

\$ _____
**BANNING UNIFIED SCHOOL DISTRICT
(RIVERSIDE COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS,
2016 ELECTION, SERIES A**

BOND PURCHASE AGREEMENT

_____, 2017

Board of Supervisors
County of Riverside
4080 Lemon Street, 4th Floor
Riverside California 92502

Board of Trustees
Banning Unified School District
161 West Williams Street
Banning, California 92220

Ladies and Gentlemen:

The undersigned, RBC Capital Markets, LLC, as underwriter (the "Underwriter"), acting on its own behalf and not as the County's or the District's (as defined herein) fiduciary or agent, offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with the County of Riverside (the "County") and Banning Unified School District (the "District"), which, upon the County's and the District's acceptance hereof, will be binding upon the County, the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Agreement by the County and the District and delivery of such acceptance to the Underwriter at or prior to 11:59 p.m., California time, on the date hereof, and if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the County and the District.

Section 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 agree 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 \$_____ aggregate principal amount of the District's General Obligation Bonds, 2016 Election, Series A (the "Bonds").

The Underwriter shall purchase the Bonds at a price of \$_____ (which is equal to the aggregate principal amount of the Bonds of \$_____, plus [net] original issue premium of \$_____ and less an Underwriter's discount of \$_____).

[At the request of, and on behalf of, the District, the Underwriter shall pay from Bond proceeds, the premium for the municipal bond insurance policy (the "Policy") in an amount not to exceed \$____ to _____ (the "Insurer").]

The County and the District acknowledge and agree that: (a) the purchase and sale of the Bonds under this Purchase Agreement is an arm's-length commercial transaction

between the County, the District and the Underwriter; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and not as the agent or fiduciary of the County or the District; (c) the Underwriter has not assumed a fiduciary responsibility in favor of the County or the District with respect to: (i) the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the District on other matters); or (ii) any other obligation to the County or the District except the obligations expressly set forth in this Purchase Agreement; and (d) the County and the District have each consulted with their own legal, financial and other advisors to the extent they have deemed appropriate in connection with this transaction.

The District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter's disclosure under Rule G-17 of the Municipal Securities Rulemaking Board ("MSRB").

Section 2. The Bonds. The Bonds shall be dated their date of delivery (the "Date of Delivery") and shall be payable as to interest on each February 1 and August 1, commencing August 1, 2017. The Bonds shall bear interest at the rates, shall mature on the dates and in the years, and shall be subject to redemption, as shown on Exhibit A hereto which is incorporated herein by reference, and shall otherwise be as described in the Official Statement (defined herein), and shall be issued and secured pursuant to the provisions of the Resolution of the Board of Trustees of the District adopted on ____, 2017 (the "District Resolution") and the Resolution of the Board of Supervisors of the County adopted on ____, 2017 (the "County Resolution" and together with the District Resolution, the "Resolutions") and Section 53506 et Seq. of the Government Code of the State of California (the "State"), Section 15100 et seq. of the Education Code of the State of California and other applicable law (collectively, 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 defined 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 Agreement and the Resolutions. The Bonds shall be in book-entry form, shall bear CUSIP numbers, and shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). The Bonds shall initially be in authorized denominations of \$5,000 principal amount or any integral multiple thereof. Zions Bank shall act as the initial paying agent, bond registrar, authentication agent and transfer agent for the Bonds (the "Paying Agent").

The proceeds of the Bonds will be applied by the District to finance certain capital improvements for the District as specified in the District bond proposition submitted to the voters at the November 8, 2016 election (the "Election").

Section 3. Use of Documents. The County and the District hereby authorize the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Agreement, the Continuing Disclosure Certificate (defined herein), the Preliminary Official Statement (defined below) and the Official Statement and the Resolutions and all information contained herein and therein and all of the documents, certificates or statements furnished by the County or the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement, except as such other documents shall otherwise provide. The Resolutions, Purchase Agreement, Continuing Disclosure Certificate and Official Statement are collectively referred to as the "Legal Documents." The

County and the District do not object to distribution of the Official Statement in electronic form.

Section 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 cover or inside cover pages of the Official Statement and as set forth in Appendix A hereto. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as they deem necessary in connection with the marketing of the Bonds; provided that the Underwriter shall not change the interest rates on the Bonds set forth in Appendix A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Underwriter reserves the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market; and (ii) discontinue such stabilizing, if commenced, at any time without prior notice.

Section 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 _____, 2017 (the "Preliminary Official Statement"). The District represents that it has deemed the Preliminary Official Statement to be final, except for either revision or addition of the offering price(s), interest rate(s), yield(s), 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 under the Securities Exchange Act of 1934, as amended (the "Rule"), and consents to and ratifies the use and distribution by the Underwriter of the Preliminary Official Statement in connection with the public offering of the Bonds by the Underwriter.

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 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).

Section 6. Closing. At 8:00 a.m., California time, on _____, 2017 or at such other time or on such other date as shall have been mutually agreed upon by the County, the District and the Underwriter (the "Closing" or the "Closing Date"), the County will deliver, or cause to be delivered, to the Underwriter, through the facilities of DTC utilizing DTC's FAST delivery system, or as the County, the District and the Underwriter may otherwise mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Bowie, Arneson, Wiles & Giannone ("Bond Counsel"), in Newport Beach, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds by wire transfer to or upon the order of the District.

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

(a) **Due Organization.** The District is a school district duly organized and validly existing under the laws of the State, with full legal 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 Legal Documents to which it is a party, to adopt the District Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by the Legal Documents; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in the Bonds and the Legal Documents to which the District is a party have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the District; and (v) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement.

(c) **Consents.** No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any 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 District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof.

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

(e) **No Conflicts.** To the best knowledge of the District, the issuance of the Bonds, and the execution, delivery and performance of the Legal Documents to which the District is a party and the Bonds, and the compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the District a violation of or default under, the 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 or of the titles of the officials of the District to such offices; or (ii) seeking to prohibit, 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 taxes contemplated by the Resolutions 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 or the Legal Documents or contesting the powers of the District or its authority with respect to the Bonds or the Legal Documents to which the District is a party or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement; 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 Legal Documents, (B) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (C) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from 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 directly, nor any other governmental agency or other body, including the County, on behalf of the District will have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement or otherwise consented to in writing by the Underwriter.

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

(i) **Continuing Disclosure.** At or prior to the Closing, the District shall have duly authorized, executed and delivered a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"). The Continuing Disclosure Certificate shall comply with the provisions of the Rule and be substantially in the form attached to the Preliminary Official Statement and Official Statement in Appendix C. Except as otherwise described in the Official Statement, the District has not failed during the previous five years to comply in all material respects with any previous undertakings in a written Continuing Disclosure Certificate or agreement under the Rule.

(j) **Official Statement Accurate and Complete.** The Preliminary Official Statement, as of its date and at the date hereof, did not and does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. At the date hereof and on the date of Closing Date, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If the Official Statement is supplemented or amended pursuant to paragraph (g) of Section 9 of this Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading.

(k) **Financial Statements of District.** The financial statements of the District contained in the Preliminary Official Statement and final Official Statement fairly present the financial position and results of operations of the District as of the dates and for the periods therein set forth, and, since the date thereof, there has been no material adverse change in the financial position or results of operations of the District.

(l) **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 and payment of the Bonds.

Section 8. Representations 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 full legal 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 the Legal Documents to which it is a party, to adopt the County Resolution, to perform its obligations under each such document or instrument, and to carry out and effectuate the transactions contemplated by the Legal Documents to which it is a party; (iii) the execution and delivery or adoption of, and the performance by the County of the obligations contained in the Bonds and the Legal Documents to which the County is a party have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes a valid and legally binding obligation of the County; and (v) the County has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement.

(c) **Consents.** No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any 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, and the execution, delivery and performance of the Legal Documents to which the County is party and the Bonds, and the compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the County, a violation of or default under, the Constitution of the State 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 pending or, 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 prohibit, 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 taxes contemplated by the County 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 or the Legal Documents or contesting the powers of the County or its authority with respect to the Bonds or the Legal Documents to which the County is a party or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement; 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 the Legal Documents, (B) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (C) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest from California personal income taxation.

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

(g) **Certificates.** Any certificates signed by any 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.

(h) **Levy of Tax.** The County 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 and payment of the Bonds.

Section 9. Representations 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 Closing Date, which representations and warranties shall survive the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Agreement and to take any action under this Purchase Agreement required to be taken of 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 County or the District.

(c) The Underwriter has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm, or person (including, but not limited to any officer, agent or employee of the County or the District), other than a bona fide officer, agent or employee working for the Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Agreement;

(d) The Underwriter has, and has had, no financial advisory relationship with the County or the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

(e) The Underwriter represents that it is licensed by and registered with the Financial Industry Regulatory Authority as a broker-dealer and the MSRB as a municipal securities dealer.

Section 10. Covenants of the County and the District. The County and the District 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, at the Underwriter's cost and expense, 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 neither the County nor 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 Resolutions.

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

(d) **Subsequent Events.** The County and the District hereby agree to notify the Underwriter of any event or occurrence that may affect in any material respect the accuracy or completeness of any information set forth in the Official Statement relating to the County or the District until the date which is 30 days following the Closing.

(e) **Filings.** The County and the District authorize the Underwriter to file, to the extent required by the applicable rules promulgated by the Securities and Exchange Commission or the MSRB, and the Underwriter agrees to file or cause to be filed, the Official Statement with (i) the MSRB or its designee (including the MSRB's Electronic Municipal Market Access system); or (ii) other repositories approved from time to time by the Securities and Exchange Commission (either in addition to or in lieu of the filing referred to above). If an amended Official Statement is prepared in accordance with Section 10(g) of this Purchase Agreement during the "Primary Offering Disclosure Period" (as defined below), and if required by an applicable Securities and Exchange Commission Rule or MSRB rule, the Underwriter shall also

make the required filings of the amended Official Statement. The "Primary Offering Disclosure Period" is used as defined in MSRB Rule G-32 and shall end on the twenty-fifth day after the Closing Date.

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

(g) **Amendments to the Official Statement.** During the period ending on the twenty-fifth day after the End of the Underwriting Period (or such other period as may be agreed to by the County, the District and the Underwriter), neither the County nor the District (i) shall supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter, provided that the Underwriter may not unreasonably withhold such approval and that the Underwriter may not object to such amendments or supplements if they result in a correction of the Official Statement; and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the County or 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 required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. 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.

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 Closing Date; or (B) when the Underwriter no longer retain an unsold balance of the Bonds; unless otherwise advised in writing by the Underwriter on or prior to the Closing Date, or otherwise agreed to by the County, the District and the Underwriter, the County and the District may assume that the End of the Underwriting Period is the Closing Date.

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

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

District shall be in compliance with each of the agreements made by them in this Purchase Agreement.

(b) **Obligations Performed.** At the time of the Closing, (i) the Official Statement and the Legal Documents 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 its obligations required under or specified in the Legal Documents, the Continuing Disclosure Certificate or the Official Statement to be performed at or prior to the Closing.

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

(d) **Marketability.** The Underwriter shall have the right to cancel the Underwriter's obligation to purchase the Bonds if, between the date hereof and the Closing, the market price or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds have been materially adversely affected, in the judgment of the Underwriter, by reason of any of the following:

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

(A) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service (the "IRS"), with the purpose or effect, directly or indirectly, of changing, directly or indirectly, the federal income tax consequences or State tax consequences of the interest on the Bonds or of obligations of the general character of the Bonds in the hands of the holders thereof; or

(B) by or on behalf of the Securities and Exchange Commission (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, or would be in violation of any provision of the federal securities laws;

(ii) 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 or material escalation of major military hostilities by the

United States or the occurrence of any other national emergency, calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(iii) the declaration of a general banking moratorium by federal, New York State or California authorities having appropriate jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue of a determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction;

(iv) 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;

(v) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the SEC, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, 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;

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

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

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

(ix) the suspension by the SEC of trading of any outstanding securities of the District;

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

(xi) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income, securities (or interest thereon) or

the validity or enforceability of the levy of taxes to pay principal of and interest on the Bonds;

(xii) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading and, in either such event, the County or the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

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

(xiv) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred.

(e) **Delivery of Documents.** At or prior to the Closing Date, 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:

(i) *Opinions.*

(A) *Opinion of Bond Counsel.* (I) An approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the Closing Date, addressed to the County and the District, in substantially the form set forth in Appendix A of the Preliminary Official Statement and the Official Statement and (II) a reliance letter from Bond Counsel to the effect that the Underwriter may rely upon such approving opinion of Bond Counsel.

(B) *Supplemental Opinions of Bond Counsel.* Supplemental opinions of Bond Counsel in form and substance satisfactory to the Underwriter, dated the Closing Date and addressed to the Underwriter, to the effect that:

(1) the description of the Bonds and the security for the Bonds and statements in the Official Statement on the cover page thereof and under the captions "INTRODUCTION," (excluding statements under the subheading "- Bond Owners' Risks," "-Forward Looking Statements" and "-Other Information") "THE BONDS," (excluding statements under the subheading "-Book-Entry Only System") "TAX MATTERS," "LEGAL MATTERS" (excluding statements under the subheading "-Financial Statements") and "APPENDIX A - Form

of Opinion of Bond Counsel” 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 Bonds, fairly and accurately summarize the matters purported to be summarized therein; provided further that Bond Counsel need not express any opinion with respect to any financial or statistical data, [statements concerning the Insurer, the Policy] or information concerning The Depository Trust Company or related to its book-entry-only system;

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

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

(C) *Disclosure Counsel Letter.* A letter of Stradling Yocca Carlson & Rauth, a Professional Corporation dated the Closing Date and addressed to the District, substantially to the effect that based on such counsel’s participation in conferences with representatives of the Underwriter, the financial advisor to the District, the County, the District and others, during which conferences the contents of the Official Statement and related matters were discussed, and in reliance thereon and on the records, documents, certificates and opinions described therein, such counsel advises the District 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 and as of the Closing Date (except for any financial or statistical data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, Appendices B, C, D and E, or any information about DTC or its book-entry-only system included therein, 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 required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(D) *Underwriter's Counsel Opinion.* The opinion of Dannis Woliver Kelley, Long Beach, California, counsel to the Underwriter, in form and substance acceptable to the Underwriter.

(ii) *District Certificates.* A certificate signed by appropriate officials of the District to the effect that (A) such officials are authorized to execute this Purchase Agreement; (B) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the Closing Date; (C) the District has complied with all the terms of the Legal Documents to be complied with by the District prior to or concurrently with the Closing and such documents are in full force and effect; (D) to the best of the District's knowledge, no litigation is pending or threatened (either in State or federal courts) (i) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (ii) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, the Legal Documents or the Continuing Disclosure Certificate or (iii) in any way contesting the existence or powers of the District; (E) such District officials have reviewed the Preliminary Official Statement and the Official Statement and on such basis certify that the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and as of the Closing Date, 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 (excluding therefrom information regarding DTC and its book-entry only system); and (F) the Bonds being delivered on the Closing Date to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolutions.

(iii) *County Certificates.* A certificate signed by an appropriate official of the County in form and substance satisfactory to the Underwriter to the effect that (i) such official is authorized to execute this Purchase Agreement, (ii) the representations, agreements and warranties of the County herein are true and correct in all material respects as of the date of Closing, (iii) the County has complied with all of the terms of the Legal Documents to which it is a party and such Legal Documents are in full force and effect as of the date of this Purchase Agreement and as of the Closing Date, (iv) the Bonds being delivered on the Closing Date to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof in the County Resolution;

(iv) *Paying Agent Certificate.* 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 Paying Agent's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the authentication and delivery by the Paying Agent of any of the Bonds, or (B) 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.

(v) *Tax Certificate.* A non-arbitrage tax certificate of the District in form satisfactory to Bond Counsel.

(vi) *Ratings.* Evidence satisfactory to the Underwriter that the Bonds shall have been rated ["_____"] reflecting the issuance of the Policy by the Insurer and] "____" by Standard & Poor's Global Ratings, a business unit of Standard & Poor's Financial Services LLC, and that such rating has not been revoked or downgraded.

(vii) *District Resolution.* A certificate, together with fully executed copies of the District Resolution, of the Secretary to or the Clerk of the District's Board of Trustees to the effect that:

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

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

(viii) *County Resolution.* A certificate, together with fully executed copies of the County Resolution, of the Secretary to or the Clerk of the County Board of Supervisors to the effect that:

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

(B) the County Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the Closing Date.

(ix) An opinion of County Counsel, addressed to the Underwriter, substantially in the form of Appendix B hereto.

(x) *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.

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

(xii) *Paying Agency Agreement.* An executed copy of the Paying Agency Agreement.

(xiii) *Insurance Policy.* The Policy of the Insurer for the Bonds, and any other documents executed in connection therewith.

(xiv) *Insurer Certificate.* A certificate of the Insurer, dated the Closing Date, signed by an authorized officer of said Insurer.

(xv) *Insurer Opinion.* An opinion of counsel to the Insurer, dated the Closing Date, addressed to the Underwriter and in form and substance satisfactory to the Underwriter.

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

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

(xviii) *Other Documents.* Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence: (A) compliance by the County and the District with legal requirements; (B) 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 (C) the due performance or satisfaction by the County and the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the County and the District.

(f) **Termination.** Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the County 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 13 hereof.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the 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 in its sole discretion.

Section 12. Conditions to Obligations of the District. The performance by the County and the District of their obligations is conditioned upon (a) the performance by the Underwriter of their obligations hereunder, and (b) receipt by the County, the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District.

Section 13. Expenses. Except as herein described, all expenses and costs of the District incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter shall be paid for by the District from proceeds of the Bonds including, without limitation: (a) the cost of the preparation and reproduction of the Resolutions; (b) the fees and disbursements of Bond Counsel and Disclosure Counsel; (c) the cost of the preparation, printing and delivery of the Bonds; (d) the fees, if any, for Bond ratings, including all necessary travel expenses; (e) the cost of the printing and distribution of the Preliminary Official Statement and Official Statement; (f) the initial fees of the Paying Agent; (g) the fees and disbursements of the District's financial advisor; (i) County costs and expenses, if any, and (i) all other fees and expenses incident to the issuance and sale of the Bonds, except for as provided below.

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

Notwithstanding Section 11(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 13 above that are attributable to District personnel.

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

Section 14. Notices. Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Office of the Treasurer-Tax Collector, County of Riverside 4080 Lemon Street, 4th Floor, Riverside, California 92502, if to the District, to the Superintendent at the address set forth on the first page hereof, or if to the Underwriter, to the Underwriter, 777 South Figueroa Street, Suite 850, Los Angeles, California 90017, Attention: Christen Villalobos.

Section 15. Parties in Interest; Survival of Representations and Warranties. This Purchase Agreement when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement between the County, the District and the Underwriter. This Purchase Agreement is made solely for the benefit of the County, the District and the Underwriter (including the successors or assigns of the Underwriter). The term "successor" shall not include any owner of any Bonds merely by virtue of such ownership. No other person shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements of the County and the District in this Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Agreement. If any provision of this Purchase Agreement is, or is held or deemed to be, invalid, illegal or unenforceable for any reason, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

Section 16. Severability. In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 17. Nonassignment. Notwithstanding anything stated to the contrary herein, neither party hereto may assign or transfer its interest herein, or delegate or transfer any of its obligations hereunder, without the prior written consent of the other party hereto.

Section 18. Entire Agreement. This Purchase Agreement, when executed by the parties hereto, shall constitute the entire agreement of the parties hereto (including their permitted successors and assigns, respectively).

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

[Remainder of page intentionally left blank.]

Section 20. Applicable Law. This Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State applicable to contracts made and performed in such State.

Very truly yours,

RBC CAPITAL MARKETS, LLC, as Underwriter

By _____
Authorized Representative

The foregoing is hereby agreed to and accepted
at _____ P.M. Pacific Time, this ____ day
of _____, 2017:

COUNTY OF RIVERSIDE

By _____
Authorized Representative

BANNING UNIFIED SCHOOL DISTRICT

By _____
Authorized Officer

APPENDIX A

**INTEREST RATES, REOFFERING YIELDS, MATURITIES, AND
REDEMPTION PROVISIONS**

\$ _____
**Banning Unified School District
(Riverside County, California)
General Obligation Bonds, 2016 Election, Series A**

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				

Optional Redemption

The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 20__, may be redeemed before maturity at the option of the District, from any source of available funds, on any date on or after August 1, 20__ at a redemption price of par, plus accrued interest 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, the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date _____(August 1)____	Principal Amount to be Redeemed
--	------------------------------------

(1) _____
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.

APPENDIX B

OPINION OF COUNTY COUNSEL

Board of Trustees
Banning Unified School District
161 West Williams Street
Banning, California 92220

RBC Capital Markets, LLC
777 S. Figueroa Street, Suite 850
Los Angeles, California 90017

Ladies and Gentlemen,

This opinion is rendered and delivered in connection with the issuance by the Board of Supervisors of the County of Riverside (the "County") on behalf of Banning Unified School District (the "District") of \$_____ aggregate principal amount of bonds designated "Banning Unified School District General Obligation Bonds, 2016 Election, Series A" (the "Bonds"). The Bonds are issued pursuant to a Resolution of the Board of Trustees of the District adopted on _____, 2017 (the "District Resolution") and a Resolution of the Board of Supervisors of the County adopted on _____, 2017 (the "County Resolution").

In rendering this opinion, we have examined the District Resolution, the County Resolution and the Bond Purchase Agreement, dated _____, 2017 ("Purchase Agreement"), by and between the County, the District and RBC Capital Markets, LLC, 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. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Contract.

Having reviewed these documents and other information we have deemed relevant to the preparation of this opinion, it is our opinion that:

1. The County is a political subdivision duly organized and existing under the Constitution and the laws of the State of California;

2. The County Resolution approving and authorizing the issuance of the Bonds and the execution and delivery of the Purchase Agreement was duly adopted at a meeting of the Board of Supervisors 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, and has not been modified, amended, rescinded or revoked and is in full force and effect on the date hereof;

3. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or threatened against the County (1) affecting the existence of the County or the

titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution of the Purchase Agreement or the issuance and sale of the Bonds; (2) affecting delivery of the Bonds; (3) in any way contesting or affecting the validity or enforceability of the Bonds, the Purchase Agreement, the County Resolution or the Bonds; (4) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under any the County Resolution or the Purchase Agreement; or (5) seeking to restrain or enjoin the levy or collection of tax revenues pledged for the Bonds;

4. To the best of our knowledge, the obligations of the County under the Bonds, and the execution of and performance of the provisions of the Purchase Agreement, 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; and

5. The Bonds have been duly authorized by the County and the Purchase Contract has been duly authorized by the County, and assuming due authorization, execution and delivery by the other parties thereto and of issuance of the Bonds by the County, and upon due authentication by the Paying Agent of and receipt of payment for the Bonds, the Bonds and the Purchase Contract will constitute legal, valid and binding agreements of the County enforceable against the County in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally, by the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against school districts in the state of California.

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

Very truly yours,

County Counsel