activity

Summaries of annual taxable sales for the City and the County from 2009 through 2013 are shown in the following tables.

### ANNUAL TAXABLE SALES 2009 through 2013 City of Riverside (In Thousands)

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Taxable Transactions</u>
2009	5,033	\$2,734,550	7,202	\$3,500,514
2010	5,690	2,889,292	7,907	3,692,302
2011	5,764	3,144,537	8,066	4,019,127
2012	6,196	3,348,220	8,484	4,238,975
2013	5,436	3,580,926	7,673	4,612,948

Note: In 2009, retail permits expanded to include permits for food services.  
 Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

### ANNUAL TAXABLE SALES 2009 through 2013 Riverside County (In Thousands)

<u>Year</u>	<u>Retail Permits</u>	<u>Retail Stores Taxable Transactions</u>	<u>Total Permits</u>	<u>Total Taxable Transactions</u>
2009	29,829	\$16,057,488	42,765	\$22,227,877
2010	32,534	16,919,500	45,688	23,152,780
2011	33,398	18,576,285	46,886	25,641,497
2012	34,683	20,016,668	48,316	28,096,009
2013	33,391	21,306,774	46,805	30,065,467

Note: In 2009, retail permits expanded to include permits for food services.  
 Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

## Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued from 2009 through 2013 for the City and the County are shown in the following tables.

### BUILDING PERMITS AND VALUATIONS 2009 through 2013 City of Riverside (Dollars in Thousands)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Valuation (\$000's)					
Residential	\$23,944	\$58,764	\$35,440	\$73,345	\$30,646
Non-Residential	<u>45,883</u>	<u>87,269</u>	<u>98,400</u>	<u>53,007</u>	<u>115,561</u>
Total	\$69,827	\$146,033	\$133,840	\$126,352	\$146,207
Units					
Single Family	56	107	43	193	70
Multiple Family	<u>23</u>	<u>266</u>	<u>236</u>	<u>168</u>	<u>51</u>
Total	79	373	279	361	121

Note: Totals may not add to sum due to rounding.  
 Source: Construction Industry Research Board.

### BUILDING PERMITS AND VALUATIONS 2009 through 2013 Riverside County (Dollars in Thousands)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Valuation (\$000's)					
Residential	\$1,053,694	\$1,079,637	\$760,240	\$1,079,405	\$1,375,593
Non-Residential	<u>376,819</u>	<u>539,379</u>	<u>679,117</u>	<u>657,595</u>	<u>873,977</u>
Total	\$1,430,513	\$1,619,016	\$1,439,357	\$1,737,000	\$2,249,570
Units					
Single Family	3,431	4,031	2,659	3,720	4,716
Multiple Family	<u>759</u>	<u>526</u>	<u>1,061</u>	<u>909</u>	<u>1,427</u>
Total	4,190	4,557	3,720	4,629	6,143

Note: Totals may not add to sum due to rounding.  
 Source: Construction Industry Research Board.

## APPENDIX E

### RIVERSIDE COUNTY POOLED INVESTMENT FUND

*The following information concerning the Riverside County Pooled Investment Fund (the “Investment Pool”) has been provided by the Treasurer, and has not been confirmed or verified by the District or the Underwriter. The District and the Underwriter have not made an independent investigation of the investments in the Investment Pool and have made no assessment of the current County investment policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Investment Pool will not vary significantly from the values described herein. Finally, neither the District nor the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Investment Pool may be obtained from the Treasurer at <https://www.countytreasurer.org/>; however, the information presented on such website is not incorporated herein by any reference.*



**APPENDIX F**  
**ACCRETED VALUES TABLE**

\$ \_\_\_\_\_  
**RIVERSIDE COMMUNITY COLLEGE DISTRICT**  
**(Riverside and San Bernardino Counties, California)**  
**Election of 2004 General Obligation Bonds, Series 2015E**

**PURCHASE CONTRACT**

\_\_\_\_\_, 2015

Treasurer-Tax Collector  
Riverside County  
4080 Lemon St. 47<sup>th</sup> Floor  
Riverside, CA 92502

Board of Trustees  
Riverside Community College District  
4800 Magnolia Avenue  
Riverside, California 92506

Ladies and Gentlemen:

The undersigned, Piper Jaffray & Co., as Underwriter (the “Underwriter”), offers to enter into this Purchase Contract (the “Purchase Contract”) with the Riverside County, California (the “County”), Riverside Community College District (the “District”), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Contract by the County and the District and delivery of such acceptance to us at or prior to 11:59 P.M., California Time, on the date hereof.

Inasmuch as the sale contemplated hereby represents a negotiated transaction, the District and the County acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the between the District and the County, and the Underwriter, (ii) in connection therewith and with the discussion, undertakings and procedures leading up to the consummation of such transaction, the Underwriter has acted and is acting solely as a principal and not as an agent or a fiduciary of, or a financial advisor to, either the District or the County, (iii) the Underwriter has not assumed an advisory or a fiduciary responsibility in favor of the District or the County with respect to (a) the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the District on other matters) or (b) any other obligation to the District or the County except the obligations expressly set forth in this Purchase Contract, and (iv) the District and the County have consulted with their own legal, financial and other professional advisors to the extent they have deemed appropriate in connection with the offering of the Bonds. 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, Underwriter hereby agrees to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of \$\_\_\_\_\_ in aggregate initial principal amount of the District’s Election of 2004 General Obligation Bonds, Series 2015E (the “Bonds”).

The Bonds shall be issued as current interest bonds (the “Current Interest Bonds”) and capital appreciation bonds (the “Capital Appreciation Bonds”). The Current Interest Bonds will be dated the date of delivery thereof (the “Date of Delivery”) and shall be payable as to interest on each February 1 and August 1, commencing August 1, 2015. The Capital Appreciation Bonds will be dated as of their Date of Delivery, and will not bear interest on a periodic basis, instead accreting interest to the maturity or redemption thereof, compounded semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Underwriter shall purchase the Bonds at a price of \$\_\_\_\_\_ (consisting of the initial principal amount of the Bonds of \$\_\_\_\_\_, plus net original issue premium of \$\_\_\_\_\_, and less an Underwriter’s discount of \$\_\_\_\_\_). Certain costs of issuance of the Bonds shall be paid by the District in accordance with Section 12 hereof.

2. **The Bonds.** The Bonds shall be dated their Date of Delivery. The Bonds shall bear interest at the rates and shall mature on the dates and in the years, and shall be subject to redemption, as shown on Appendix A hereto, which is incorporated herein by reference, and shall otherwise be as described in the Official Statement (as defined herein), and shall be issued and secured pursuant to the provisions of the Resolution of the District’s Board of Trustees (the “District Board”) adopted on May 5, 2015 (the “District Resolution”) and the Riverside County Board of Supervisors adopted on [June 2, 2015] (the “County Resolution,” and, together with the District Resolution, the “Resolution”), this Purchase Contract, the Official Statement, and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Act”). Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Official Statement or, if not in the Official Statement, in the County Resolution.

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

3. **Use of Documents.** The District and the County hereby authorize the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Contract, the Preliminary Official Statement (as defined herein) and the Official Statement, the Resolutions and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

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. On or prior to the Closing, the Underwriter shall certify to the District in writing, in form and substance satisfactory to the District and to Stradling Yocca Carlson & Rauth, a Professional Corporation, bond counsel with respect to the Bonds (“Bond Counsel”): (i) that as of the date of sale, all of the Bonds were reasonably expected to be reoffered in a bona fide public offering; (ii) that as of the date of the certification, all of the Bonds purchased had actually been offered to the general public; and (iii) the maximum initial bona fide offering prices at which a substantial amount (at least 10%) of each maturity of the Bonds purchased was sold or was reasonably expected to be sold to the general public.

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 \_\_\_\_\_, 2015 (the “Preliminary Official Statement”). The District represents that it has duly authorized and prepared the Preliminary Official Statement for use by the Underwriter in connection with the sale of the Bonds, and that it has deemed the Preliminary Official Statement to be final, as of its date, except for either revision or addition of the offering price(s), interest or accretion 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 final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. 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 system within one business day after receipt thereof from the District, but in no event later than the Closing (as defined below).

6. **Closing.** At 9:00 A.M., California Time, on \_\_\_\_\_, 2015 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 DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), in San Francisco, 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 in immediately available funds by check, draft or wire transfer to the account of the County.

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

(a) Due Organization. The District is a community college district duly organized and validly existing under the laws of the State of California (the "State"), with the 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 enter into the this Purchase Contract and the Continuing Disclosure Certificate (as defined herein), to adopt the District Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement and to carry out and effectuate the transactions contemplated by this Purchase Contract, the Continuing Disclosure Certificate and the District Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in, the Bonds, the District Resolution, the County Resolution, this Purchase Contract and the Continuing Disclosure Certificate have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract, 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; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

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

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

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Contract, the Continuing Disclosure Certificate, the District Resolution and the Bonds, and the compliance with the provisions hereof 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 or the application of the proceeds of the sale of the Bonds, or the collection or levy of *ad valorem* property taxes contemplated by the Resolution and available to pay the principal and Maturity Value of and interest on the Bonds, or the pledge of funds on deposit in the debt service fund therefor, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Contract or the Resolutions or contesting the powers of the District or its authority with respect to the Bonds, the Resolutions or this Purchase Contract; or (iii) in which a final adverse decision could (a) materially adversely affect the operations or financial condition of the District or the consummation of the transactions contemplated by this Purchase Contract or the Resolutions, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest on the Bonds from California personal income taxation.

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

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

(i) Continuing Disclosure. 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 be substantially in the form attached to the Preliminary Official Statement and 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.

(j) Official Statement Accurate and Complete. The Preliminary Official Statement, as of the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. As of the date thereof and on the date of Closing, the Official Statement will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The District makes no representation or warranty as to the information contained in or omitted from the Preliminary Official Statement or the Official Statement in reliance



upon and in conformity with information furnished in writing to the District by or on behalf of the Underwriter through a representative of the Underwriter specifically for inclusion therein.

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

(l) No Material Adverse Change. The financial statements of, and other financial information regarding, the District in the 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.

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

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

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

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



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

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

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

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

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

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

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

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

(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)(9) hereof is sufficient to effect compliance with the Rule.

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

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

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

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

(d) Subsequent Events. The District hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the County or the District 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 below) (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 in order to make the statements made 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 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 retains 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 Closing.

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

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

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

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

(c) Adverse Rulings. To the best knowledge of the County or the District, no decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Contract (and not reversed on appeal or otherwise set aside), 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 of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the County and the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(1) legislation enacted 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 causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds, 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 SEC, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) legislation enacted by the 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 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 an order, filing, regulation or official statement by the SEC, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, 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 or downgrading of any underlying credit rating of the District's outstanding indebtedness by a national rating agency;

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

(10) the suspension by the Securities and Exchange Commission of trading in the outstanding securities of the County or the District; or

(11) there shall have occurred any materially adverse change in the affairs or financial condition of the District.

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

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

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

(3) Supplemental Opinion of Bond Counsel. A supplemental opinion of Bond Counsel in form and substance satisfactory to the Underwriter, dated the Closing Date and addressed to the District and the Underwriter, to the effect that:

(i) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions “INTRODUCTION,” “THE BONDS,” “LEGAL MATTERS – Continuing Disclosure” and “TAX MATTERS,” to the extent they purport to summarize certain provisions of the Bonds, the Resolutions, the Continuing Disclosure Certificate and the form and content of Bond Counsel’s approving opinion with respect to 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, or information relating to DTC or its book-entry only system included therein, or with respect to Appendices B, D, E or F to the Official Statement;

(ii) the Continuing Disclosure Certificate and this Purchase Contract have each been duly authorized, executed and delivered by the District and, assuming the due authorization, execution and delivery by the other parties thereto, and constitute legal, valid and binding agreements of the District are enforceable in accordance with their respective terms, except as such 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 Resolutions are exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(4) Certificates. A certificate signed by appropriate officials of the County and the District to the effect that (i) such officials are authorized to execute this Purchase Contract, (ii) the representations, agreements and warranties of the County and the District herein are true and correct in all material respects as of the date of Closing, (iii) the County and the District have complied with all the terms of their respective Resolutions and this Purchase Contract to be complied with by the County and the District 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 required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Contract substantially conform to the



descriptions thereof contained in the County Resolution, and (vi) no event concerning the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement thereto, but should be disclosed in order to make the statements in the Official Statement in light of the circumstances in which they were made not misleading; provided that the certificate provided by the County may exclude statements to the effect of (iv), (v) and (vi) above;

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

(6) Ratings. Evidence satisfactory to the Underwriter that the Bonds have received a rating of “\_\_\_” from Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) and a rating of “\_\_\_” by Moody’s Investors Service (“Moody’s”), and that any such ratings have not been revoked or downgraded;

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

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

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

(ii) Evidence satisfactory to the Underwriter that the District Board considered the District Resolution at two consecutive meetings, first as an information item and second as an action item, and that at such second meeting the District Board was presented with the information regarding the Bonds required by and sufficient to satisfy the requirements of Section 15146(b) and (c) of the State Education Code;

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

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

(ii) that the County Resolution was duly adopted;

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



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

(12) 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;

(13) 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 the Underwriter, the County 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 (except for Appendices B, D, E or F attached thereto, any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, or information relating to the DTC or its book-entry only system included in the Official Statement or any appendix thereto, as to which such counsel need express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(14) Underwriter's Counsel Opinion. An opinion, dated the date of the Closing addressed to the Underwriter, of Nossaman, LLP, Irvine, California, counsel to the Underwriter, in such form as may be acceptable to the Underwriter; and

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

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

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

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

**13. Expenses.**

(a) To the extent the transactions contemplated by this Purchase Contract are contemplated, the District shall pay or cause to be paid the costs of issuance of the Bonds, including but not limited to the following: (i) the fees and disbursements of the District's Bond Counsel and Disclosure Counsel; (ii) the cost of the preparation, printing and delivery of the Bonds; (iii) the fees for Bond ratings; (iv) the cost of the printing and distribution of the Preliminary Official Statement and Official Statement; (v) the initial fees of the Paying Agent and Fiscal Agent; (vi) 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; (vii) financial advisory fees; and (viii) all other fees and expenses incident to the issuance and sale of the Bonds. The District hereby directs the Underwriter to wire (i) a portion of the purchase price of the Bonds identified in Section 1 hereof, in an amount not to exceed \$\_\_\_\_\_, to U.S. Bank National Association, as fiscal agent to the District (the "Fiscal Agent") for the payment of the costs of issuance with respect to the Bonds.

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

(c) 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 for any costs described in Subsection 12(vi) above that are attributable to District personnel.

**14. Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer-Tax Collector, Riverside County, 4080 Lemon St, Riverside, CA 92501, if to the District, to Riverside Community College District, 4800 Magnolia Avenue, Riverside, California 92506, Attention: Vice Chancellor, Business and

Financial Services; or if to the Underwriter, to Piper Jaffray & Co., 345 California Street, Suite 2400, San Francisco, California 94104, Attention: Ivory Li.

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

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

17. **Indemnification.** The District hereby agrees to indemnify, defend and hold harmless, to the extent permitted by law, the County and its officials and employees (“Indemnified Parties”), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of the Resolutions, or related to the proceedings for sale, award, issuance, and delivery of the Bonds in accordance therewith and herewith. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions

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

Very truly yours,

**PIPER JAFFRAY & CO., as Underwriter**

By: \_\_\_\_\_  
Authorized Representative

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

**RIVERSIDE COUNTY**

Accepted:

By: \_\_\_\_\_  
Treasurer-Tax Collector  
Riverside County

Accepted at \_\_\_\_\_ p.m. California Time  
This \_\_\_<sup>th</sup> day of \_\_\_\_\_, 2015

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

By: \_\_\_\_\_  
Vice Chancellor, Business and Financial Services

Accepted at \_\_\_\_\_ p.m. California Time  
This \_\_\_<sup>th</sup> day of \_\_\_\_\_, 2015

**APPENDIX A**

\$ \_\_\_\_\_  
**RIVERSIDE COMMUNITY COLLEGE DISTRICT**  
**(Riverside and San Bernardino Counties, California)**  
**Election of 2004 General Obligation Bonds,**  
**Series 2015E**

\$ \_\_\_\_\_ **Current Interest Serial Bonds**

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

\$ \_\_\_\_\_ – \_\_\_\_\_ % **Current Interest Term Bonds due August 1, 20\_\_** – **Yield \_\_\_\_\_ %**

\$ \_\_\_\_\_ **Capital Appreciation Serial Bonds**

<u>Maturity</u> <u>(August 1)</u>	<u>Denominational</u> <u>Amount</u>	<u>Accretion</u> <u>Rate</u>	<u>Reoffering</u> <u>Yield</u>	<u>Maturity</u> <u>Value</u>
--------------------------------------	--	---------------------------------	-----------------------------------	---------------------------------

\$ \_\_\_\_\_ **Capital Appreciation Term Bonds**

<u>Maturity</u> <u>(August 1)</u>	<u>Denominational</u> <u>Amount</u>	<u>Accretion</u> <u>Rate</u>	<u>Reoffering</u> <u>Yield</u>	<u>Maturity</u> <u>Value</u>
--------------------------------------	--	---------------------------------	-----------------------------------	---------------------------------

**Redemption Provisions**

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

The Capital Appreciation Bonds maturing on or before August 1, 20\_\_ are not subject to redemption. The Capital Appreciation Bonds maturing on or after August 1, 20\_\_ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 20\_\_, at a redemption price equal to the Accreted Value, as of the date fixed for redemption, of the Capital Appreciation Bonds called for redemption, without premium.

***Mandatory Redemption.***

The Current Interest Term Bonds maturing on August 1, 20\_\_, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Current Interest Term Bonds to be so redeemed and the dates therefor and the final principal payment date are as indicated in the following table:

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

---

<sup>(1)</sup> Maturity.

In the event that a portion of the Current Interest Term Bonds maturing on August 1, 20\_\_ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such Current Interest Term Bonds optionally redeemed.

The Capital Appreciation Term Bonds maturing on August 1, 20\_\_ are subject to redemption prior to maturity from mandatory sinking fund payments on September 1 of each year, on and after August 1, 20\_\_, at a redemption price equal to the Accreted Value thereof, as of the date fixed for redemption, without premium. The Accreted Value represented by such Capital Appreciation Term Bonds to be so redeemed and the dates therefor and the final payment date are as indicated in the following table:

Redemption Date ( <u>August 1</u> )	<u>Accreted Value</u>
--	-----------------------

---

<sup>(1)</sup> Maturity.

In the event that a portion of the Capital Appreciation Term Bonds maturing on September 1, 20\_\_ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 of Maturity Value, in respect of the portion of such Capital Appreciation Term Bonds optionally redeemed.

## APPENDIX B

### OPINION OF COUNTY COUNSEL

§ \_\_\_\_\_

**RIVERSIDE COMMUNITY COLLEGE DISTRICT  
(Riverside and San Bernardino Counties, California)  
Election of 2004 General Obligation Bonds, Series 2015E**

Ladies and Gentlemen

This opinion is rendered as counsel to the County of Riverside (the “County”) in connection with the issuance by the Riverside Community College District (the “District”) of its Election of 2004 General Obligation Bonds, Series 2015E in the aggregate principal amount of \$\_\_\_\_\_ (the “Bonds”). The Bonds are being issued pursuant to a resolution of the Board of Supervisors of the County adopted on [June 2], 2015 (the “County Resolution”), at the request of the District made pursuant to a resolution adopted by the Board of Trustees of the District on May 5, 2015 (the “District Resolution”).

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

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

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



4. To my knowledge, the obligations of the County under the Bonds and the execution and delivery of the Purchase Contract and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach of or default under any agreement or other instrument to which the County is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the County is subject.

Very truly yours,

---

---

ASSISTANT COUNTY COUNSEL

\$ \_\_\_\_\_  
**RIVERSIDE COMMUNITY COLLEGE DISTRICT**  
**(Riverside and San Bernardino Counties, California)**  
**2015 General Obligation Refunding Bonds**

**PURCHASE CONTRACT**

\_\_\_\_\_, 2015

Board of Trustees  
Riverside Community College District  
4800 Magnolia Avenue  
Riverside, California 92506

Ladies and Gentlemen:

The undersigned, Piper Jaffray & Co., as underwriter (the “Underwriter”), offers to enter into this Purchase Contract (the “Purchase Contract”) with the Riverside Community College 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 Contract 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 meaning ascribed to such terms in the Official Statement (as defined herein) or, if not defined in the Official Statement, in the Resolution (as defined herein).

Inasmuch as the sale contemplated hereby represents a negotiated transaction, the District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the District and the Underwriter, (ii) in connection therewith and with the discussion, undertakings and procedures leading up to the consummation of such transaction, the Underwriter has acted and is acting solely as a principal and not as an agent or a fiduciary of, or a financial advisor to, the District, (iii) the Underwriter has not assumed an advisory or a fiduciary responsibility in favor of the District with respect to (a) the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the District on other matters) or (b) any other obligation to the District except the obligations expressly set forth in this Purchase Contract, and (iv) the District has consulted with its own legal, financial and other professional advisors to the extent it has deemed appropriate in connection with the offering of the Bonds. 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 in the

name and on behalf of the District to the Underwriter for such purpose, all (but not less than all) of \$\_\_\_\_\_ aggregate principal amount of the District's 2015 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 Exhibit A hereto, which is incorporated herein by this reference. The Bonds shall be dated the date of delivery thereof and shall bear interest from such date, payable semiannually on each February 1 and August 1, commencing August 1, 2015.

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 \$\_\_\_\_\_, and less Underwriter's discount of \$\_\_\_\_\_).

2. **The Bonds.** The Bonds shall be dated their date of delivery. The Bonds shall mature on the dates and in the years shown on Appendix A hereto, shall otherwise be as described in the Official Statement, and shall be issued and secured pursuant to the provisions of the resolutions of the District adopted on March 18, 2014 and May 5, 2015 (collectively, the "Resolution") and Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act").

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

The net proceeds of the Bonds will be used to advance refund the outstanding Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2007C (the "Refunded Bonds"), pursuant to an Escrow Agreement dated as of [June] 1, 2015 (the "Escrow Agreement"), by and between the District and U.S. Bank National Association as escrow bank (the "Escrow Agent"). Such net proceeds will be deposited into escrow funds held pursuant to the Escrow Agreement and invested in certain Federal Securities, as such term is defined therein, the principal of and interest on which shall be used, together with funds deposited with the Escrow Agent as cash, to pay the principal due on the Refunded Bonds on August 1, 2017, as well as the interest due on such Refunded Bonds on and before such date.

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Contract, the Escrow Agreement, the Preliminary Official Statement (as defined herein) and Official Statement, the Continuing Disclosure Certificate (as defined herein), 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 Contract.

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. On or prior to the Closing, the Underwriter shall certify to the District in writing, in form and substance satisfactory to the District and to Stradling Yocca Carlson & Rauth, a Professional Corporation, bond counsel with respect to the Bonds ("Bond

Counsel”): (i) that as of the date of sale, all of the Bonds were reasonably expected to be reoffered in a bona fide public offering; (ii) that as of the date of the certification, all of the Bonds purchased had actually been offered to the general public; and (iii) the maximum initial bona fide offering prices at which a substantial amount (at least 10%) of each maturity of the Bonds purchased was sold or was reasonably expected to be sold to the general public.

**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 \_\_\_\_\_, 2015 (the “Preliminary Official Statement”). The District represents that it has duly authorized and prepared the Preliminary Official Statement for use by the Underwriter in connection with the sale of the Bonds, and that it has deemed the Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), interest rate(s), yield(s) to maturity, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s), redemption provisions and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the 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 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 system within one business day after receipt thereof from the District, but in no event later than the Closing (as defined below).

**6. Closing.** At 9:00 A.M., California Time, on \_\_\_\_\_, 2015 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 DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), in San Francisco, 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 in immediately available funds by check, draft or wire transfer to the account or accounts of the District.

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

(a) **Due Organization.** The District is a community college district duly organized and validly existing under the laws of the State of California (the “State”), with the 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 enter into this Purchase

Contract, the Continuing Disclosure Certificate, and the Escrow Agreement, to refund the Refunded Bonds, to adopt the Resolution, to perform its obligations under each such document or instrument, to approve the Official Statement and to carry out and effectuate the transactions contemplated by this Purchase Contract, 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, this Purchase Contract, the Escrow Agreement and the Continuing Disclosure Certificate have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Contract, 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; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Contract.

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

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

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of this Purchase Contract, the Escrow Agreement, the Continuing Disclosure Certificate, the Resolution and the Bonds, 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, or the collection of *ad valorem* property taxes contemplated by the Resolution and available to pay the principal of and interest on the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution, the Escrow Agreement, or this Purchase Contract or contesting the powers of the District or its authority with respect to the Bonds, the Resolution, the Escrow Agreement, or this Purchase Contract; or (iii) in which a

final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the Resolution, the Escrow Agreement or this Purchase Contract, (b) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of interest paid on the Bonds from State personal income taxation.

(g) No Other Debt. Between the date hereof and the Closing, without the prior written consent of the Underwriter, neither the District, nor 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.

(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 be substantially in the form attached to the Preliminary Official Statement and 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.

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

(k) Levy of Tax. The District hereby agrees to take any and all actions as may be required by Riverside County (the “County”) or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Bonds, and the deposit and investment of Bond proceeds. In particular, the District hereby agrees to provide to the County’s Auditor-Controller and the County’s Treasurer-Tax Collector a copy of the Resolution, a copy of Appendix A hereto, and the full debt service schedules 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 Contract 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 Contract is signed, copies of an Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter 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 not later than five (5) business days following the date this Purchase Contract is signed, 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 below) (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 in order to make the statements made 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 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 retains 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 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 the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Contract and to take any action under this Purchase Contract 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)(8) hereof is sufficient to effect compliance with the Rule.

**10. Conditions to Closing.** The Underwriter has entered into this Purchase Contract 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 Contract are and shall be subject at the option of the Underwriter to the following further conditions at the Closing:

(a) Representations True. The representations and warranties of the 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 Contract;

(b) Obligations Performed. At the time of the Closing, (i) the Resolution, Continuing Disclosure Certificate, Escrow Agreement, and this Purchase Contract, 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 the or specified in the Resolution, this Purchase Contract, the Continuing Disclosure Certificate, 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 Contract (and not reversed on appeal or otherwise set aside), 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 of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the 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 causing inclusion in gross income for purposes of federal income taxation of the interest received by the owners of the Bonds, 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 SEC, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) legislation enacted by the 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 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 an order, filing, regulation or official statement by the SEC, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, 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 or downgrading of any underlying credit rating of the District's outstanding indebtedness by a national rating agency;

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

(10) the suspension by the Securities and Exchange Commission of trading in the outstanding securities of the District; or

(11) there shall have occurred any materially adverse change in the affairs or financial condition of the District.

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

(1) Bond Opinion; Defeasance Opinion. (A) 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 Preliminary Official Statement and the Official Statement as Appendix A; and (B) a defeasance opinion with respect to the defeasance of the Refunded Bonds addressed to the District and the Underwriter;

(2) 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 Closing, substantially to the following effect:

(A) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions “INTRODUCTION,” “THE BONDS,” “LEGAL MATTERS – Continuing Disclosure” and “TAX MATTERS,” to the extent they purport to summarize certain provisions of the Bonds, the Resolution, the Continuing Disclosure Certificate and the form and content of Bond Counsel’s approving opinion with respect to 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, or information relating to DTC or its book-entry only system included therein, or with respect to Appendices B, D, E or F to the Official Statement;

(B) the Continuing Disclosure Certificate and this Purchase Contract have each been duly authorized, executed and delivered by the District and, assuming the due authorization, execution and delivery by the other parties thereto, and constitute legal, valid and binding agreements of the District are enforceable in accordance with their respective terms, except as such 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

(C) 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.

(3) 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 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 (except for Appendices B, D, E or F attached thereto, any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, or information relating to the DTC or its book-entry only system included in the Official Statement or any appendix thereto, as to which such counsel need express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

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

(5) District Certificates. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Contract, (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 Contract 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 necessary in order to make the statements made 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 Contract 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 made in the Official Statement in the light of the circumstances in which they were made not misleading;

(6) Tax Certificate. A nonarbitrage and tax certificate of the District, with respect to the Bonds, in form satisfactory to Bond Counsel;

(7) Ratings. Evidence satisfactory to the Underwriter that the Bonds have received a rating of “\_\_\_” from Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) and a rating of “\_\_\_” by Moody’s Investors Service (“Moody’s”), and that any such ratings have not been revoked or downgraded;

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

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

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

(11) Escrow Agreement. An executed copy of the Escrow Agreement, dated as of [June] 1, 2015;

(12) Verification Report. A report and opinion 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;

(13) 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;

(14) 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;

(15) Underwriter's Counsel Opinion. An opinion, dated the date of the Closing addressed to the Underwriter, of Nossaman, LLP, Irvine, California, counsel to the Underwriter, in such form as may be acceptable to the Underwriter; and

(16) Other Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel or 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 hereof, then the obligation to purchase Bonds hereunder shall terminate and be of no further force or effect except with respect to the obligations of the District and the Underwriter under Section 14 hereof.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Contract or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the 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 the transactions contemplated by this Purchase Contract are contemplated, the District shall pay or cause to be paid the costs of issuance of the Bonds, including but not limited to the following: (i) the fees and disbursements of the District's Bond Counsel and Disclosure Counsel; (ii) the cost of the preparation, printing and delivery of the Bonds;



(iii) the fees for Bond ratings; (iv) the cost of the printing and distribution of the Preliminary Official Statement and Official Statement; (v) the initial fees of the Paying Agent and Fiscal Agent; (vi) 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; (vii) the initial fees for the refunding escrow verification; (viii) the initial fees of the Escrow Agent; (ix) financial advisory fees; and (x) all other fees and expenses incident to the issuance and sale of the Bonds. The District hereby directs the Underwriter to wire (i) a portion of the purchase price of the Bonds identified in Section 1 hereof, in an amount not to exceed \$\_\_\_\_\_, to U.S. Bank National Association, as fiscal agent to the District (the "Fiscal Agent") for the payment of the costs of issuance with respect to the Bonds.

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

(c) 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 for any costs described in Subsection 12(vi) above that are attributable to District personnel.

13. **Notices.** Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to Riverside Community College District, 4800 Magnolia Avenue, Riverside, California 92506, Attention: Vice Chancellor, Business and Financial Services; or if to the Underwriter, to Piper Jaffray & Co., 345 California Street, Suite 2400, San Francisco, California 94104, Attention: Ivory Li.

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

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

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

Very truly yours,

**PIPER JAFFRAY & CO., as Underwriter**

By: \_\_\_\_\_  
Authorized Representative

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

**RIVERSIDE COMMUNITY COLLEGE DISTRICT**

By: \_\_\_\_\_  
Vice Chancellor, Business and Financial Services

Accepted at \_\_\_\_\_ p.m. California Time  
This \_\_\_\_<sup>th</sup> day of \_\_\_\_\_, 2015

**APPENDIX A**

\$ \_\_\_\_\_  
**RIVERSIDE COMMUNITY COLLEGE DISTRICT**  
**(Riverside and San Bernardino Counties, California)**  
**2015 General Obligation Refunding Bonds**

\$ \_\_\_\_\_ **Serial Bonds**

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

---

<sup>(1)</sup> Yield to call at par on August 1, \_\_\_\_.

**Redemption Provisions**

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

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

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

---

<sup>(1)</sup> Maturity.

In the event that a portion of the Term Bonds maturing on August 1, 20\_\_ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately or as otherwise directed by the District, in integral multiples of \$5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed.

**ESCROW AGREEMENT  
RELATING TO THE DEFEASANCE OF**

\$90,000,000  
RIVERSIDE COMMUNITY COLLEGE DISTRICT  
(Riverside County, California)  
Election of 2004 General Obligation Bonds, Series 2007C

THIS ESCROW AGREEMENT, is dated and entered into as of June 1, 2015, by and between the Riverside Community College District (the "District"), and U.S. Bank National Association, acting in its capacity as escrow agent (the "Escrow Agent") pursuant to this Escrow Agreement (the "Agreement");

W I T N E S S E T H:

WHEREAS, the District has previously caused the issuance of \$90,000,000 Riverside Community College District (Riverside County, California), Election of 2004 General Obligation Bonds, Series 2007C (the "Prior Bonds"); and

WHEREAS, the District determined pursuant to Resolutions adopted by the Board of Trustees of the District on March 18, 2014 and May 5, 2015 that it is in the District's best interest to advance refund the outstanding Prior Bonds, all as more particularly described on Schedule C hereto (so refunded or paid for, the "Refunded Bonds");

WHEREAS, the District has authorized the issuance of \$\_\_\_\_\_ of its 2015 General Obligation Refunding Bonds (the "Bonds"), the sale of which shall provide proceeds to accomplish such a refunding; and

WHEREAS, the Bonds shall be issued on June \_\_\_\_, 2015; and

WHEREAS, the proceeds of the sale of the Bonds shall be applied to refund or defease the Refunded Bonds in accordance with the terms of this Agreement; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the District and the Escrow Agent agree as follows:

**SECTION 1. Deposit of Moneys.**

(a) As used herein, the term "Investment Securities" means the investment securities set forth in Schedule A hereto. The District hereby deposits with the Escrow Agent \$\_\_\_\_\_, which amount represents the net proceeds of the Bonds, to be held in irrevocable escrow by the Escrow Agent separate and apart from other funds of the District and the Escrow Agent in a fund hereby created and established and to be known as the "Riverside Community College District 2015 General Obligation Refunding Bonds Escrow Fund" (referred to herein as the "Escrow Fund") to be applied solely as provided in this Agreement. Such moneys are at least equal to an amount sufficient to purchase the principal amount of Investment Securities set forth in Schedule A hereto.

(b) The Escrow Agent hereby acknowledges receipt of the cash flow and yield verification report of Causey Demgen & Moore P.C., certified public accountants, dated June \_\_\_, 2015 (the "Verification Report"), and the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, dated June \_\_\_, 2015 (the "Defeasance Opinion"), relating to the sufficiency of the Investment Securities and cash deposited pursuant hereto to defease the Refunded Bonds and, with respect to the Defeasance Opinion, relating to this Agreement.

SECTION 2. Use and Investment of Moneys. The Escrow Agent acknowledges receipt of the moneys described in Section 1 hereof and agrees:

(a) to immediately invest \$\_\_\_\_\_ of the moneys described in Section 1(a) hereof in the Investment Securities set forth in Schedule A hereto and to deposit such Investment Securities in the Escrow Fund, and to hold \$\_\_\_\_\_ uninvested as cash; and

(b) to make the payments required under Section 3(a) hereof at the times set forth therein.

SECTION 3. Payment of Refunded Bonds.

(a) Payment. As the principal of the Investment Securities set forth in Schedule A hereof and the investment income and earnings thereon are paid, and together with other monies on deposit in the Escrow Fund, the Escrow Agent shall transfer from the Escrow Fund, to the paying agent for the Refunded Bonds (the "Paying Agent"), amounts sufficient to pay the principal of and interest on the Refunded Bonds due on and prior to August 1, 2017, and to redeem on such date the Refunded Bonds, at a redemption price equal to 100% of the outstanding principal amount thereof, plus interest accrued to such date.

Such transfers shall constitute the respective payments of the principal of and interest on the Refunded Bonds and redemption price due from the District.

(b) Unclaimed Moneys. Any moneys which remain unclaimed for two years after the date such moneys have become due and payable hereunder shall be repaid by the Escrow Agent to the District and deposited by the District in the Debt Service Fund relating to the Bonds. Any moneys remaining in the Escrow Fund established hereunder after August 1, 2017 (aside from unclaimed proceeds of the Refunded Bonds) which are in excess of the amount needed to pay owners of the Refunded Bonds payments of principal and interest and redemption premium, if any, with respect to the Refunded Bonds or to pay any amounts owed to the Escrow Agent shall be immediately transferred by the Escrow Agent to Riverside County, on behalf of the District, for deposit into the Debt Service Fund relating to the Bonds.

(c) Priority of Payments. The holders of the Refunded Bonds shall have an equal and first lien on the moneys and Investment Securities in the Escrow Fund which are allowable and sufficient to pay the Refunded Bonds until such moneys and Investment Securities are used and applied as provided in this Agreement, as verified by the Verification Report. Any cash or securities held in the Escrow Fund are irrevocably pledged only to the holders of the Refunded Bonds.

(d) Termination of Obligation. Upon deposit of the moneys set forth in Section 1(a) hereof with the Escrow Agent pursuant to the provisions of Section 1(a) hereof and the simultaneous purchase of the Investment Securities as provided in Section 2 hereof, all obligations of the District with respect to the Refunded Bonds shall cease and terminate, except only the obligation to make payments therefor from the moneys provided for hereunder.

SECTION 4. Performance of Duties. The Escrow Agent agrees to perform the duties set forth herein.

SECTION 5. Reinvestment. Upon written direction of the District, the Escrow Agent may reinvest any uninvested amounts held as cash under this Agreement in noncallable nonprepayable obligations which are direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America provided (i) the amounts of and dates on which the anticipated transfers from the Escrow Fund to the Paying Agent for the payment of the principal of, redemption price of, and interest on the Refunded Bonds will not be diminished or postponed thereby, (ii) the Escrow Agent shall receive the unqualified opinion of nationally recognized municipal bond counsel to the effect that such reinvestment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or the Refunded Bonds, (iii) the Escrow Agent shall receive from a firm of independent certified public accountants a certification that, immediately after such reinvestment, the principal of and interest on obligations in the Escrow Fund will, together with other cash on deposit in the Escrow Fund available for such purposes, be sufficient without reinvestment to pay, when due, the principal or redemption price of and interest on the Refunded Bonds; and (iv) the Escrow Agent shall receive an opinion of nationally recognized municipal bond counsel that such reinvestment is permissible under this Agreement.

SECTION 6. Indemnity. The District hereby assumes liability for, and hereby agrees (whether or not any of the transactions contemplated hereby are consummated) to indemnify, protect, save and keep harmless the Escrow Agent and its respective successors, assigns, agents, employees and servants, from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including reasonable legal fees and disbursements) of whatsoever kind and nature which may be imposed on, incurred by, or asserted against, the Escrow Agent at any time (whether or not also indemnified against the same by the District or any other person under any other agreement or instrument, but without double indemnity) in any way relating to or arising out of the execution, delivery and performance of its Agreement, the establishment hereunder of the Escrow Fund, the acceptance of the funds and securities deposited therein, the purchase of the Investment Securities, the retention of the Investment Securities or the proceeds thereof and any payment, transfer or other application of moneys or securities by the Escrow Agent in accordance with the provisions of this Agreement; provided, however, that the District shall not be required to indemnify the Escrow Agent against the Escrow Agent's own negligence or willful misconduct or the negligent or willful misconduct of the Escrow Agent's respective successors, assigns, agents and employees or the breach by the Escrow Agent of the terms of this Agreement. In no event shall the District or the Escrow Agent be liable to any person by reason of the transactions contemplated hereby other than to each other as set forth in this section. The indemnities contained in this Section shall survive the termination of this Agreement.

SECTION 7. Responsibilities of the Escrow Agent. The Escrow Agent and its respective successors, assigns, agents and servants shall not be held to any personal liability whatsoever, in tort, contract or otherwise, in connection with the execution and delivery of this Agreement, the establishment of the Escrow Fund, the acceptance of the moneys or securities deposited therein, the purchase of the Investment Securities, the retention of the Investment Securities or the proceeds thereof, the sufficiency of the Investment Securities to accomplish the refunding and defeasance of the Refunded Bonds or any payment, transfer or other application of moneys or obligations by the Escrow Agent in accordance with the provisions of this Agreement or by reason of any non-negligent act, non-negligent omission or non-negligent error of the Escrow Agent made in good faith in the conduct of its duties. The recitals of fact contained in the "whereas" clauses herein shall be taken as the statements of the District and the Escrow Agent assumes no responsibility for the correctness thereof. The Escrow Agent makes no representation as to the sufficiency of the Investment Securities to accomplish the refunding and defeasance of the Refunded Bonds or to the validity of this Agreement as to the District and, except as otherwise provided herein, the Escrow Agent shall incur no liability with respect thereto. The Escrow Agent shall not be liable in



connection with the performance of its duties under this Agreement except for its own negligence, willful misconduct or default, and the duties and obligations of the Escrow Agent shall be determined by the express provisions of this Agreement. The Escrow Agent may consult with counsel, who may or may not be counsel to the District, and in reliance upon the written opinion of such counsel shall have full and complete authorization and protection with respect to any action taken, suffered or omitted by it in good faith in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by an authorized officer of the District.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, except as set forth in the preceding paragraph. The Escrow Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 8. Substitution of Investment Securities. At the written request of the District and upon compliance with the conditions hereinafter set forth, the Escrow Agent shall have the power to sell, transfer, request the redemption or otherwise dispose of some or all of the Investment Securities in the Escrow Fund and to substitute noncallable nonprepayable obligations (the “Substitute Investment Securities”) constituting direct obligations issued by the United States Treasury or obligations which are unconditionally guaranteed as to full and timely payment by the United States of America. The foregoing may be effected only if: (i) the substitution of Substitute Investment Securities for the Investment Securities (or Substitute Investment Securities) occurs simultaneously; (ii) the amounts of and dates on which the anticipated transfers from the Escrow Fund to the Paying Agent for the payment of the principal of and/or redemption price of and/or interest on the Refunded Bonds will not be diminished or postponed thereby; (iii) the Escrow Agent shall receive the unqualified opinion of nationally recognized municipal bond counsel to the effect that such disposition and substitution would not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Refunded Bonds or the Bonds, and that the conditions of this Section 8 as to the disposition and substitution have been satisfied and that the substitution is permitted by this Agreement; and (iv) the Escrow Agent shall receive from a firm of independent certified public accountants a certification that, immediately after such transaction, the principal of and interest on the Substitute Investment Securities in the Escrow Fund will, together with other cash on deposit in the Escrow Fund available for such purpose, be sufficient without reinvestment to pay, when due, the principal or redemption price of and interest on the Refunded Bonds. Any cash from the sale of Investment Securities (including U.S. Treasury Securities) received from the disposition and substitution of Substitute Investment Securities pursuant to this Section 8 to the extent such cash will not be required, in accordance with this Agreement, and as demonstrated in the certification described in clause (iv) above, at any time for the payment when due of the principal or redemption price of or interest on the Refunded Bonds shall be paid to the District as received by the Escrow Agent free and clear of any trust, lien, pledge or assignment securing such Bonds or otherwise existing under this Agreement. Any other substitution of securities in the Escrow Fund not described in the previous sentence must satisfy the requirements of this Section 8. In no event shall the Escrow Agent invest or reinvest moneys held under this Agreement in mutual funds or unit investment trusts.

SECTION 9. Irrevocable Instructions as to Notice.

(a) The Escrow Agent hereby acknowledges that upon the funding of the Escrow Fund as provided in Section 1(a) hereof and the simultaneous purchase of the Investment Securities as provided in Section 2 hereof, and the receipt of the Defeasance Opinion and the Verification Report described in Section 1(b) of this Agreement, then the Refunded Bonds shall be deemed paid in accordance with the terms of the Refunded Bonds and all obligations of the District with respect to the Refunded Bonds shall cease and terminate, except only the obligation to cause payments to be made therefore from the monies provided for hereunder.

(b) The Escrow Agent further agrees it shall provide timely notices of the redemption of the Refunded Bonds, pursuant to the Irrevocable Instructions and Request to Escrow Agent attached hereto as Schedule B.

SECTION 10. Amendments. This Agreement is made for the benefit of the District and the holders from time to time of the Refunded Bonds and it shall not be repealed, revoked, altered or amended without the written consent of all such holders, the Escrow Agent and the District; provided, however, but only after the receipt by the Escrow Agent of an opinion of nationally recognized municipal bond counsel that the exclusion from gross income of interest on the Bonds and the Refunded Bonds will not be adversely affected for federal income tax purposes, that the District and the Escrow Agent may, without the consent of, or notice to, such holders, amend this Agreement or enter into such agreements supplemental to this Agreement as shall not materially adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Agreement for any one or more of the following purposes: (i) to cure any ambiguity or formal defect or omission in this Agreement; (ii) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and (iii) to include under this Agreement additional funds, securities or properties. The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized municipal bond counsel with respect to compliance with this Section 10, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions and provisions of this Section 10. In the event of any conflict with respect to the provisions of this Agreement, this Agreement shall prevail and be binding.

SECTION 11. Term. This Agreement shall commence upon its execution and delivery and shall terminate on the later to occur of either (i) the date upon which the last of the Refunded Bonds have been paid in accordance with this Agreement or (ii) the date upon which no unclaimed moneys remain on deposit with the Escrow Agent pursuant to Section 3(b) of this Agreement.

SECTION 12. Compensation. The Escrow Agent shall receive its reasonable fees and expenses as previously agreed to; provided, however, that under no circumstances shall the Escrow Agent be entitled to any lien nor will it assert a lien whatsoever on any moneys or obligations in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Agreement.

SECTION 13. Resignation or Removal of Escrow Agent.

(a) The Escrow Agent may resign by giving notice in writing to the District, a copy of which shall be sent to DTC. The Escrow Agent may be removed (1) by (i) filing with the District an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid, (ii) sending notice at least 60 days prior to the effective date of said removal to DTC, and (iii) the delivery of a copy of the instruments filed with the District to the Escrow Agent or (2) by a court of competent jurisdiction for failure to act in accordance with the provisions of this Agreement upon application by the District or the holders of 51% in aggregate principal amount of the Refunded Bonds then remaining unpaid.

(b) If the position of Escrow Agent becomes vacant due to resignation or removal of the Escrow Agent or any other reason, a successor Escrow Agent may be appointed by the District. The holders of a majority in principal amount of the Refunded Bonds then remaining unpaid may, by an instrument or instruments filed with the District, appoint a successor Escrow Agent who shall supersede any Escrow Agent theretofore appointed by the District. If no successor Escrow Agent is appointed by the District or the holders of such Refunded Bonds then remaining unpaid, within 45 days after any such resignation or removal, the holder of any such Refunded Bond or any retiring Escrow Agent may apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent. The responsibilities of the Escrow Agent under this Escrow Agreement will not be discharged until a new Escrow Agent is appointed and until the cash and investments held under this Escrow Agreement are transferred to the new Escrow Agent.

SECTION 14. Severability. If any one or more of the covenants or agreements provided in this Agreement on the part of the District or the Escrow Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenants or agreements shall be null and void and shall be deemed separate from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

SECTION 15. Counterparts. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

SECTION 16. Governing Law. This Agreement shall be construed under the laws of the State of California.

SECTION 17. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall be a legal holiday or a day on which banking institutions in the city in which is located the principal office of the Escrow Agent are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are authorized by law to remain closed, with the same force and effect as if done on the nominal date provided in this Agreement, and no interest shall accrue for the period after such nominal date.

SECTION 18. Assignment. This Agreement shall not be assigned by the Escrow Agent or any successor thereto without the prior written consent of the District, except as provided in Section 20 hereof, which shall require no such prior written consent.

SECTION 19. Rating Agencies. The District agrees to provide Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York, 10007, and Standard & Poor's Ratings Service, a Standard & Poor's Financial Services LLC business, 55 Water Street, New York, New York, 10071, prior notice of each amendment entered into pursuant to Section 10 hereof and a copy of such proposed amendment, and to forward a copy (as soon as possible) of (i) each amendment hereto entered into pursuant to Section 10 hereof, and (ii) any action relating to severability or contemplated by Section 14 hereof.

SECTION 20. Reorganization of Escrow Agent. Notwithstanding anything to the contrary contained in this Agreement, any company into which the Escrow 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 the Escrow Agent is a party, or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to the Escrow Agent without execution or filing of any paper or any paper or further act, if such company is eligible to serve as Escrow Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By: \_\_\_\_\_  
Aaron S. Brown  
Vice Chancellor, Business and Financial Services

U.S. BANK NATIONAL ASSOCIATION, as Escrow  
Agent

By: \_\_\_\_\_  
Authorized Signatory

SCHEDULE A-1

“Investment Securities” are defined to be, and shall be, the securities described below:

SCHEDULE B

IRREVOCABLE INSTRUCTIONS AND REQUEST TO  
ESCROW AGENT

June \_\_\_\_, 2015

U.S. Bank National Association  
Corporate Trust Services  
633 West Fifth Street, 24th Floor  
Los Angeles, California 90071

\$90,000,000  
RIVERSIDE COMMUNITY COLLEGE DISTRICT  
(Riverside County, California)  
Election of 2004 General Obligation Bonds, Series 2007C

Ladies and Gentlemen:

As Escrow Agent with respect to the Refunded Bonds (defined herein) pursuant to that certain escrow agreement (the "Escrow Agreement"), dated as of June 1, 2015, by and between the Riverside Community College District (the "District") and U.S. Bank National Association, with respect to the outstanding Riverside Community College District (Riverside County, California) Election of 2004, General Obligation Bonds, Series 2007C maturing on August 1, 2032 (the "Refunded Bonds"), you are hereby notified of the irrevocable election of the District, through the deposit and investment of funds pursuant to the Escrow Agreement, to pay the principal of and interest on the 2007C Bonds due on and prior to August 1, 2017, and to redeem on such date the 2007C Bonds at a price of 100% of the principal amount thereof.

You are hereby irrevocably instructed to give, as provided in the resolutions of the District authorizing the issuance of the Refunded Bonds, notice of redemption of such principal amounts of said Refunded Bonds as are scheduled to be redeemed prior to maturity to the extent such Refunded Bonds have not been otherwise redeemed or purchased by the Escrow Agent prior to such date. Such notice shall substantially be in the form annexed hereto as Exhibit X.

You are further hereby irrevocably instructed to file notices of defeasance of the Refunded Bonds with the Municipal Securities Rulemaking Board, which can be found at <http://emma.msrb.org/>.

Finally, you are hereby irrevocably instructed to provide, as soon as practicable, notices to the holders of the Refunded Bonds (substantially in the form annexed hereto as Exhibit Y) that the deposit of investment securities and moneys has been made with you as such Escrow Agent and that you have received a verification report verifying that the projected withdrawals from such escrow have been calculated to be adequate to pay the principal or redemption price of and the interest on said Refunded Bonds outstanding as such become due or are subject to redemption.

RIVERSIDE COMMUNITY COLLEGE DISTRICT

By: \_\_\_\_\_  
Aaron S. Brown,  
Vice Chancellor, Business and Financial Services



Receipt acknowledged and  
consented to:

U.S. BANK NATIONAL ASSOCIATION,  
as Escrow Agent

By: \_\_\_\_\_  
Authorized Signatory

EXHIBIT X

**Notice of Redemption**  
**\$90,000,000**  
**RIVERSIDE COMMUNITY COLLEGE DISTRICT**  
**(Riverside County, California)**  
**Election of 2004 General Obligation Bonds, Series 2007C**

**Original Issue Date: June 7, 2007**

Maturity (August 1)	Rate	Principal Amount	Redemption Price	CUSIP*	Bond Number
2032	5.000%	\$44,430,000	100%	76886PDJ9	No. 9

NOTICE IS HEREBY GIVEN to the holders of the remaining outstanding \$90,000,000 Riverside Community College District (Riverside County, California), Election of 2004 General Obligation Bonds, Series 2007C, maturing on August 1, 2032 (the "Refunded Bonds"), that the Refunded Bonds have been called for redemption prior to maturity on August 1, 2017 (the "Redemption Date") in accordance with their terms at a redemption price of 100% of the principal amount thereof (the "Redemption Price"), together with accrued interest thereon to the Redemption Date. The source of the funds to be used for such redemption is the principal of and interest on investment securities heretofore deposited with U.S. Bank National Association, as Escrow Agent, together with moneys heretofore deposited with the Escrow Agent and held as cash.

Interest on the Refunded Bonds and the Redemption Price shall become due and payable on the Redemption Date, and after such date, interest on such Refunded Bonds shall cease to accrue and be payable.

Holders of the Refunded Bonds will receive payment of the Redemption Price and accrued interest to which they are entitled upon presentation and surrender thereof at the principal corporate trust office of U.S. Bank National Association in the following manner:

First Class/Registered/Certified Mail	By Hand or Overnight Delivery Only
U. S. Bank National Association Corporate Trust Services P. O. Box 64111 St. Paul, MN 55164-0111	U. S. Bank, National Association Corporate Trust Services 111 Fillmore Avenue E. St. Paul, MN 55107

Bondholders presenting their Bonds in person for same day payment **must** surrender their bond(s) by 1:00 PM on the Redemption Date and a check will be available for pickup after 2:00 PM. Checks not picked up by 4:30 PM will be mailed out to the bondholder via first class mail. If payment of the Redemption Price is to be made to the registered owner of the Bond, you are not required to endorse the Bond to collect the Redemption Price.

Interest on the principal amount designated to be redeemed shall cease to accrue on and after the Redemption Date.

**IMPORTANT NOTICE**

Under the Economic Growth and Tax Relief Reconciliation Act of 2001 (the "Act") 28% of the Redemption Price will be withheld if tax identification number is not properly certified.

\*Neither the Riverside Community College District nor the Paying Agent shall be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness as shown in this Redemption Notice. It is included solely for convenience of the Holders.

**By U.S. BANK NATIONAL ASSOCIATION,  
as Paying Agent**

Date: \_\_\_\_\_, 20\_\_

EXHIBIT Y

**NOTICE OF DEFEASANCE OF**  
**\$90,000,000**  
**RIVERSIDE COMMUNITY COLLEGE DISTRICT**  
**(Riverside County, California)**  
**Election of 2004 General Obligation Bonds, Series 2007C**

**Original Issue Date: June 7, 2007**

<b>Maturity (August 1)</b>	<b>Rate</b>	<b>Principal Amount</b>	<b>Redemption Price</b>	<b>CUSIP</b>	<b>Bond Number</b>
2032	5.000%	\$44,430,000	100%	76886PDJ9	No. 9

Notice is hereby given to the holders of the outstanding Riverside Community College District (Riverside County, California) Election of 2004 General Obligation Bonds, Series 2007C, maturing on August 1, 2032 (the "Refunded Bonds") (i) that there has been deposited with U.S. Bank National Association, as escrow agent (the "Escrow Agent"), moneys and investment securities as permitted by the Escrow Agreement, dated as of June 1, 2015, between the Riverside Community College District and the Escrow Agent (the "Agreement"), the principal of and the interest on which when due will provide moneys which, together with such other moneys deposited with the Escrow Agent, shall be available and sufficient (according to the verification report provided to the Escrow Agent) (a) to pay the interest with respect to the Refunded Bonds scheduled to be paid on and prior to August 1, 2017 (the "Redemption Date") and (b) to redeem the Refunded Bonds on such Redemption Date at a redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) equal to 100%; (ii) that the Escrow Agent has been irrevocably instructed to so redeem such Refunded Bonds; and (iii) that the Refunded Bonds are deemed to be paid in accordance with Sections 3 and 9 of the Agreement.

Dated this \_\_\_\_ day of June, 2015.

RIVERSIDE COMMUNITY COLLEGE  
DISTRICT

U.S. BANK NATIONAL ASSOCIATION, as  
Escrow Agent

SCHEDULE C

**REFUNDED BONDS**

**\$90,000,000**

**RIVERSIDE COMMUNITY COLLEGE DISTRICT  
(Riverside County, California)  
Election of 2004 General Obligation Bonds, Series 2007C**

**Original Issue Date: June 7, 2007**

<b>Maturity (August 1)</b>	<b>Rate</b>	<b>Principal Amount</b>	<b>Redemption Price</b>	<b>CUSIP</b>	<b>Bond Number</b>
2032	5.000%	\$44,430,000	100%	76886PDJ9	No. 9