

Item 10.7

Resolution No. 22/23-22 Authorizing the Issuance of Election of 2018, Series G Bonds, Election of 2022, Series A Bonds, and 2023 Bond Anticipation Notes, and Approving Forms of and Authorizing Execution and Delivery of Related Documents and Actions.

THIRD SUPPLEMENTAL PAYING AGENT AGREEMENT

Between

RIO ELEMENTARY SCHOOL DISTRICT

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Paying Agent**

Dated as of July 1, 2023

**[\$[PAR AMOUNT]]
RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES G**

(Supplemental to the Paying Agent Agreement dated March 1, 2019, as amended and supplemented by the First Supplemental Paying Agent Agreement dated April 1, 2020 and the Second Supplemental Paying Agent Agreement dated March 1, 2022)

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THIRD SUPPLEMENTAL PAYING AGENT AGREEMENT

(Supplemental to the Paying Agent Agreement dated March 1, 2019, as amended and supplemented by the First Supplemental Paying Agent Agreement dated April 1, 2020 and the Second Supplemental Paying Agent Agreement dated March 1, 2022)

This Third Supplemental Paying Agent Agreement, dated as of July 1, 2023 (the “Third Supplemental Paying Agent Agreement”), is entered into between the RIO ELEMENTARY SCHOOL DISTRICT, a school district duly established and existing under the Constitution and laws of the State of California (the “District”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, successor to U.S. Bank National Association, as paying agent, a national banking association duly organized and operating under the laws of the United States of America (the “Paying Agent”).

WITNESSETH:

WHEREAS, the District is authorized pursuant to Education Code sections 15264 *et seq.* and Government Code sections 53506 *et seq.* and the approving vote of its qualified electors at an election held on November 6, 2018 (the “2018 Election”), to issue or have issued on its behalf general obligation bonds (the “Bonds”) in an aggregate principal amount not exceeding \$59,200,000;

WHEREAS, the District issued its first series of Bonds on March 13, 2019 in an aggregate principal amount of \$23,000,000, designated the “Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2018, Series A (Tax-Exempt)” (the “Series A Bonds”) pursuant to the Paying Agent Agreement dated March 1, 2019 (the “2019 Paying Agent Agreement”), between the District and the Paying Agent;

WHEREAS, the District also issued its second series of Bonds on March 13, 2019 in an aggregate principal amount of \$1,510,000, designated the “Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2018, Series B (Federally Taxable)” (the “Series B Bonds”) pursuant to the 2019 Paying Agent Agreement;

WHEREAS, the District also issued its third series of Bonds on April 15, 2020 in an aggregate principal amount of \$13,922,236.05, designated the “Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2018, Series C (Tax-Exempt)” (the “Series C Bonds”) pursuant to the First Supplemental Paying Agent Agreement dated April 1, 2020 (the “First Supplemental Paying Agent Agreement”), between the District and the Paying Agent;

WHEREAS, the District also issued its fourth series of Bonds on April 15, 2020 in an aggregate principal amount of \$3,087,423.40, designated the “Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2018, Series D (Federally Taxable)” (the “Series D Bonds”) pursuant to the First Supplemental Paying Agent Agreement;

WHEREAS, the District also issued its fifth series of Bonds on March 10, 2022 in an aggregate principal amount of \$13,818,453.55, designated the “Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2018, Series E (Tax-Exempt)” (the “Series E Bonds”) pursuant to the Second Supplemental Paying Agent Agreement dated March 1, 2022 (the “Second Supplemental Paying Agent Agreement”), between the District and the Paying Agent;

WHEREAS, the District also issued its sixth series of Bonds on March 10, 2022 in an aggregate principal amount of \$1,000,000, designated the “Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2018, Series F (Federally Taxable)” (the “Series F Bonds”) pursuant to the Second Supplemental Paying Agent Agreement (together with the 2019 Paying Agent Agreement, the First Supplemental Paying Agent Agreement, and this Third Supplemental Paying Agent Agreement, the “Paying Agent Agreement”);

WHEREAS, the District intends to issue its seventh and final series of Bonds designated the “Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2018, Series G” (the “Series G Bonds”) in the principal amount of \$[PAR AMOUNT], pursuant to Government Code sections 53506 et seq., to pay the cost of the acquisition, construction, and completion of improvements described in the measure approved in the 2018 Election, including (i) all necessary legal, financial, engineering, and contingent costs in connection therewith; and (ii) certain legal, accounting, and financing expenses incurred in connection with the issuance of the Series G Bonds;

WHEREAS, the District and the Paying Agent have determined to enter into this Third Supplemental Paying Agent Agreement in order to provide for the authentication and delivery of the Series G Bonds, to establish and declare the terms and conditions upon which the Series G Bonds shall be issued and secured, and to secure the payment of the principal thereof and premium (if any) and interest thereon;

WHEREAS, the execution and delivery of this Third Supplemental Paying Agent Agreement have in all respects been duly and validly authorized by a resolution duly passed and approved by the District; and

WHEREAS, the District has determined that all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and the entering into of this Third Supplemental Paying Agent Agreement do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Third Supplemental Paying Agent Agreement.

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL PAYING AGENT AGREEMENT WITNESSETH that, in order to secure the payment of the principal of and the interest on all Bonds at any time issued, authenticated, and delivered hereunder, and to provide the terms and conditions under which all property, rights, and interests hereby assigned and pledged are to be dealt with and disposed of, and to secure performance and observance of the terms, conditions, covenants, and agreements hereinafter expressed, and in consideration of the

promises and of the material covenants herein contained, and of the purchase and acceptance of the Bonds by the Owners (as defined herein) thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby agree and covenant with the Paying Agent for the benefit of the respective Owners, from time to time, of the Bonds, or any part thereof, as follows:

II. Definitions. Capitalized terms used herein and not defined herein shall have the definitions ascribed to such terms by the Paying Agent Agreement. As used in this Third Supplemental Paying Agent Agreement, unless the context otherwise requires, the following words and phrases shall have the following meanings:

“**2023 Insurer**” means Build America Mutual Assurance Company, or any successor thereto.

“**2023 Insurance Policy**” means the municipal bond insurance policy issued by the 2023 Insurer and delivered simultaneously with the issuance and delivery of the Series G Bonds, that guarantees the scheduled payment of the principal of and interest on the Series G Bonds when due.

“**2023 Security Documents**” means the resolution, trust agreement, ordinance, loan agreement, bond, note and/or any additional or supplemental document executed in connection with the Series G Bonds.

“**Series G Bonds**” means the “Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2018, Series G.”

III. Supplemental Provisions. The following Articles and Sections are hereby added to the Paying Agent Agreement.

ARTICLE 16 THE SERIES G BONDS

Section 16.1 Terms and Form of Series G Bonds.

(A) Authorization and Title of Series G Bonds. The District hereby creates the Series G Bonds as a seventh and final series of Bonds and designates it “Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2018, Series G.” At any time after the execution and delivery of this Third Supplemental Paying Agent Agreement, the District may execute and the Paying Agent shall authenticate and deliver the Series G Bonds in an aggregate principal amount of \$[PAR AMOUNT] upon the Order of the District.

(B) Form of Series G Bonds. The form of the Series G Bonds shall be substantially as set forth in *Exhibit A*, with such insertions, omissions, substitutions, and variations as may be determined by the officers executing the same, as evidenced by their execution thereof, to reflect the applicable terms of the Series G Bonds established by this Article.

(C) Book-Entry Form; Denominations. The Series G Bonds shall be issued in fully registered form, in denominations of five thousand dollars (\$5,000) or any integral multiple thereof. The Series G Bonds shall be initially issued registered in the name of “Cede & Co.,” as nominee of DTC. The Series G Bonds shall be evidenced by one Series G Bond maturing on each of the maturity dates as set forth below in this Section in a denomination corresponding to the total principal amount of the Series G Bonds to mature on such date. Registered ownership of the Series G Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 3.2 (Book-Entry Provisions). The Series G Bonds shall bear such distinguishing numbers and letters as may be specified by the District.

(D) Date; Interest Accrual; Maturity Dates; Interest Rates. The Series G Bonds shall be dated their date of delivery, shall bear interest from such date at the following rates per annum, and shall mature on August 1 in the following years in the following amounts:

Maturity Date (August 1)	Principal Amount \$	Interest Rate %
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Interest on the Series G Bonds shall be calculated on the basis of a 360-day year comprising twelve (12) thirty (30) day months. The Regular Record Date for the Series G Bonds shall be the fifteenth (15th) day of the calendar month immediately preceding the relevant Interest Payment Date, whether or not such day is a Business Day.

(E) Principal or Redemption Payments and Interest Payments. The principal or Redemption Price of the Series G Bonds shall be payable to the Owner thereof upon surrender thereof in lawful money of the United States of America at the Paying Agent’s Office or, as provided in Section 3.2(E) (Book-Entry Provisions – Payments to Depository), by wire transfer to the Owner. Interest on the Series G Bonds shall be payable on August 1, 2023, and thereafter semiannually on February 1 and August 1 of each year, by check mailed or, as provided in Section 3.2(E) (Book-Entry Provisions – Payments to Depository) and upon the written request of any Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Series G Bonds who has provided the Paying Agent with wire transfer instructions, by wire transfer on each Interest Payment Date to the Owner thereof to an account within the United States of America as of the close of business on the Regular Record Date

(F) Cessation of Interest Accrual. Interest on any Series G Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Paying Agent an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Paying Agent an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Owner of such Series G Bond shall not be entitled to any other payment, and such

Series G Bond shall no longer be Outstanding and entitled to the benefits of this Paying Agent Agreement, except for the payment of the principal amount or Redemption Price, as appropriate, of such Series G Bond and interest accrued thereon from moneys held by the Paying Agent for such payment.

Section 16.2 Redemption of Series G Bonds.

(A) General. The Series G Bonds shall be subject to redemption as provided in Article 5 (Redemption of Bonds) of the Paying Agent Agreement.

(B) Optional Redemption. The Series G Current Interest Bonds maturing on or before August 1, 2033, are not subject to optional redemption prior to maturity. The Series G Bonds maturing on or after August 1, 2034 are subject to redemption prior to their respective stated maturities, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2033, at the principal amount of the Series G Bonds called for redemption, plus accrued interest thereon to the date fixed for redemption, without premium.

(C) Mandatory Redemption. The Series G Bonds maturing by their terms on August 1, 20__ (the “20__ Series G Term Bonds”) and on August 1, 20__ (the “20__ Series G Term Bonds”) are subject to mandatory redemption by the District prior to their maturity in part, by lot, from Mandatory Redemption Payments in the following amounts and on the following dates, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

20 Series G Term Bonds

Mandatory Redemption <u>Dates (August 1)</u>	Mandatory <u>Redemption Payment</u>
	\$

*

* *Final maturity*

20 Series G Term Bonds

Mandatory Redemption <u>Dates (August 1)</u>	Mandatory <u>Redemption Payment</u>
	\$

*

* *Final maturity*

Section 16.3 Application of Proceeds of Series G Bonds. (A) Application of Proceeds. The District shall cause the proceeds of the sale of the Series G Bonds to be deposited or transferred as follows:

(1) Building Fund. \$ _____ shall be wired by Raymond James & Associate, Inc. (the “Underwriter”) to the Treasurer for deposit, to be held in the Building Fund created by Section 3.5 (Building Fund);

(2) Tax Collection Fund. \$ _____ shall be wired by the Underwriter to the Treasurer for deposit, to be held in the Tax Collection Fund created by Section 7.1 (Levy of Taxes: Tax Collection Fund); and

(3) Cost of Issuance Fund. The Underwriter shall wire to the Paying Agent the amount of \$ _____. The Paying Agent shall deposit such proceeds in the Costs of Issuance Fund for the Series G Bonds; and

(4) Insurance Policy. The Underwriter shall wire to the 2023 Insurer the amount of \$ _____ to pay a portion of the premium for the 2023 Insurance Policy.

(B) The Paying Agent shall establish and maintain the Series G Costs of Issuance Fund (the “Costs of Issuance Fund”) and pay amounts held therein upon the written Order of the District, substantially in the form of *Exhibit B* attached hereto. The Paying Agent may rely conclusively on such written Order of the District and shall have no duty to investigate or verify any statements made therein. Three months after [CLOSING DATE], or upon prior written Order of the District or the District’s financial advisor, on behalf of the District, the Paying Agent shall transfer any remaining amounts in the Costs of Issuance Fund to the Building Fund of the District. Prior to closing the Costs of Issuance Fund, the Paying Agent shall notify in writing the District and the District’s financial advisor. Upon such transfer, the Costs of Issuance Fund shall be closed.

The Paying Agent may, in its discretion, establish a temporary fund or account to facilitate the foregoing transfers.

Section 16.4 Validity of the Series G Bonds. The recital in the Series G Bonds that they are issued pursuant to the Constitution and statutes of the State shall be conclusive evidence of their validity and of compliance with provisions of law in their issuance.

Section 16.5 Security of the Series G Bonds. The Series G Bonds are general obligation bonds of the District, and the Board of Supervisors of the County has the power and is obligated to levy *ad valorem* taxes upon all property within the District subject to taxation without limitation of rate or amount for the payment of the Series G Bonds, in accordance with and subject to Section 15250 and Section 15252 of the California Education Code.

The Series G Bonds shall not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents, or employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents, or employees thereof shall be liable thereon.

Section 16.6 Execution of Series G Bonds. The Series G Bonds issued by the District shall be executed by the Assistant Superintendent of Business Services of the District and countersigned by the Secretary of the Board. The signature of any of these officers on the Series G Bonds may be facsimile or manual; provided that one such signature or countersignature shall be manually affixed, unless the Bonds are authenticated by the Paying Agent. Unless otherwise provided in any Supplemental Paying Agent Agreement, the Bonds shall then be delivered to the Paying Agent for authentication by it. Except as set forth herein, all other provisions of Section 2.4 (Execution, Authentication, Delivery, and Dating) shall apply to the Series G Bonds.

ARTICLE 17 BOND INSURANCE POLICY FOR SERIES G BONDS

The provisions of this Article 17, and its sections individually shall govern and control, with respect to the Series G Bonds only, notwithstanding anything to the contrary as set forth in this Paying Agent Agreement, or individually in this Paying Agent Agreement's sections. Moreover, the provisions of this Article 17 shall not be amended or supplemented without the prior written consent of the 2023 Insurer.

Section 17.1 Municipal Bond Insurance.

(A) Notice and Other Information to be Given to the 2023 Insurer.
The District will provide the 2023 Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Certificate and (ii) to the holders of the Series G Bonds or the Paying Agent under the 2023 Security Documents (as defined herein).

The notice address of the 2023 Insurer is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 962-1710, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the 2023 Insurance Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1524 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(B) Amendments, Supplements, and Consents.

(1) Consents and Amendments. Wherever any 2023 Security Document requires the consent of Bondholders, the 2023 Insurer's consent shall also be required. In addition, any amendment, supplement or modification to the 2023 Security

Documents that adversely affect the rights or interests of the 2023 Insurer shall be subject to the prior written consent of the 2023 Insurer.

(2) Control Rights of 2023 Insurer upon Default. Anything in any 2023 Security Document to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the 2023 Insurer shall be deemed to be the sole holder of the Series G Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Series G Bonds or the Paying Agent for the benefit of the holders of the Series G Bonds under any 2023 Security Document. The Paying Agent may not waive any default or event of default or accelerate the Series G Bonds without the 2023 Insurer's written consent.

(C) 2023 Insurer as Third-Party Beneficiary. The 2023 Insurer is explicitly recognized and shall be deemed to be a third-party beneficiary of the 2023 Security Documents and may enforce any right, remedy or claim conferred, given or granted thereunder.

(D) Policy Payments.

(1) In the event that principal and/or interest due on the Series G Bonds shall be paid by the 2023 Insurer pursuant to the 2023 Insurance Policy, the Series G Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the District, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the District to the registered owners shall continue to exist and shall run to the benefit of the 2023 Insurer, and the 2023 Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Series G Bonds.

(2) Notwithstanding anything to the contrary, the District and the Paying Agent shall agree for the benefit of the 2023 Insurer that:

(i) They recognize that to the extent the 2023 Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal of or interest on the Series G Bonds, the 2023 Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the District, with interest thereon, as provided and solely from the sources stated in the 2023 Security Documents and the Series G Bonds; and

(ii) They will accordingly pay to the 2023 Insurer the amount of such principal and interest, with interest thereon, but only from the sources and in the manner provided in the 2023 Security Documents and the Series G Bonds for the payment of principal of and interest on the Series G Bonds to holders, and will otherwise treat the 2023 Insurer as the owner of such rights to the amount of such principal and interest.

(3) Special Provisions for Insurer Default. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in subsection (B) above to the

contrary, (x) if at any time prior to or following an Insurer Default, the 2023 Insurer has made payment under the 2023 Insurance Policy, to the extent of such payment the 2023 Insurer shall be treated like any other holder of the Series G Bonds for all purposes, including giving of consents, and (y) if the 2023 Insurer has not made any payment under the 2023 Insurance Policy, the 2023 Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the 2023 Insurer makes a payment under the 2023 Insurance Policy, in which event, the foregoing clause (x) shall control. For purposes of this subsection (D)(3), "Insurer Default" means: (a) the 2023 Insurer has failed to make any payment under the 2023 Insurance Policy when due and owing in accordance with its terms; or (b) the 2023 Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (c) any state or federal agency or instrumentality shall order the suspension of payments on the 2023 Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the 2023 Insurer (including without limitation under the New York Insurance Law).

IV. Provisions of the Paying Agent Agreement. Except as is provided in this Third Supplemental Paying Agent Agreement, every term and condition contained in the 2019 Paying Agent Agreement, the First Supplemental Paying Agent Agreement, and the Second Supplemental Paying Agent Agreement shall apply to this Third Supplemental Paying Agent Agreement and to the Series G Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Third Supplemental Paying Agent Agreement.

This Third Supplemental Paying Agent Agreement and all the terms and provisions herein contained shall, along with the 2019 Paying Agent Agreement, the First Supplemental Paying Agent Agreement, and the Second Supplemental Paying Agent Agreement, form the Paying Agent Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the Paying Agent Agreement. The Paying Agent Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as supplemented and amended hereby.

V. Separability of Invalid Provisions. If any one or more of the provisions contained in this Third Supplemental Paying Agent Agreement or in the Series G Bonds shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Third Supplemental Paying Agent Agreement, and such invalidity, illegality, or unenforceability shall not affect any other provision of this Third Supplemental Paying Agent Agreement, and this Third Supplemental Paying Agent Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have adopted this Third Supplemental Paying Agent Agreement, and each and every other

Section, paragraph, sentence, clause, or phrase hereof, and authorized the issuance of the Series G Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Third Supplemental Paying Agent Agreement may be held illegal, invalid, or unenforceable.

VI. Effect of Headings and Table of Contents. The headings or titles of the several Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference, and shall not affect the meaning, construction, or effect of this Third Supplemental Paying Agent Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Third Supplemental Paying Agent Agreement by their officers thereunto duly authorized as of the day and year first written above.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Paying Agent

By: _____
Ilse Vlach
Vice President

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
Dr. John Puglisi
Superintendent

(collectively, the “Bond Law”), which authorized the issuance of up to \$59,200,000 principal amount of bonds, and pursuant to a Third Supplemental Paying Agent Agreement dated as of July 1, 2023, between the District and the Paying Agent, supplementing the Paying Agent Agreement dated March 1, 2019, the First Supplemental Paying Agent Agreement dated April 1, 2020, and the Second Supplemental Paying Agent Agreement dated March 1, 2022, all between the District and the Paying Agent, providing for the issuance of the bonds so authorized (collectively, said agreements, as amended and supplemented from time to time, the “Paying Agent Agreement”).

This bond is one of the issue of bonds of the District so authorized and designated “Rio Elementary School District, General Obligation Bonds, Election of 2018” (the “Bonds”), all of like tenor (except for such variations, if any, as may be required to designate varying series, denominations, numbers, maturities, interest rates, interest payment provisions, redemption provisions, and forms). This bond is also one of a duly authorized series of the Bonds additionally designated “Series G” (the “Series G Bonds”) issued in the aggregate principal amount of \$[PAR AMOUNT]. The Series G Bonds are issued pursuant to the provisions of the California Government Code sections 53506 *et seq.*

The Bonds are secured by the levy of *ad valorem* property taxes on all taxable property in the territory of the District, which taxes are unlimited as to rate and amount (except with respect to certain personal property that is taxable at limited rates). The Bonds, including interest and redemption premium thereon, do not constitute a debt or liability of the State, the County, or any other political subdivision of the State other than the District.

Reference is hereby made to the Paying Agent Agreement and to the Bond Law for a description of the terms on which the Bonds are issued and to be issued and the rights of the registered owners of the Bonds. All the terms of the Paying Agent Agreement and the Bond Law are hereby incorporated herein and constitute a contract between the District and the registered owner from time to time of this Bond. The registered owner of this Bond, by its acceptance hereof, consents and agrees to all the provisions of the Paying Agent Agreement. Additional bonds may be issued on a parity with the Bonds of this authorized issue, but only subject to the conditions and limitations contained in the Paying Agent Agreement.

The Series G Bonds maturing on or after August 1, 2033 are subject to redemption prior to their respective maturity dates, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2034, at a redemption price equal to the principal amount of the Series G Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

The Series G Bonds maturing by their terms on August 1, 20__ (the “20__ Series G Term Bonds”) and on August 1, 20__ (the “20__ Series G Term Bonds”) are subject to mandatory redemption by the District prior to their maturity in part, by lot, from Mandatory Redemption Payments in the following amounts and on the following dates, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

20 Series G Term Bonds

<u>Mandatory Redemption Dates (August 1)</u>	<u>Mandatory Redemption Payment</u>
	\$

*

* *Final maturity*

20 Series G Term Bonds

<u>Mandatory Redemption Dates (August 1)</u>	<u>Mandatory Redemption Payment</u>
	\$

*

* *Final maturity*

This bond is transferable or exchangeable for other Series G Bonds of authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the designated corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Paying Agent Agreement, and upon surrender and cancellation of this bond. Upon such transfer a new fully registered bond or bonds without coupons, of authorized denomination or denomination, of the same series, tenor, and maturity for the same aggregate value at maturity will be issued to the transferee in exchange herefor.

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent or its agent 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 DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC) 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.

The District and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the District and of the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon terms provided in the Paying Agent Agreement, which provides, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of Bonds.

It is hereby certified and recited that any and all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the incurring of the indebtedness evidenced by this bond, and in the issuing of this bond, do exist, have happened, and have been performed in due time, form, and manner, as required by the Constitution and statutes of the State of California; that the total amount of indebtedness of the District, including the amount of this bond, does not exceed any limit prescribed by the Constitution and the statutes of the State of California; and that this bond is not in excess of the amount of Bonds permitted to be issued under the Paying Agent Agreement.

IN WITNESS WHEREOF, the Board of Trustees of the Rio Elementary School District has caused this Series G Bond to be signed by the Rio Elementary School District Assistant Superintendent of Business Services and countersigned by the Secretary of the Board of Trustees.

By: _____
Assistant Superintendent of Business
Services of the Rio Elementary School
District

Countersigned:

By: _____
Secretary of the Board of Trustees of the
Rio Elementary School District

CERTIFICATE OF AUTHENTICATION

This is one of the Series G Bonds described in the within-mentioned Paying Agent Agreement, which has been authenticated on the date set forth below.

Dated: July __, 2023

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Paying Agent**

By: _____
Authorized Officer

ASSIGNMENT

For value received _____ hereby sell, assign and transfer unto _____ the within Bond and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the bond register of the District, with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this Assignment must correspond with the name on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed by:

NOTE: Signature must be guaranteed by an eligible guarantor institution (being banks, stock brokers, savings and loan associations, and credit unions with membership in and approved signature guarantee medallion programs) pursuant to Securities and Exchange Commission Rule 17A(d)15.

Social Security Number, Tax Identification Number, or other identifying number of Assignee:

LEGAL OPINION

The following is a true copy of the opinion rendered by Parker & Covert LLP, 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.

Secretary of the Board of Trustees of the
Rio Elementary School District

PARKER & COVERT LLP
Attorneys at Law
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833

Board of Trustees
Rio Elementary School District
1800 Solar Dr.
Oxnard, CA 93030-2655

Re: \$[PAR AMOUNT]
 Rio Elementary School District
 (Ventura County, California)
 General Obligation Bonds
 Election of 2018, Series G
 Final Opinion of Bond Counsel

Members of the Board of Trustees:

We have acted as bond counsel in connection with the issuance by the Rio Elementary School District (the "District") of \$[PAR AMOUNT] principal amount of Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2018, Series G (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to *ad valorem* taxation without limitation regarding rate or amount (except certain personal property that is taxable at limited rates) to pay the Bonds. Ventura County is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, interest on the Bonds is taken into account in determining the annual adjusted statement of income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from State of California personal income taxation.

The rights of the owners of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PARKER & COVERT LLP

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to U.S. Bank Trust Company, National

Association, Los Angeles, California, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Paying Agent Agreement or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Paying Agent Agreement, at law or in equity.

EXHIBIT B

FORM OF REQUISITION TO PAYING AGENT

**§[PAR AMOUNT]
RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES G**

**REQUISITION TO PAYING AGENT TO DISBURSE FUNDS
FROM THE COSTS OF ISSUANCE FUND**

REQUISITION No. __

The Rio Elementary School District (the "District") hereby directs U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), under the Third Supplemental Paying Agent Agreement dated as of July 1, 2023, between the District and the Paying Agent, supplementing the Paying Agent Agreement dated March 1, 2019, the First Supplemental Paying Agent Agreement dated April 1, 2020, and the Second Supplemental Paying Agent Agreement dated March 1, 2022, all between the District and the Paying Agent (collectively, said agreements hereinafter referred to as the "Paying Agent Agreement"), to pay from the Costs of Issuance Fund established pursuant to Section 16.3 (Application of Proceeds of Series G Bonds) of the Paying Agent Agreement, the amounts to the parties as set forth on the attached schedule.

The District hereby certifies that obligations in the amounts stated in Schedule I have been incurred by the District and are presently due and payable, and that each item is a proper charge against the Costs of Issuance Fund and has not been previously paid from that fund.

Attached to Schedule I are invoices for each payment requested.

Dated: [DATE]

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
Authorized Signatory

RIO ELEMENTARY SCHOOL DISTRICT

SCHEDULE I

[Please see attached invoices for delivery and/or wire instructions]

Item	Payee	Purpose	Amount
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
		TOTAL	

PAYING AGENT AGREEMENT

between

RIO ELEMENTARY SCHOOL DISTRICT

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Paying Agent**

Dated as of July 1, 2023

**RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2022, SERIES A**

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PAYING AGENT AGREEMENT

This PAYING AGENT AGREEMENT, dated as of July 1, 2023 (this “Paying Agent Agreement”), is by and between the RIO ELEMENTARY SCHOOL DISTRICT, a school district duly established and existing under the laws of the State of California (the “District”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing pursuant to the laws of the United States of America (the “Paying Agent”).

WITNESSETH:

WHEREAS, the District is authorized pursuant to Education Code sections 15264 *et seq.* and Government Code sections 53506 *et seq.* and the approving vote of its qualified electors at an election held on November 8, 2022 (the “2022 Election”), to issue or have issued on its behalf general obligation bonds (the “Bonds”) in an aggregate principal amount not exceeding \$72,000,000;

WHEREAS, the District intends to issue its first series of Bonds in an aggregate principal amount of \$[PAR AMOUNT] (the “Series A Bonds”), pursuant to Government Code sections 53506 *et seq.*, to pay the cost of the acquisition, construction, and completion of improvements described in the measure approved in the 2022 Election, including (i) all necessary legal, financial, engineering, and contingent costs in connection therewith; and (ii) certain legal, accounting, and financing expenses incurred in connection with the issuance of the Series A Bonds;

WHEREAS, the District and the Paying Agent have determined to enter into this Paying Agent Agreement in order to provide for the authentication and delivery of the Series A Bonds, to establish and declare the terms and conditions upon which the Bonds shall be issued and secured, and to secure the payment of the principal thereof and premium (if any) and interest thereon;

WHEREAS, the execution and delivery of this Paying Agent Agreement have in all respects been duly and validly authorized by a resolution duly passed and approved by the District; and

WHEREAS, the District has determined that all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and the entering into of this Paying Agent Agreement do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Paying Agent Agreement.

NOW, THEREFORE, THIS PAYING AGENT AGREEMENT WITNESSETH that, in order to secure the payment of the principal of and the interest on all Bonds at any time issued, authenticated, and delivered hereunder, and to provide the terms and conditions under which all property, rights, and interests hereby assigned and pledged are to be dealt with and disposed of, and to secure performance and observance of the terms, conditions, covenants, and agreements hereinafter expressed, and in consideration of the promises and of the material covenants herein contained, and of the purchase and acceptance of the Bonds by the Owners (as defined herein) thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the

District does hereby agree and covenant with the Paying Agent for the benefit of the respective Owners, from time to time, of the Bonds, or any part thereof, as follows:

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICABILITY

Section 1.1. Definitions.

(A) General Principles of Interpretation. For all purposes of this Paying Agent Agreement and of any Supplemental Paying Agent Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires:

1. The terms defined in this Section shall have the meanings herein specified and include the plural as well as the singular.

2. All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

3. All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of applicability thereof.

4. All references herein to “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Paying Agent Agreement as originally executed.

5. The words “herein,” “hereof,” “hereby,” “hereunder,” and other words of similar import refer to this Paying Agent Agreement as a whole and not to any particular Article, Section, or other subdivision.

6. Words of any gender shall mean and include words of all other genders.

7. Unless otherwise defined in this Paying Agent Agreement, all terms used herein shall have the meanings assigned to such terms in the Bond Law.

(B) Specific Definitions. For all purposes of this Paying Agent Agreement and of any Supplemental Paying Agent Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires, the following terms have the meanings herein specified:

2023 Insurance Policy means the municipal bond insurance policy issued by the Insurer and delivered simultaneously with the issuance and delivery of the Series A Bonds, that guarantees the scheduled payment of the principal or Accreted Value of and interest on the Series A Bonds when due.

2023 Insurer means Build America Mutual Assurance Company, or any successor thereto.

2023 Security Documents means the resolution, trust agreement, ordinance, loan agreement, bond, note and/or any additional or supplemental document executed in connection with the Series A Bonds.

Accreted Value means, with respect to any Capital Appreciation Bond, the principal amount thereof plus the interest accrued thereon from its date, compounded at the interest rate thereon on each date specified therein. The Accreted Values at any compounding date to which reference is made shall be the amounts set forth in the Accreted Value Table as of such date. The Accreted Value between compounding dates shall be calculated assuming that the Accreted Values increase in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

Accreted Value Table means the table by that name attached as an exhibit to this Paying Agent Agreement or a Supplemental Paying Agent Agreement for the Series of Capital Appreciation Bonds issued pursuant thereto.

Authorized District Representative means the Superintendent or the Assistant Superintendent of Business Services of the District, and any other designee of the Superintendent or the Board, acting with the authority of the Superintendent.

Board means the governing Board of Trustees of the District.

Bond or Bonds means the Rio Elementary School District, General Obligation Bonds, Election of 2022, authorized by, and at any time Outstanding pursuant to, this Paying Agent Agreement, or any supplement hereto.

Bond Law means Sections 15100 *et seq.* and Sections 15264 *et seq.* of the California Education Code, Government Code sections 53506 *et seq.*, Government Code sections 53550 *et seq.*, and other provisions of California law concerning the issuance of debt payable from *ad valorem* property taxes, as now in effect and as such statutes may from time to time hereafter be amended or supplemented.

Bond Obligation means, as of any date (1) with respect to any Outstanding Current Interest Bond, the principal amount of such Bond, and (2) with respect to any Outstanding Capital Appreciation Bond, the Accreted Value thereof.

Bond Register has the meaning stated in Section 2.5 (Registration, Transfer, and Exchange).

Building Fund means the building fund of the District established pursuant to Education Code section 15146 and the request of the District.

Business Day means any day other than a Saturday, Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed.

Capital Appreciation Bonds means the Bonds of any Series designated as Capital Appreciation Bonds in this Paying Agent Agreement or the Supplemental Paying Agent Agreement

providing for the issuance of such Series and on which interest is compounded and paid at maturity or on prior redemption.

Certificate, Statement, Request, Requisition, and Order of the District mean, respectively, a written certificate, statement, request, requisition, or order signed in the name of the District by an Authorized District Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion, or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.6 (Form and Content of Certificates and Opinions), each such instrument shall include the statements provided for in Section 1.6 (Form and Content of Certificates and Opinions).

Closing Date, with respect to a Series of Bonds, means the date of delivery of the Bonds of such Series to the initial purchaser thereof.

Code means the Internal Revenue Code of 1986, as amended, and the regulations applicable to or issued thereunder.

Continuing Disclosure Certificate means, with respect to a Series of Bonds, the certificate or agreement delivered on the Closing Date of such Series concerning the District's undertakings made to allow the Participating Underwriters to fulfill their responsibilities under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as such certificate or agreement was originally executed by the District or as it may from time to time be supplemented or amended in accordance with its terms.

Costs of Issuance means all items of expense directly or indirectly payable by or reimbursable to the District and related to the original authorization, execution, sale, and delivery of the Bonds, including, but not limited to, advertising and printing costs, costs of preparation and reproduction of documents, costs of printing and distribution of the preliminary and final official statements, filing and recording fees, initial fees and charges of the Paying Agent, legal fees and charges, fees and disbursements of consultants and professionals, financial advisor fees and expenses, rating agency fees, premiums and other fees for municipal bond insurance and other credit enhancement, fees and charges for preparation, execution, transportation, and safekeeping of the Bonds, and any other cost, charge, or fee in connection with the original delivery of the Bonds.

Costs of Issuance Fund means the fund held by the Paying Agent for the purposes of paying Costs of Issuance.

County means Ventura County, State of California.

Current Interest Bonds means the Bonds of any Series designated as Current Interest Bonds in this Paying Agent Agreement or the Supplemental Paying Agent Agreement providing for the issuance of such Series of Bonds and that pay interest at least semiannually to the Owners thereof (excluding the first payment of interest thereon).

DTC means The Depository Trust Company, a New York corporation.

Debt Service Fund means the fund by that name established pursuant to and governed by Section 7.2 (Payment of Debt Service).

Defeasance Securities means (1) cash; (2) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“U.S. Treasury Obligations”); (3) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (4) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or (5) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

District means the Rio Elementary School District, a school district of the State of California, duly organized and existing under the Constitution and laws of the State.

Event of Default means any of the events specified in Section 9.1 (Events of Default).

Fiscal Year means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve (12) month period hereafter selected and designated as the official fiscal year period of the District.

Information Service means the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (“EMMA”) website, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or no such services, as the District may designate in a Request of the District delivered to the Paying Agent.

Interest Payment Date with respect to the Bonds of any Series means the date or dates specified in such Bonds on which installments of interest on such Bonds are due and payable.

Investment Securities means the following:

1. (a) cash; or (b) Defeasance Securities.

Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(a) Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and bonds (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

(b) Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

(c) Federal Home Loan Banks (FHL Banks) consolidated debt obligations; or

(d) Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

4. Interest-bearing deposit accounts (including certificates of deposit) and bankers' acceptance in federal or State chartered savings and loan associations or in federal or State of California banks (including the Paying Agent), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated "AA" or better by S&P; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation; or (iii) deposits (including those of the Paying Agent, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize under federal law, which are issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are rated "A-1" or better by S&P.

5. Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by S&P and "Prime-1" by Moody's. Entities that may issue commercial paper shall be consistent with California Government Code section 53601 or its equivalent.

6. Money market funds rated "Aam" or "AAm-G" by S&P, or better and if rated by Moody's rated "Aa2" or better.

7. "State Obligations," which means:

(a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated at least "A3" by Moody's and at least "A-" by S&P, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by S&P and "MIG-1" by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated “AA-” or better by S&P and “Aa3” or better by Moody’s.

8. Pre-refunded municipal obligations rated “AAA” by S&P and “Aaa” by Moody’s meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the paying agent for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations (“Verification Report”);

(d) the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or a trustee in trust for owners of the municipal obligations;

(e) no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

(f) the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

9. Repurchase agreements: with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least “A-” by S&P and “A3” by Moody’s; or (2) any broker-dealer with “retail customers” or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least “A-” by S&P and “A3” by Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least “A-” by S&P and “A3” by Moody’s (each an “Eligible Provider”), provided that:

(a) (i) permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers), and (ii) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA’s and 104% of the total principal when the collateral type is FNMA and FHLMC (“Eligible Collateral”);

(b) the District or a third party acting solely as agent therefor or for the District (the "Custodian") has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor's books) and such collateral shall be marked to market;

(c) the collateral shall be marked to market on a daily basis and the provider or the Custodian shall send monthly reports to the District setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

(d) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

(e) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A-" by S&P or "A3" by Moody's, as appropriate, the provider must, notify the District within five (5) days of receipt of such notice. Within ten (10) days of receipt of such notice, the provider shall either: (i) post Eligible Collateral or (ii) assign the agreement to an Eligible Provider. If the provider does not perform a remedy within ten (10) business days, the provider shall, at the direction of the Paying Agent, repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the District.

10. Investment agreements: with a domestic or foreign bank or corporation the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "AA-" by S&P and "Aa3" by Moody's (each an "Eligible Provider"); provided that:

(a) interest payments are to be made to the District at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven (7) days' prior notice; the District hereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the provider shall send monthly reports to the District setting forth the balance the District has invested with the provider and the amounts and dates of interest accrued and paid by the provider;

(d) the investment agreement shall state that it is an unconditional and general obligation of the provider, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(e) the District shall receive an opinion of domestic counsel to the provider that such investment agreement is legal, valid, binding and enforceable against the provider in accordance with its terms;

(f) the District shall receive an opinion of foreign counsel to the provider (if applicable) that (i) the investment agreement has been duly authorized, executed and delivered by the provider and constitutes the legal, valid and binding obligation of the provider, enforceable against the provider in accordance with its terms, (ii) the choice of law of the state set forth in the investment agreement is valid under that country's laws and a court in such country would uphold such choice of law, and (iii) any judgment rendered by a court in the United States would be recognized and enforceable in such country;

(g) the investment agreement shall provide that if during its term:

(i) the provider's rating by either S&P or Moody's falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within ten (10) days of receipt of publication of such downgrade, either (i) post Eligible Collateral (as defined below) with the District, or a third party acting solely as agent therefor (the "Custodian") free and clear of any third party liens or claims, or (ii) assign the agreement to an Eligible Provider, or (iii) repay the principal of and accrued but unpaid interest on the investment;

(ii) the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the District, within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the District or the Paying Agent.

(h) in the event the provider is required to collateralize, permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA or FHLMC (no collateralized mortgage obligations shall be permitted for these providers) and collateral levels must be one hundred two percent (102%) of the total principal when the collateral type is U.S. Treasury Obligations, one hundred three percent (103%) of the total principal when the collateral type is GNMA's, and one hundred four percent (104%) of the total principal when the collateral type is FNMA and FHLMC ("Eligible Collateral"). In addition, the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the District setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

(i) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof;

(j) the investment agreement must provide that if during its term: (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the District, be accelerated and amounts invested and accrued but unpaid

interest thereon shall be repaid to the District, and (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. (“event of insolvency”), the provider’s obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the District.

11. The Ventura County Pooled Investment Fund.
12. The Local Agency Investment Fund.

Mandatory Redemption Payment means, with respect to the Bonds of any Series and maturity, the amount required by this Paying Agent Agreement or a Supplemental Paying Agent Agreement hereto to be paid for the mandatory redemption or payment at maturity of Term Bonds of such Series and maturity.

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

Opinion of Bond Counsel means a written opinion of a law firm experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes, selected by the District.

Outstanding, when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Paying Agent under this Paying Agent Agreement except (1) Bonds theretofore cancelled by the Paying Agent or surrendered to the Paying Agent for cancellation; (2) Bonds with respect to which all liability of the District shall have been discharged in accordance with Section 6.2 (Discharge of Liability on Bonds), including Bonds (or portions of Bonds) referred to in Section 7.6 (Money Held for Particular Bonds); and (3) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Paying Agent pursuant to this Paying Agent Agreement.

Owner or Bondholder or Bond owner, whenever used herein with respect to a Bond, means the person in whose name such Bond is registered.

Paying Agent means U.S. Bank Trust Company, National Association, as Paying Agent, or its successor as Paying Agent as provided in Section 10.9 (Removal and Resignation; Appointment of Successor).

Paying Agent Agreement means this Paying Agent Agreement, dated as of July 1, 2023, between the District and the Paying Agent, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Paying Agent Agreement delivered pursuant to the provisions hereof.

Paying Agent's Office means the office of the Paying Agent located at U.S. Bank Trust Company, National Association, 633 W. Fifth Street, 24th Floor, Los Angeles, CA 90071, Attn.: Global Corporate Trust, or such other additional offices as may be designated by the Paying Agent.

Person means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Project means the facilities to be funded by the District with Bond proceeds.

Rating Category means (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Rebate Fund means the fund by that name established pursuant to Section 7.3 (Rebate Fund).

Redemption Price means, with respect to any Bond (or portion thereof), the principal amount or Accreted Value of such Bond (or portion) plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and this Paying Agent Agreement.

Regular Record Date for interest payable on any Interest Payment Date on the Bonds of any Series means the date specified in Section 3.1(D) of this Paying Agent Agreement for the Bonds or any Supplemental Paying Agent Agreement for any subsequent Series.

Responsible Officer means the president, any vice-president, any assistant vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, or any other officer of the Paying Agent customarily performing functions similar to those performed by any of the above-designated officers and also means, with respect to a particular corporate trust matter, any other officer of the Paying Agent to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Paying Agent Agreement.

Serial Bonds means the Bonds, maturing in specified years, for which no mandatory redemption is provided.

Series, whenever used herein with respect to the Bonds, means all of the Bonds designated as being of the same series, authenticated and delivered in a simultaneous transaction, regardless of variations in maturity, interest rate, redemption, and other provisions, and any Bonds thereafter authenticated and delivered upon transfer or exchange or in lieu of or in substitution for (but not to refund) such Bonds as herein provided.

Series A Bond or **Series A Bonds** means the Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2022, Series A Bonds.

Special Record Date for the payment of any defaulted interest on Bonds of any Series means a date fixed by the Paying Agent pursuant to Section 2.7 (Payment of Interest on Bonds: Interest Rights Preserved).

Standard & Poor's or S&P means S&P Global Ratings, a division of Standard & Poor's Financial Services LLC, and its successors and assigns, except that if such organization shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Standard & Poor's" or "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

State means the State of California.

Supplemental Paying Agent Agreement means any agreement hereafter duly executed and delivered, supplementing, modifying, or amending this Paying Agent Agreement, but only if and to the extent that such Supplemental Paying Agent Agreement is specifically authorized hereunder.

Tax Certificate, with respect to a Series of Bonds, means the tax certificate delivered by the District at the time of the issuance and delivery of such Series of Bonds, as the same may be further amended or supplemented in accordance with its terms.

Tax Collection Fund means the interest and sinking fund of the District established pursuant to Education Code section 15251 (and also governed by Sections 15233 and 15234) at the request of the District.

Term Bonds means the Bonds subject to mandatory redemption, in part, at or before their specified maturity date or dates in amounts deemed necessary to retire such Bonds on or before their specified maturity date or dates.

Treasurer means the Treasurer-Tax Collector of Ventura County.

Section 1.2. Equality of Security. In consideration of the acceptance of the Bonds by the Owners thereof from time to time, this Paying Agent Agreement shall be deemed to be and shall constitute a contract between the District and the Owners from time to time of the Bonds and the covenants and agreements herein set forth to be performed by or on behalf of the District or the Paying Agent shall be for the equal and proportionate benefit, security, and protection of all Owners of the Bonds, without preference, priority or distinction as to security or otherwise of any of the Bonds over any of the others by reason of the Series, time of issue, sale, or negotiation thereof or for any cause whatsoever, except as expressly provided therein or herein. Nothing herein shall prevent additional security from being provided to particular Bonds under any Supplemental Paying Agent Agreement.

Section 1.3. Acts of Bondholders. Any request, consent, or other instrument required or permitted by this Paying Agent Agreement to be signed and executed by Bondholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bondholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent, or other instrument or of a writing appointing any such

agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Paying Agent Agreement and shall be conclusive in favor of the Paying Agent and the District if made in the manner provided in this Section.

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

Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Paying Agent or the District in accordance therewith or reliance thereon.

Section 1.4. Notices to District and Paying Agent. Any notice to or demand upon the Paying Agent may be served or presented, and such demand may be made, at the Paying Agent's Office. Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class mail postage prepaid, in a post office letter box, addressed to the Rio Elementary School District, 1800 Solar Drive, Oxnard, California 93030, Attention: Assistant Superintendent of Business Services (or such other address as may have been filed in writing by the District with the Paying Agent).

Section 1.5. Notices to Bondholders; Waiver. In any case where notice to Bondholders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Bondholder shall affect the sufficiency of such notice with respect to other Bondholders.

Where this Paying Agent Agreement provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondholders shall be filed with the District, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.6. Form and Content of Certificates and Opinions. Every certificate or opinion provided for in this Paying Agent Agreement with respect to compliance with any provision hereof shall include (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (4) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the District may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation

by counsel, an accountant, or an independent consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant, or an independent consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District) upon a certificate or opinion of or representation by an officer of the District, unless such counsel, accountant, or independent consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the District, or the same counsel, or accountant or independent consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Paying Agent Agreement, but different officers, counsel, accountants, or independent consultants may certify to different matters, respectively.

Section 1.7. Effect of Headings and Table of Contents. The headings or titles of the Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Paying Agent Agreement.

Section 1.8. Successors and Assigns. Whenever in this Paying Agent Agreement the District or the Paying Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Paying Agent Agreement contained by or on behalf of the District or the Paying Agent shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

Section 1.9. Benefits of Paying Agent Agreement. Nothing in this Paying Agent Agreement or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the District, the Paying Agent, and the Owners of the Bonds, any legal or equitable right, remedy, or claim under or in respect of this Paying Agent Agreement or any covenant, condition, or provision therein or herein contained; and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Paying Agent, and the Owners of the Bonds.

Section 1.10. Payments/Actions Otherwise Scheduled on Non-Business Days. Except as specifically set forth in a Supplemental Paying Agent Agreement, any payments or transfers that would otherwise become due on any day that is not a Business Day shall become due or shall be made on the next succeeding Business Day. When any other action is provided for herein to be done on a day named or within a specified time period and the day named or the last day of the specified period falls on a day other than a Business Day, such action may be performed on the next succeeding Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 1.11. No Personal Liability for Debt Service. No Board member, officer, agent, or employee of the District or the Paying Agent shall be individually or personally liable for the payment of the Bond Obligation or Redemption Price of or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent, or employee of the District or the

Paying Agent from the performance of any official duty provided by law or by this Paying Agent Agreement.

Section 1.12. Severability Clause. If any one or more of the provisions contained in this Paying Agent Agreement or in the Bonds shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Paying Agent Agreement and such invalidity, illegality, or unenforceability shall not affect any other provision of this Paying Agent Agreement, and this Paying Agent Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have executed this Paying Agent Agreement and each and every other Section, paragraph, sentence, clause, or phrase hereof, and authorized the issuance of the Bonds pursuant thereto, irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Paying Agent Agreement may be held illegal, invalid, or unenforceable.

Section 1.13. Governing Law. This Paying Agent Agreement shall be construed and governed in accordance with the laws of the State.

Section 1.14. Execution in Counterparts. This Paying Agent Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

ARTICLE 2 THE BONDS

Section 2.1. Title; Issuable in Series; General Limitations. The general title of the Bonds of all Series shall be “Rio Elementary School District, General Obligation Bonds, Election of 2022.” With respect to the Bonds of any particular Series, the District may incorporate into or add to the general title of such Bonds any words, letters, or figures designed to distinguish that Series.

The District may issue Bonds in Series hereunder, in book-entry form or otherwise, as from time to time authorized by the Board, subject to the covenants, provisions, and conditions contained in this Paying Agent Agreement.

The maximum principal amount of Bonds that the District may issue hereunder is not limited; subject, however, to any limitations contained in the Bond Law and to the right of the District, which is hereby reserved, to limit the aggregate principal amount of Bonds that may be issued or Outstanding hereunder.

Section 2.2. Terms of Particular Series. Each Series of Bonds, except the Series A Bonds created by Article 3, shall be created by a Supplemental Paying Agent Agreement authorized by the Board and establishing the terms and provisions of such Series of Bonds and the form of the Bonds of such Series. The several Series of Bonds may differ from the Series A Bonds and as between Series in any respect not in conflict with the provisions of this Paying Agent Agreement and as may be prescribed in the Supplemental Paying Agent Agreement creating such Series.

The District shall determine, at the time of issuance of each Series of Bonds, the terms thereof, including the interest rate or rates at which interest is borne by the Bonds of such Series or the manner in which the interest rate or rates are determined (not to exceed the maximum rate of interest permitted by law), the intervals at which interest on the Bonds of such Series shall be payable, the date or dates on which and the year or years in which the Bonds of such Series shall mature and become payable, and the manner in which Bond Obligation of and interest on the Bonds of such Series shall be payable.

Section 2.3. Forms and Denominations. The form of the Bonds of each Series shall be established by the provisions of this Paying Agent Agreement creating such Series. The Bonds of each Series shall be distinguished from the Bonds of other Series as may be determined by the officers of the District executing particular Bonds, as evidenced by their execution thereof.

The District may issue the Bonds of any Series (i) in such denominations as it specifies at the time of issuance thereof and (ii) in fully registered form without coupons or in fully registered book-entry form.

Section 2.4. Execution, Authentication, Delivery, and Dating. The Bonds issued by the District shall be executed by the President of the Board or the Assistant Superintendent of Business Services of the District and countersigned by the Secretary of the Board or their respective designees. The signature of any of these officers on the Bonds may be facsimile or manual; provided that one such signature or countersignature shall be manually affixed, unless the Bonds are authenticated by the Paying Agent. Unless otherwise provided in any Supplemental Paying Agent Agreement, the Bonds shall then be delivered to the Paying Agent for authentication by it.

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

Except as may be provided in any Supplemental Paying Agent Agreement, no Bond shall be valid or obligatory for any purpose or entitled to the benefits of this Paying Agent Agreement unless there appears on such Bond a certificate of authentication substantially in the form provided for herein, manually executed by the Paying Agent. Such certificate of authentication when manually executed by the Paying Agent shall be conclusive evidence, and the only evidence when such authentication is required, that such Bond has been duly executed, authenticated, and delivered hereunder.

Section 2.5. Registration, Transfer, and Exchange. The Paying Agent will keep or cause to be kept, at the Paying Agent's Office, a register (herein sometimes referred to as the "Bond Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent

shall provide for the registration and transfer of Bonds. The Bond Register shall at all times be open to inspection during the Paying Agent's normal business hours by the District.

Upon surrender of a Bond for transfer at the Paying Agent's Office, the District shall execute and, if required, the Paying Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same Series, tenor, and maturity and for an equivalent aggregate principal amount or Accreted Value at maturity.

Bonds of any Series may be exchanged for an equivalent aggregate principal amount or Accreted Value at maturity of Bonds of other authorized denominations of the same Series, tenor, and maturity, upon surrender of the Bonds for exchange at the Paying Agent's Office. Upon surrender of Bonds for exchange, the District shall execute and the Paying Agent shall authenticate and deliver the Bonds that the Bondholder making the exchange is entitled to receive.

All Bonds surrendered upon any exchange or transfer provided for in this Paying Agent Agreement shall be promptly cancelled by the Paying Agent and thereafter disposed of as provided for in Section 2.9 (Cancellation).

All Bonds issued upon any transfer or exchange of Bonds shall be the valid obligations of the District, evidencing the same debt, and entitled to the same security and benefits under this Paying Agent Agreement, as the Bonds surrendered upon such transfer or exchange.

Every Bond presented or surrendered for transfer or exchange shall be accompanied by a written instrument of transfer, in a form satisfactory to the Paying Agent, that is duly executed by the Owner or by his attorney duly authorized in writing.

All fees and costs of any transfer or exchange of Bonds shall be paid by the Bondholder requesting such transfer or exchange.

The Paying Agent shall not be required to transfer or exchange (i) Bonds of any Series during the period established by the Paying Agent for the selection of Bonds of such Series for redemption; or (ii) any Bond that has been selected for redemption in whole or in part, except the unredeemed portion of such Bond selected for redemption in part, from and after the day that such Bond has been selected for redemption in whole or in part.

Section 2.6. Mutilated, Destroyed, Lost, or Stolen Bonds. If (i) any mutilated Bond is surrendered to the Paying Agent, or the District and the Paying Agent receive evidence to their satisfaction of the destruction, loss, or theft of any Bond; and (ii) there is delivered to the District and the Paying Agent such security or indemnity as may be required by them to save each of them harmless, then the District shall execute, and upon its request, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Series of like tenor, maturity, and principal amount or Accreted Value at maturity, bearing a number not contemporaneously outstanding.

Upon the issuance of any new Bond under this Section, the District may require payment of a sum sufficient to pay the cost of preparing such Bond, any tax or other governmental charge that may be imposed in relation thereto, and any other expenses connected therewith.

Every new Bond issued pursuant to this Section in lieu of any destroyed, lost, or stolen Bond shall constitute an original additional contractual obligation of the District, whether or not the destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Paying Agent Agreement equally and ratably with all other Outstanding Bonds secured by this Paying Agent Agreement. Neither the District nor the Paying Agent shall be required to treat both the new Bond and the Bond it replaces as being Outstanding for the purpose of determining the principal amount of Bonds that may be issued hereunder, but both the new Bond and the Bond it replaces shall be treated as one and the same.

Section 2.7. Payment of Interest on Bonds; Interest Rights Preserved. Interest on any Bond that is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Owner thereof as of the close of business on the Regular Record Date for such interest specified in the provisions of this Paying Agent Agreement.

Any interest on any Bond that is payable but is not punctually paid or duly provided for on any Interest Payment Date shall forthwith cease to be payable to the Owner on the relevant Regular Record Date. Such defaulted interest shall be paid to the Person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the District. In the name and at the expense of the District, the Paying Agent shall cause notice of the payment of such defaulted interest and the Special Record Date to be mailed, first-class postage prepaid, to each Owner of a Bond at his address as it appears in the Bond Register not fewer than ten (10) days prior to such Special Record Date.

Subject to the foregoing provisions of this Section, each Bond delivered under this Paying Agent Agreement upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, that were carried by such other Bond. Each such Bond shall bear interest from such date that neither loss nor gain in interest shall result from such transfer, exchange, or substitution.

Section 2.8. Persons Deemed Owners. 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 the Paying Agent Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District. The ownership of Bonds shall be proved by the Bond Register. The District may establish a record date as of which to measure consent of the Bondholders in order to determine whether the requisite consents are received.

Section 2.9. Cancellation. All Bonds surrendered for payment, redemption, transfer, or exchange, if surrendered to the Paying Agent, shall be promptly cancelled by the Paying Agent and, if surrendered to any person other than the Paying Agent, shall be delivered to the Paying Agent and, if not already cancelled, shall be promptly cancelled by the Paying Agent.

The District shall deliver to the Paying Agent for cancellation any Bonds acquired in any manner by the District, and the Paying Agent shall promptly cancel such Bonds.

No Bond shall be authenticated in lieu of or in exchange for any Bond cancelled as provided in this Section, except as expressly provided by this Paying Agent Agreement. The Paying Agent shall destroy all cancelled Bonds and deliver a certificate of such destruction to the District.

ARTICLE 3
TERMS AND ISSUE OF THE SERIES A BONDS

Section 3.1. Terms and Form of Series A Bonds.

(A) Creation of the Series A Bonds. The District hereby creates the first Series of Bonds and designates them "Series A." At any time after the execution and delivery of this Paying Agent Agreement, the District may execute and the Paying Agent shall authenticate and deliver the Series A Bonds in an aggregate principal of \$[PAR AMOUNT] (comprised of \$ _____ principal amount of Current Interest Bonds and \$ _____ principal amount of Capital Appreciation Bonds) upon the Order of the District.

(B) Form of Series A Current Interest Bonds. The form of the Series A Current Interest Bonds shall be substantially as set forth in Exhibit A, with such insertions, omissions, substitutions, and variations as may be determined by the officers executing the same, as evidenced by their execution thereof, to reflect the applicable terms of the Series A Current Interest Bonds established by this Article.

(C) Form of Series A Capital Appreciation Bonds. The form of the Series A Capital Appreciation Bonds shall be substantially as set forth in Exhibit A, with such insertions, omissions, substitutions, and variations as may be determined by the officers executing the same, as evidenced by their execution thereof, to reflect the applicable terms of the Series A Capital Appreciation Bonds established by this Article.

(D) Book-Entry Form, Denominations. The Series A Bonds shall be issued as Current Interest Bonds and Capital Appreciation Bonds, in fully registered form, in denominations of five thousand dollars (\$5,000) (Bond Obligation at maturity) or any integral multiple thereof, except that one Capital Appreciation Bond may be issued in an odd denomination. The Series A Bonds shall be initially issued registered in the name of "Cede & Co.," as nominee of DTC. The Series A Bonds shall be evidenced by one Series A Bond maturing on each of the maturity dates as set forth below in this Section in a denomination corresponding to the total Bond Obligation of the Series A Bonds to mature on such date. Registered ownership of the Series A Bonds, or any portion thereof, may not thereafter be transferred except as set forth in Section 3.2 (Book-Entry Provisions). The Series A Bonds shall bear such distinguishing numbers and letters as may be specified by the District.

(E) Series A Current Interest Bonds – Date, Interest Accrual, Maturity Dates, Interest Rates. The Series A Bonds shall be dated their date of delivery, shall bear interest from their date at the following rates per annum, and shall mature on August 1 in the following years in the following amounts:

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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Maturity Date <u>(August 1)</u>	Principal <u>Amount</u> \$	Interest <u>Rate</u> %
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*Term Bond

Interest on the Series A Current Interest Bonds shall be calculated on the basis of a 360-day year comprising twelve (12) thirty (30) day months. Each Series A Current Interest Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (i) it is authenticated as of a day during the period after the Regular Record Date to that Interest Payment Date, both dates inclusive, in which event it will bear interest from such Interest Payment Date; or (ii) unless it is authenticated on or before July 15, 2023, in which event it will bear interest from the date of delivery, provided, that if, at the time of authentication of any Series A Current Interest Bond, interest is in default thereon, such Series A Current Interest Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment. The Regular Record Date for the Series A Current Interest Bonds shall be the fifteenth (15th) day of the calendar month immediately preceding the relevant Interest Payment Date, whether or not such day is a Business Day.

(F) Series A Capital Appreciation Bonds – Date; Interest Accrual; Maturity Dates; Interest Rates. The Series A Capital Appreciation Bonds shall be dated their date of delivery, and interest shall accrete from their date of delivery. The Series A Capital Appreciation Bonds shall be issued in the principal amounts and shall mature on August 1 as follows:

Maturity Date <u>(August 1)</u> *	Denominational <u>Amount</u> \$	Accretion <u>Rate</u> %	Maturity <u>Value</u> \$
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*Term Bond

The Series A Capital Appreciation Bonds shall not bear current interest; each Series A Capital Appreciation Bond shall increase in value by the accumulation of earned interest from its initial principal (denominational) amount on the date of issuance thereof to its stated maturity value at maturity thereof at a compounded interest rate which shall not exceed 12% per annum, assuming any semiannual period that the value increases in equal daily amounts on the basis of a 360-day

year of twelve 30-day months. Interest on the Series A Capital Appreciation Bonds shall compound semiannually on February 1 and August 1 in each year, commencing August 1, 2023, as set forth in the Table of Accreted Values attached as Exhibit B hereto.

(G) Bond Obligation and Redemption Payments. The Bond Obligation or Redemption Price of the Series A Bonds shall be payable to the Owner thereof upon surrender thereof in lawful money of the United States of America at the Paying Agent's Office or, as provided in Section 3.2(E) (Book-Entry Provisions – Payments to Depository), by wire transfer on each principal and mandatory redemption payment date to "Cede & Co." or its registered assign, as sole registered Owner. Interest on the Series A Current Interest Bonds shall be payable on August 1, 2023, and thereafter semiannually on February 1 and August 1 of each year, by check mailed or, as provided in Section 3.2(E) (Book Entry Provisions – Payments to Depository) and upon the written request of any Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Series A Bonds who has provided the Paying Agent with wire transfer instructions, by wire transfer on each Interest Payment Date to the Owner thereof to an account within the United States of America as of the close of business on the Regular Record Date.

(H) Cessation of Interest Accrual. Interest on any Series A Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Paying Agent an amount sufficient to pay the respective Bond Obligation thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Paying Agent an amount sufficient to pay the respective Redemption Price thereof, plus interest accrued thereon to such date. The Owner of such Series A Bond shall not be entitled to any other payment, and such Series A Bond shall no longer be Outstanding and entitled to the benefits of this Paying Agent Agreement, except for the payment of the Bond Obligation or Redemption Price, as appropriate, of such Series A Bond and interest accrued thereon from moneys held by the Paying Agent for such payment.

Section 3.2. Book-Entry Provisions. Notwithstanding any provision of this Paying Agent Agreement to the contrary, the following provisions shall apply to the Bonds, including the Series A Bonds:

(A) Limits on Transfer. The Series A Bonds shall be initially issued as provided in Section 3.1 (Terms and Form of Series A Bonds). Registered ownership of Bonds of any Series issued in book-entry form, or any portions thereof, may not thereafter be transferred except:

1. To any successor of DTC or its nominee, or to any substitute depository designated pursuant to clause (2) of this subsection (A) ("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;

2. 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 (or any substitute depository 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

3. To any person as provided below, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository can be obtained, or (b) a determination by the District that it is in the best interests of the District to remove DTC or its successor (or any substitute depository or its successor) from its function as depository.

(B) Execution and Delivery of New Bonds. In the case of any transfer pursuant to clause (1) or clause (2) of Section 3.2(A) (Book-Entry Provisions – Limits on Transfer) hereof, upon receipt of all Outstanding Bonds of such Series of book-entry Bonds by the Paying Agent, together with a Certificate of the District to the Paying Agent specifying the successor or substitute depository or its nominee, a single new Bond for each maturity of such Series in the aggregate principal amount or Accreted Value of the Bonds of such maturity then Outstanding shall be executed and delivered, registered in the name of such successor or such substitute depository, or its nominee, as the case may be. In the case of any transfer pursuant to clause (3) of Section 3.2(A) (Book-Entry Provisions – Limits on Transfer) hereof, upon receipt of all Outstanding Bonds of such Series of book-entry Bonds by the Paying Agent together with a Certificate of the District to the Paying Agent, new Bonds of such Series shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such a Certificate of the District, subject to the limitations of Section 2.5 (Registration, Transfer, and Exchange) hereof; provided the Paying Agent shall not be required to deliver such new Bonds within a period less than sixty (60) days from the date of receipt of such a Certificate of the District.

(C) Notation of Reduction in Bond Obligation. In the case of partial redemption, cancellation or an advance refunding of any Bonds evidencing all or a portion of the Bond Obligation maturing in a particular year, DTC shall make an appropriate notation on the Bonds indicating the date and amounts of such reduction in Bond Obligation, in form acceptable to the Paying Agent. The Paying Agent shall not be liable for any failure or error of DTC to make such notations; the records of the Paying Agent shall be controlling with respect to the outstanding Bond Obligation of the Bonds.

(D) No Responsibility to Persons Other Than Owners. The District and the Paying Agent shall be entitled to treat the person in whose name any Bonds are registered as the Bondholder thereof for all purposes of the Paying Agent Agreement 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 have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the District nor the Paying Agent will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including DTC or its successor (or substitute depository or its successor), except for the Owner of any Bonds.

(E) Payments to Depository. So long as all outstanding Bonds are registered in the name of “Cede & Co.” or its registered assign, the District and the Paying Agent shall cooperate with “Cede & Co.,” as sole registered Bondholder, and its registered assigns in effecting payment of the principal or Accreted Value of and redemption premium, if any, and interest on the Bonds of such Series by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 3.3. Redemption of Series A Bonds.

(A) General. The Series A Bonds shall be subject to redemption as provided in Article 5 (Redemption of Bonds).

(B) Optional Redemption of Series A Bonds. (1) *Series A Current Interest Bonds.* The Series A Current Interest Bonds maturing on and before August 1, 2033 are not subject to optional redemption prior to maturity. The Series A Current Interest Bonds, maturing on or after August 1, 2034 are subject to redemption prior to their respective stated maturities, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2033, at the principal amount of the Series A Current Interest Bonds called for redemption, plus accrued interest thereon to the date fixed for redemption, without premium

(2) *Series A Capital Appreciation Bonds.* The Series A Capital Appreciation Bonds maturing on or before August 1, 2033 are not subject to optional redemption prior to maturity. The Series A Capital Appreciation Bonds maturing on or after August 1, 2034 are subject to redemption prior to their respective stated maturity dates, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2033, at a redemption price equal to the accreted value thereof to be redeemed, as of the date set for such redemption, without premium.

(C) Mandatory Redemption of Series A Bonds. (1) *Mandatory Redemption of Series A Current Interest Bonds.* The Series A Current Interest Bonds maturing by their terms on August 1, 20__ (the “20__ Series A Term Bonds”) and on August 1, 20__ (the “20__ Series A Term Bonds”) are subject to mandatory redemption by the District prior to their maturity in part, by lot, from Mandatory Redemption Payments in the following amounts and on the following dates, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium, but which amounts will be reduced by the principal amount of such 20__ Series A Term Bonds and 20__ Series A Term Bonds, optionally redeemed.

20 Series A Term Bonds

<u>Mandatory Redemption Dates (August 1)</u>	<u>Mandatory Redemption Payment</u>
	\$

*

* *Final maturity*

20 Series A Term Bonds

(4) Insurance Policy. The Underwriter shall wire to the Insurer the amount of \$ _____ for the premium for the Insurance Policy for the Series A Bonds.

(B) The Paying Agent shall establish and maintain the Series A Costs of Issuance Fund (the "Costs of Issuance Fund") and pay amounts held therein upon the written Order of the District, substantially in the form of Exhibit C attached hereto. The Paying Agent may rely conclusively on such Written Order of the District and shall have no duty to investigate or verify any statements made therein. Three months after [CLOSING DATE], or upon prior written Order of the District, the Paying Agent shall transfer any remaining amounts in the Costs of Issuance Fund to the District for deposit to the to the Building Fund of the District. Prior to closing the Costs of Issuance Fund, the Paying Agent shall notify in writing the District and the District's financial advisor. Upon such transfer, the Costs of Issuance Fund shall be closed.

The Paying Agent may, in its discretion, establish a temporary fund or account to facilitate the foregoing transfers.

Section 3.5. Building Fund.

(A) Establishment and Application of the Building Fund. The District shall establish, maintain, and hold a separate fund designated as the "Rio Elementary School District Building Fund," which shall be kept separate and distinct from all other District funds, into which the District shall deposit proceeds from the sale of the Series A Bonds (except any premium or account interest received from the sale). The District shall use the moneys in the Building Fund to pay the cost of the acquisition, construction, and completion of improvements described in the measure approved by the electors of the District, including (i) all necessary legal, financial, engineering, and contingent costs in connection therewith; and (ii) certain legal, accounting, and financing expenses incurred in connection with the issuance of the Series A Bonds that are not otherwise paid from the Costs of Issuance Fund established by Section 3.4 (Application of Proceeds of Series A Bonds) herein.

(B) Transfer of Remaining Balance. When all the purposes and objectives contained in the measure approved by the electors of the District shall have been accomplished, the District shall transfer the remaining balance in the Building Fund, less the amount of any specified claims that are subject to dispute and for which a retention in the Building Fund is to be maintained in the full amount of such claims until such dispute is resolved, to the Tax Collection Fund.

Section 3.6. Validity of Series A Bonds. The recitals in the Series A Bonds that they are issued pursuant to the Constitution and statutes of the State shall be conclusive evidence of their validity and of compliance with provisions of law in their issuance.

Section 3.7. Security of the Series A Bonds. The Series A Bonds are general obligation bonds of the District, and the Board of Supervisors of the County have the power and are obligated to levy *ad valorem* taxes upon all property within the District subject to taxation without limitation of rate or amount for the payment of the Series A Bonds, in accordance with and subject to Section 15250 and Section 15252 of the California Education Code.

The Series A Bonds shall not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents, or employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents, or employees thereof shall be liable thereon.

ARTICLE 4 ISSUANCE AND DELIVERY OF ADDITIONAL SERIES OF BONDS

Section 4.1. Issuance of Additional Series of Bonds. The District may establish one or more additional Series of Bonds hereunder, and the District may issue, and the Paying Agent may authenticate and deliver to the purchasers thereof, Bonds of any Series so established, in such principal amount as shall be determined by the District, upon compliance by the District with the provisions of Section 4.2 (Proceedings for Issuance of Additional Series of Bonds) and any additional requirements set forth in the related Supplemental Paying Agent Agreement and subject to the following specific conditions:

(A) No Default. No Event of Default shall have occurred and then be continuing.

(B) Amount Authorized. The aggregate principal amount of Bonds issued hereunder shall not exceed the amount authorized pursuant to the Bond Law and by the electors of the District and shall not exceed any other limitation imposed by law or by any Supplemental Paying Agent Agreement.

(C) Payment Dates. If and to the extent deemed practical in the reasonable judgment of the District with regard to the type of Bond to be issued, the payments of principal or Accreted Value of such additional Series of Bonds shall be due on August 1 in each year in which principal is to be paid and, if the interest on such Series of Bonds is to be paid semiannually, such interest payments shall be due on February 1 and August 1 in each year, as appropriate.

Nothing in this Section or in this Paying Agent Agreement contained shall prevent or be construed to prevent the Supplemental Paying Agent Agreement from providing for the issuance of an additional Series of Bonds from pledging or otherwise providing, in addition to the security given or intended to be given by this Paying Agent Agreement, additional security for the benefit of such additional Series of Bonds or any portion thereof.

Section 4.2. Proceedings for Issuance of Additional Series of Bonds.

(A) Supplemental Paying Agent Agreement. Whenever the District shall determine to issue a Series of Bonds pursuant to Section 4.1 (Issuance of Additional Series of Bonds), the District shall authorize the execution of a Supplemental Paying Agent Agreement specifying the principal amount and prescribing the forms of Bonds of such additional Series and providing the terms, conditions, distinctive designation, denominations, methods of numbering, date, maturity date or dates, interest rate or rates (or the manner of determining the same), redemption provisions, and place or places of payment of the Bond Obligation or Redemption Price of and interest on such Bonds, and any other provisions respecting the Bonds of such Series not inconsistent with the terms of this Paying Agent Agreement.

(B) Documentation Required. Before such additional Series of Bonds shall be issued and delivered, the District shall file the following documents with the Paying Agent (upon which documents the Paying Agent may conclusively rely in determining whether the conditions precedent to the issuance of such Series of Bonds have been satisfied):

(1) Supplemental Paying Agent Agreement. An executed copy of the Supplemental Paying Agent Agreement authorizing such Series.

(2) No Default Certificate. A Certificate of the District stating that no Event of Default has occurred and is then continuing.

(3) Opinion. An Opinion of Bond Counsel to the effect that the execution of the Supplemental Paying Agent Agreement has been duly authorized by the District in accordance with this Paying Agent Agreement; that such Series, when duly executed by the District and authenticated, and delivered by the Paying Agent, will be valid and binding general obligations of the District; and that upon the delivery of such Series the aggregate principal amount of Bonds then Outstanding will not exceed the amount permitted by law or by this Paying Agent Agreement.

(4) Principal Amount Certificate. A Certificate of the District stating that the requirement of Section 4.1(B) has been satisfied.

Section 4.3. Application of Proceeds of Additional Bonds. Proceeds of each Series of Bonds shall be applied as specified in the Supplemental Paying Agent Agreement pursuant to which such Series of Bonds is created.

ARTICLE 5 REDEMPTION OF BONDS

Section 5.1. General Applicability of Article. Bonds of any Series that are redeemable before their respective stated maturities shall be redeemable in accordance with their terms and (except as otherwise provided herein with respect to the Bonds of any particular Series by the provisions of the Supplemental Paying Agent Agreement creating such Series) in accordance with this Article.

Section 5.2. Notice to Paying Agent. In the case of any redemption at the election of the District of less than all the Outstanding Bonds of any Series, the District shall, at least forty-five (45) days prior to the date fixed for redemption (unless a shorter notice shall be satisfactory to the Paying Agent) notify the Paying Agent in writing of such redemption date and of the principal amount or Accreted Value of Bonds and maturity date of such Series to be redeemed.

Section 5.3. Selection by Paying Agent of Bonds to Be Redeemed. If less than all the Outstanding Bonds of any maturity are to be redeemed, not more than 60 days prior to the redemption date, the Paying Agent shall select the particular Bonds to be redeemed from the Outstanding Bonds of such maturity that have not previously been called for redemption, in minimum amounts of \$5,000 (Bond Obligation at maturity), by lot in any manner that the Paying

Agent in its sole discretion shall deem appropriate and fair. For purposes of such selection, each \$5,000 amount of Bond Obligation at maturity shall be deemed to be a separate Bond.

With respect to any maturity of Bonds less than all of which maturity will be redeemed, the Paying Agent shall promptly notify the District in writing of the Bonds so selected for redemption and, in the case of a Bond selected for partial redemption, the principal amount or Accreted Value thereof to be redeemed.

For all purposes of this Paying Agent Agreement, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal or Accreted Value of such Bond that has been or is to be redeemed.

Section 5.4. Notice of Redemption.

(A) Mailed Notice. The Paying Agent shall mail notice of redemption not fewer than twenty (20) nor more than sixty (60) days prior to the redemption date by first-class mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Register and shall file such notice on the same day with the Municipal Securities Rulemaking Board (MSRB) through its EMMA website.

(B) Content of Notice. Each notice of redemption shall state (a) the date of such notice; (b) the Series designation of the Bonds; (c) the date of issue of the Series of Bonds; (d) the redemption date; (e) the Redemption Price; (f) the place or places of redemption (including the name and appropriate address or addresses of the Paying Agent); (g) the CUSIP number (if any) of the maturity or maturities; and (h) if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the Bond Obligation thereof to be redeemed. Each notice of redemption shall either (a) explicitly state that the proposed redemption is conditioned on there being on deposit on the redemption date sufficient money to pay in full the Redemption Price of the Bonds or portions thereof to be redeemed; or (b) be sent only if sufficient money to pay in full the Redemption Price of the Bonds or portions thereof to be redeemed is on deposit. Each such notice shall also (a) state that on said date there will become due and payable on each of said Bonds the Redemption Price thereof or of said specified portion of the Bond Obligation thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption; (b) state that from and after such redemption date interest thereon shall cease to accrue; and (c) require that such Bonds be then surrendered at the address or addresses of the Paying Agent specified in the redemption notice. Neither the District nor the Paying Agent shall have any responsibility for any defect in the CUSIP number that appears on any Bond or in any redemption notice with respect thereto, and any such redemption notice may contain a statement to the effect that CUSIP numbers have been assigned by an independent service for convenience of reference and that neither the District nor the Paying Agent shall be liable for any inaccuracy in such numbers.

(C) Defects in Notice or Procedure. Failure by the Paying Agent to file notice with MSRB or failure of any Owner to receive notice or any defect in any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Paying Agent to mail or otherwise

deliver notice to any one or more of the respective Owners of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed or delivered.

Section 5.5. Deposit of Redemption Price. Prior to any redemption date, the District shall deposit with the Paying Agent an amount of money sufficient to pay the Redemption Price of all the Bonds that are to be redeemed on that date. Such money shall be held for the benefit of the persons entitled to such Redemption Price.

Section 5.6. Bonds Payable on Redemption Date. Notice of redemption having been duly given as aforesaid and moneys for payment of the Redemption Price of the Bonds so to be redeemed being held by the Paying Agent, on the redemption date designated in such notice (i) the Bonds so to be redeemed shall become due and payable at the Redemption Price specified in such notice; (ii) interest on such Bonds shall cease to accrue; (iii) such Bonds shall cease to be entitled to any benefit or security under this Paying Agent Agreement; and (iv) the Owners of such Bonds shall have no rights in respect thereof except to receive payment of said Redemption Price. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the redemption date shall be payable to the Owners of the Bonds on the relevant Record Dates according to the terms of such Bonds and the provisions of Section 2.7 (Payment of Interest on Bonds; Interest Rights Preserved).

Section 5.7. Bonds Redeemed in Part. Upon surrender of any Bond redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same Series of authorized denominations, and of the same maturity, equal in aggregate Bond Obligation to the unredeemed portion of the Bond surrendered.

Section 5.8. Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption monies are not available in the Debt Service Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

ARTICLE 6 DEFEASANCE

Section 6.1. Discharge of Paying Agent Agreement.

(A) **Payment of Bonds.** Bonds may be paid by the District in any of the following ways:

(1) by paying or causing to be paid the Bond Obligation of and interest on such Bonds, as and when the same become due and payable;

(2) by depositing with the Paying Agent, an escrow agent or other fiduciary, at or before maturity, money or securities in the necessary amount (as provided in Section 6.3 (Deposit of Money or Securities with Paying Agent)) to pay or redeem such Bonds; or

(3) by delivering such Bonds to the Paying Agent for cancellation by it.

(B) Consequences of Payment of All Bonds. If the District shall pay all Bonds Outstanding and also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District, evidenced by a Certificate of the District filed with the Paying Agent signifying the intention of the District to discharge all such indebtedness and this Paying Agent Agreement, and notwithstanding that any Bonds shall not have been surrendered for payment, this Paying Agent Agreement, all covenants and agreements and other obligations of the District under this Paying Agent Agreement, and the rights and interests created hereby (except as to any surviving rights of transfer or exchange of Bonds as provided in Section 2.5 (Registration, Transfer, and Exchange)) and rights to payment from moneys deposited with the Paying Agent as provided in Section 6.2 (Discharge of Liability on Bonds)) shall cease, terminate, become void, and be completely discharged and satisfied. Notwithstanding the satisfaction and discharge of this Paying Agent Agreement, the obligations to the Paying Agent under Section 10.7 (Compensation and Indemnification of Paying Agent) and the covenants of the District to preserve the exclusion of interest on the Bonds from gross income for federal income tax purposes contained in Section 8.6 (Federal Income Tax Covenants) shall survive.

(C) Actions Upon Discharge. In such event, the Paying Agent shall pay over to the District all moneys or securities or other property held by it pursuant to this Paying Agent Agreement that, as evidenced by a verification report (upon which the Paying Agent may conclusively rely) from a certified public accountant or firm of such accountant, are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(D) Notice of Defeasance. If moneys or Defeasance Securities are deposited with and held by the Paying Agent, an escrow agent or other fiduciary as hereinabove provided, the Paying Agent shall within thirty (30) days after such money and Defeasance Securities shall have been deposited with it mail a notice prepared by the District, first class postage prepaid, to the Owners at the addresses listed on the registration books kept by the Paying Agent pursuant to Section 2.5 (Registration, Transfer, and Exchange), (a) setting forth the maturity or date fixed for prepayment, as the case may be, of the Bonds, (b) giving a description of the Defeasance Securities, if any, so held by it, and (c) stating that this Paying Agent Agreement has been released in accordance with the provisions of this Section.

Section 6.2. Discharge of Liability on Bonds. Upon the deposit with the Paying Agent, escrow agent, or other fiduciary, at or before maturity, of money or securities in the necessary amount (as provided in Section 6.3 (Deposit of Money or Securities with Paying Agent)) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption

shall have been given as in Article 5 provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, then all liability of the District in respect of such Bond shall cease, terminate, and be completely discharged, except that thereafter (i) the Owner thereof shall be entitled to payment of the Bond Obligation or Redemption Price of and interest on such Bond by the District and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent, escrow agent, or other fiduciary as aforesaid for their payment, subject, however, to the provisions of Section 6.4 (Moneys Unclaimed after Bonds Are Due and Payable); and (ii) the Owner thereof shall retain its rights of transfer or exchange of Bonds as provided in Section 2.5 (Registration, Transfer, and Exchange).

The District may at any time surrender to the Paying Agent for cancellation by it any Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 6.3. Deposit of Money or Securities with Paying Agent. Whenever in this Paying Agent Agreement it is provided or permitted that there be deposited with or held by the Paying Agent, an escrow agent or other fiduciary money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established pursuant to this Paying Agent Agreement and shall be:

(A) Lawful money of the United States of America in an amount equal to the Bond Obligation of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds that are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Article 5 (Redemption of Bonds) provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, the amount to be deposited or held shall be the Bond Obligation or Redemption Price of such Bonds and all unpaid interest thereon to the redemption date; or

(B) Defeasance Securities the principal of and interest on which when due will, in the opinion of an independent certified public accountant delivered to the Paying Agent (upon which opinion the Paying Agent may conclusively rely), provide money sufficient to pay the Bond Obligation or Redemption Price, premium, if any, and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such Bond Obligation or Redemption Price and interest become due, provided that, in the case of Bonds that are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article 5 (Redemption of Bonds) provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice; provided, in each case, that the Paying Agent shall have been irrevocably instructed (by the terms of this Paying Agent Agreement or by Request of the District) to apply such money to the payment of such Bond Obligation or Redemption Price and interest with respect to such Bonds.

Section 6.4. Moneys Unclaimed after Bonds Are Due and Payable.

(A) Earnings on Moneys Unclaimed after Bonds Are Due and Payable. All moneys held by or on behalf of the Paying Agent for the payment of principal or Accreted Value of or interest or premium on Bonds, whether at redemption or maturity, shall be held for the account of

the Owners thereof and the Paying Agent shall not be required to pay Owners any interest on, or be liable to the Owners or any other person for any interest earned on, moneys so held.

(B) Return of Unclaimed Funds to District. Subject to applicable escheatment laws, any moneys held by the Paying Agent for the payment of the Bond Obligation or Redemption Price of, premium, if any, or interest on, any Bonds and remaining unclaimed for two (2) years after the date when such Bonds have become due and payable (whether at maturity or upon call for redemption as provided in this Paying Agent Agreement), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after the date when such Bonds became due and payable, shall be repaid to the District. Thereafter, Owners shall look solely to the District for the payment of such funds and the Paying Agent shall have no further liability for such funds.

ARTICLE 7 TAX LEVY AND COLLECTION; USE OF FUNDS

Section 7.1. Levy of Taxes; Tax Collection Fund.

(A) Levy of Taxes. The California Education Code directs the Board of Supervisors of the County to levy and collect a tax on all the taxable property in the District sufficient to pay the Bond Obligation of and interest on the Bonds as it becomes due (and such part of the Bond Obligation and interest as may have become due before the proceeds of a tax levied at the next subsequent general tax levy will be available) and the District has requested the tax also include an amount to pay the annual fees and expenses of the Paying Agent. The District has directed the Board of Supervisors of the County to levy the tax annually at the time of making each general tax levy and to levy and collect the tax as other *ad valorem* taxes are levied. The District shall use the taxes collected only for payment of the Bond Obligation of and interest on the Bonds when due and the fees and expenses of the Paying Agent as provided in this Paying Agent Agreement.

(B) Tax Collection Fund. The District has established the Tax Collection Fund and such fund shall be maintained separate and distinct from all other District funds. The District has directed the Treasurer to deposit into the Tax Collection Fund the taxes levied and collected by the County pursuant to Education Code section 15250. All moneys at any time held in the Tax Collection Fund shall be held for the benefit of the Owners of the Bonds and shall be disbursed, allocated, and applied solely for the payment of the Bond Obligation of and interest on the Bonds when and as the same fall due, except for amounts collected for the payment of the Paying Agent's fees and expenses, which shall be paid to the Paying Agent in accordance with the agreement entered into between the District and the Paying Agent. When this Paying Agent Agreement shall have been discharged in accordance with Section 6.1 (Discharge of Paying Agent Agreement) hereof, any balance of money then remaining in the Tax Collection Fund shall be transferred (upon request by the District) to the general fund of the District.

Section 7.2. Payment of Debt Service.

(A) Application of Funds to Pay Debt Service. At least thirty (30) days prior to each Interest Payment Date, the Paying Agent shall deliver to the District and the Treasurer an invoice stating the aggregate amount of interest and principal becoming due and payable on any Outstanding Bonds on such Interest Payment Date. The District shall direct the Treasurer to

transfer, at least one (1) Business Day prior to each Interest Payment Date, from the Tax Collection Fund to the Paying Agent the amount stated in such invoice for deposit into the funds maintained by the Paying Agent and designated herein as the "Debt Service Fund." Such amount shall be sufficient to pay the aggregate amount of interest and Bond Obligation becoming due and payable on any Outstanding Bonds on the next succeeding Interest Payment Date. Failure of the Paying Agent to deliver such invoice shall not affect the District's obligation to pay debt service. The Paying Agent shall keep such funds separate and distinct from all other District funds. All sums to become due for the Bond Obligation of and interest on the Bonds shall be paid from the Debt Service Funds. When this Paying Agent Agreement shall have been discharged in accordance with Section 6.1 (Discharge of Paying Agent Agreement) hereof, the Paying Agent shall transfer any money held by it hereunder to the District for deposit into the general fund of the District.

(B) Application of Funds in Event of Insufficiency. If, on any Interest Payment Date, the amounts held by the Paying Agent are not sufficient to pay in full the Bond Obligation or Redemption Price of and interest on all Bonds payable on such date, the Paying Agent shall apply all amounts then held or thereafter received by the Paying Agent under any of the provisions of this Paying Agent Agreement (except as otherwise provided in this Paying Agent Agreement) to the payment to the persons entitled thereto of all installments of interest then due and the unpaid Bond Obligation or Redemption Price of any Bonds that shall have become due, whether at maturity or by call for redemption, in the order of their due dates, with interest on the overdue Bond Obligation at the rate borne by the respective Bonds, such payments to be made ratably, according to the amounts of Bond Obligation or interest due on such date to the persons entitled thereto, without any discrimination or preference.

Section 7.3. Rebate Fund. The District shall establish and maintain a fund designated as the "Rebate Fund," if the District determines that such a fund would be convenient for purposes of rebate accounting. If established, the Rebate Fund shall be maintained separate from any other fund. The District shall deposit moneys into and disburse moneys from the Rebate Fund or make payments of rebate directly to the United States Treasury at the times required by the terms of the Tax Certificate.

Section 7.4. Investment of Moneys in Funds and Accounts. Moneys in any of the funds and accounts established pursuant to this Paying Agent Agreement shall be invested, as directed by the District, solely in Investment Securities or, as to amounts held by the Paying Agent, held uninvested in cash. All Investment Securities shall be acquired subject to the limitations set forth in Section 8.6 (Federal Income Tax Covenants).

All interest, profits, and other income received from the investment of moneys in any fund or account shall be retained therein.

The Paying Agent shall not invest any cash held by it hereunder.

The Paying Agent shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, disbursement, allocation and application of the moneys payable to the Owners.

Section 7.5. Funds and Accounts. Any fund required by this Paying Agent Agreement to be established and maintained by the Paying Agent may be established and maintained in the accounting records of the Paying Agent either as a fund or an account and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds shall at all times be maintained in accordance with customary standards of the corporate trust industry to the extent practicable, and with due regard for the protection of the security of the Bonds and the rights of every Owner thereof. The Paying Agent may establish additional funds or accounts for accounting purposes.

Section 7.6. Money Held for Particular Bonds. The money held by the Paying Agent for the payment of the interest, Bond Obligation, or Redemption Price due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 6.4 (Moneys Unclaimed after Bonds Are Due and Payable).

ARTICLE 8 COVENANTS OF THE DISTRICT

Section 8.1. Power to Issue Bonds. The District is duly authorized pursuant to the Bond Law to issue the Bonds. The Bonds and the provisions of this Paying Agent Agreement are and will be the valid and binding obligations of the District in accordance with their terms.

Section 8.2. Punctual Payment. The District will punctually pay or cause to be paid the Bond Obligation or Redemption Price of, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Paying Agent Agreement, according to the true intent and meaning thereof.

Section 8.3. Extension of Payment of Bonds. The District will not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any or claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Paying Agent Agreement, except subject to the prior payment in full of the Bond Obligation of all of the Bonds then Outstanding and of all claims for interest thereon that shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the District to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 8.4. Preservation of Rights of Owners. The District shall at all times, to the extent permitted by law, defend, preserve, and protect the taxes and other assets and all the rights of the Bondholders under this Paying Agent Agreement against all claims and demands of all persons whomsoever.

Section 8.5. Waiver of Laws. The District will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or

at any time hereafter in force that may affect the covenants and agreements contained in this Paying Agent Agreement or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the District to the extent permitted by law.

Section 8.6. Federal Income Tax Covenants. The District shall at all times do and perform all acts and things permitted by law and this Paying Agent Agreement that are necessary and desirable in order to assure that interest paid on the Bonds will be excludable from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excludable; provided that, prior to the issuance of any Series of Bonds, the District may exclude the application of the covenants contained in this Section to such Series of Bonds. Without limiting the generality of the foregoing, the District agrees to comply with the provisions of the Tax Certificate. This covenant shall survive the defeasance or payment in full of the Bonds.

Section 8.7. Further Assurances. The District will make, execute, and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Paying Agent Agreement, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Paying Agent Agreement.

Section 8.8. Continuing Disclosure. The District hereby covenants that it will comply with and carry out all the provisions of the Continuing Disclosure Certificate.

ARTICLE 9 EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

Section 9.1. Events of Default. The following events shall be Events of Default:

(A) default in the due and punctual payment of the Bond Obligation or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by mandatory redemption, by proceedings for optional redemption, or otherwise;

(B) default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(C) failure by the District to observe or perform any covenant, condition, agreement or provision in this Paying Agent Agreement on its part to be observed or performed, other than as referred to in subsection (A) or (B) of this Section, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, has been given to the District by an Owner; except that, if such failure can be remedied but not within such sixty (60) day period and if the District has taken all action reasonably possible to remedy such failure within such sixty (60) day period, such failure shall not become an Event of Default for so long as the District shall diligently proceed to remedy same in accordance with and subject to any directions or limitations of time established by a majority of the Owners; and

(D) if the District shall file a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court

of competent jurisdiction shall approve a petition, seeking reorganization of the District under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief of aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

Section 9.2. Remedies of Owners. Upon the occurrence and continuance of an Event of Default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated

(A) by mandamus or other action, suit, or proceeding at law or in equity to enforce the Owners' rights against the Board or the District or any of the officers or employees of the District, and to compel the Board or the District or any such officers or employees to perform and carry out their duties under the Bond Law and the agreements and covenants with the Owners contained herein;

(B) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Owners; or

(C) by suit in equity upon the nonpayment of the Bonds to require the Board or the District or its officers and employees to account as the trustee of an express trust.

Section 9.3. Restoration of Positions. In case any proceedings taken by any one or more Bondholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bondholders, then in every such case the District and the Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers, and duties of the District, the County, and the Bondholders shall continue as though no such proceedings had been taken.

Section 9.4. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Owners of the Bonds is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 9.5. Delay or Omission Not Waiver. No delay or omission of any Owner of the Bonds to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Paying Agent Agreement or by law to the Owners of the Bonds may be exercised from time to time, and as often as may be deemed expedient, by the Owners.

Section 9.6. No Acceleration. The Owners of the Bonds have no right to declare the principal of the Bonds immediately due and payable.

**ARTICLE 10
THE PAYING AGENT**

Section 10.1. Appointment of Paying Agent. U.S. Bank Trust Company, National Association is hereby appointed as paying agent, bond registrar, and authenticating agent for the Bonds under this Paying Agent Agreement, and hereby accepts the appointment as Paying Agent hereunder, and agrees to perform all the functions and duties of the Paying Agent hereunder, subject to the terms and conditions set forth in this Paying Agent Agreement.

Section 10.2. Certain Duties and Responsibilities.

(A) **Duties Limited to Those Specified.** The Paying Agent undertakes to perform such duties and only such duties as are specifically set forth in this Paying Agent Agreement and no implied covenants shall be read into this Paying Agent Agreement against the Paying Agent;

(B) **Reliance on Documents.** In the absence of bad faith on its part, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, statements, requests, requisitions, orders, or opinions furnished to the Paying Agent and conforming to the requirements of this Paying Agent Agreement; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Paying Agent, the Paying Agent shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of the Paying Agent Agreement.

(C) **Immunities of Paying Agent.** No provision of this Paying Agent Agreement shall be construed to relieve the Paying Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this subsection shall not be construed to limit the effect of subsection (A) of this Section;

(2) the Paying Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Paying Agent was negligent in ascertaining the pertinent facts;

(3) the Paying Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method, and place of conducting any proceeding for any remedy available to the Paying Agent or of exercising any power conferred upon the Paying Agent under this Paying Agent Agreement; and

(4) no provision of this Paying Agent Agreement shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

(D) **Immunities Applicable to All Provisions of Paying Agent Agreement.** Whether or not herein expressly so provided, every provision of this Paying Agent Agreement relating to the

conduct or affecting the liability of or affording protection to the Paying Agent shall be subject to the provisions of this Article 10.

Section 10.3. Notice of Defaults. Within ninety (90) days after the occurrence of any default hereunder, the Paying Agent shall transmit by mail to all Owners of Bonds as their names and addresses appear on the Bond Register notice of such default hereunder actually known to a Responsible Officer of the Paying Agent, unless such default shall have been cured or waived; provided, however, that in the case of any default of the character specified in Section 9.1(C) no such notice to Bondholders shall be given until at least thirty (30) days after the occurrence thereof. For purposes of this Section, the term “default” means any event that is, or after notice or lapse of time or both would become, an Event of Default. The Paying Agent shall not be deemed to have knowledge of any default or Event of Default hereunder unless and until it shall have actual knowledge thereof, or shall have received written notice thereof, at the Paying Agent’s Office. As used herein, the term “actual knowledge” means the actual fact or statement of knowing, without any duty to make any investigation with regard thereto.

Section 10.4. Certain Rights of Paying Agent; Liability of Paying Agent. Except as otherwise provided in Section 10.2 (Certain Duties and Responsibilities):

(A) **Reliance on Documents Believed Genuine.** The Paying Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, requisition, consent, order, bond, note, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(B) **Documentation of District’s Directions.** Any request or direction of the District mentioned herein shall be sufficiently evidenced by a Certificate, Statement, Request, Requisition, or Order of the District;

(C) **Reliance on District Certificate.** Whenever in the fulfillment of the obligations imposed upon it by this Paying Agent Agreement the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action hereunder, the Paying Agent (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the District, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable;

(D) **Reliance on Advice of Counsel.** The Paying Agent may consult with counsel, including, without limitation, counsel of or to the District, and the advice or opinion of such counsel or any Opinion of Bond Counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Paying Agent hereunder in good faith and in reliance thereon;

(E) **Investigation of Factual Matters.** The Paying 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, direction, consent, order, bond, or other paper or document but the Paying Agent, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Paying Agent shall determine to make such further inquiry or

investigation, it shall be entitled to examine the books, records and premises of the District, personally or by agent or attorney;

(F) Performance of Duties by Agents. The Paying Agent may perform the duties required of it hereunder by or through attorneys, agents, or receivers and shall be entitled to advice of counsel concerning all matters of its duty hereunder, but the Paying Agent shall be answerable for the negligence or misconduct of any such attorney-in-fact, agent, or receiver selected by it; provided that the Paying Agent shall not be answerable for the negligence or misconduct of any attorney-at-law or certified public accountant selected by it with due care;

(G) Electronic Instructions and Directions. The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Paying Agent Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the District shall provide to the Paying Agent 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 whenever a person is to be added or deleted from the listing. If the District elects to give the Paying Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Paying Agent in its discretion elects to act upon such instructions, the Paying Agent's understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying 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 Paying Agent, including, without limitation, the risk of the Paying Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(H) Force Majeure. The Paying Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Paying Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

Section 10.5. Paying Agent Not Responsible for Recitals or Issuance of Bonds or Application of Proceeds.

(A) Paying Agent Makes No Representations. The recitals of facts herein and in the Bonds contained therein shall be taken as statements of the District, and the Paying Agent assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Paying Agent on each Bond). The Paying Agent makes no representations as to the validity or sufficiency of this Paying Agent Agreement or of the Bonds, as to the sufficiency of the taxes or the priority of the lien of this Paying Agent Agreement thereon, or as to the financial or technical feasibility of any project financed by the Bonds and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly herein or in the Bonds assigned to or imposed upon it.

(B) Paying Agent Not Responsible for Application of Certain Moneys. The Paying Agent shall not be responsible for:

- (1) the application or handling by the District of any moneys transferred to or pursuant to any Requisition or Request of the District in accordance with the terms and conditions hereof;
- (2) the application and handling by the District or the Treasurer of any fund or account designated to be held by the District or the Treasurer hereunder; and
- (3) the construction, operation, or maintenance of any facilities by the District.

Section 10.6. Paying Agent May Hold Bonds. The Paying Agent and its directors, officers, employees or agents may in good faith buy, sell, own, hold, and deal in any of the Bonds, and may join in any action which any Owner of a Bond may be entitled to take, with like effect as if the Paying Agent was not the Paying Agent under this Paying Agent Agreement. The Paying Agent may in good faith hold any other form of indebtedness of the District, own, accept, or negotiate any drafts, bills of exchange, acceptances, or obligations of the District, and make disbursements for the District, and enter into any commercial or business arrangement therewith, without limitation.

Section 10.7. Compensation and Indemnification of Paying Agent. The District agrees:

(A) Compensation. To pay to the Paying Agent from time to time compensation for all services rendered by it hereunder in accordance with the terms of a fee agreement to be entered into with the Paying Agent;

(B) Reimbursement. To reimburse the Paying Agent upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Paying Agent in accordance with any provision of this Paying Agent Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to the Paying Agent's negligence or bad faith; and

(C) Indemnification. To indemnify the Paying Agent and its officers, directors, agents, and employees for, and to hold it and them harmless from and against, any loss, liability, claim, judgment, cost or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the obligations created hereby, including the costs and expenses (including reasonable attorneys' fees and expenses) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The rights of the Paying Agent and the obligations of the District under this Section 10.7 (Compensation and Indemnification of Paying Agent) shall survive the discharge of the Bonds and this Paying Agent Agreement and the earlier removal or resignation of the Paying Agent.

Section 10.8. Paying Agent Required; Eligibility. There shall at all times be a Paying Agent hereunder, which shall be either (i) a trust company or bank having the powers of a trust company having a corporate trust office in the State, having a combined capital and surplus of at least ten million dollars (\$10,000,000), and subject to supervision or examination by federal or state

authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Paying Agent shall cease to be eligible in accordance with the provisions of this Section, the Paying Agent shall resign immediately in the manner and with the effect specified in this Article.

Section 10.9. Removal and Resignation; Appointment of Successor.

(A) Effectiveness of Resignation or Removal. No removal or resignation of the Paying Agent and appointment of a successor Paying Agent pursuant to this Article shall become effective until the acceptance of appointment by the successor Paying Agent under Section 10.10 (Acceptance of Appointment by Successor).

(B) Paying Agent's Right to Resign. The Paying Agent may resign at any time by giving written notice of such resignation to the District and by giving the Bondholders notice of such resignation by mail at the addresses shown on the Bond Register. If an instrument of acceptance by a successor Paying Agent shall not have been delivered to the Paying Agent within thirty (30) days after the giving of such notice of resignation, the resigning Paying Agent may appoint or petition any court of competent jurisdiction for the appointment of a successor Paying Agent, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Paying Agent.

(C) District's Right to Remove Paying Agent. The District may remove the Paying Agent at any time, unless an Event of Default shall have occurred and then be continuing, by giving written notice of such removal to the Paying Agent.

(D) Removal of Paying Agent at the Request of Owners. The District shall remove the Paying Agent if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate Bond Obligation of the Bonds then Outstanding (or their attorneys duly authorized in writing), by giving written notice of such removal to the Paying Agent.

(E) Mandatory Removal of Paying Agent. The District shall remove the Paying Agent if at any time:

(1) the Paying Agent shall cease to be eligible in accordance with Section 10.8 (Paying Agent Required; Eligibility) and shall fail to resign after written request therefor by the District, or

(2) the Paying Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Paying Agent or of its property shall be appointed or any public officer shall take control or charge of the Paying Agent or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation;

in each case by giving written notice of such removal to the Paying Agent.

(F) Appointment of Successor. If the Paying Agent shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of the Paying Agent for any cause, the District shall promptly appoint a successor Paying Agent by an instrument in writing. If no successor Paying Agent shall have been so appointed by the District and accepted appointment in the manner hereinafter provided within thirty (30) days after such resignation, removal, or incapability or the occurrence of such vacancy, the then-current Paying Agent or the Bondholders, by an instrument or instruments signed by the Owners of a majority in aggregate amount of Bond Obligation of the Bonds, may appoint a successor Paying Agent, or any Bondholder (on behalf of himself and all other Bondholders), or the then-current Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Paying Agent.

(G) Notice of Removal or Resignation. The District shall give notice of each resignation and each removal of the Paying Agent and each appointment of a successor Paying Agent by mailing written notice of such event by first-class mail, postage prepaid, to the Owners as their names and addresses appear in the Bond Register. Each notice shall include the name of the successor Paying Agent and the address of its principal office. If the District fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Paying Agent, the successor Paying Agent shall cause such notice to be mailed at the expense of the District.

Section 10.10. Acceptance of Appointment by Successor. Any successor Paying Agent appointed under this Paying Agent Agreement shall execute and deliver to the District and to its predecessor Paying Agent an instrument accepting such appointment, and thereupon such successor Paying Agent, without any further act, deed, or conveyance, shall become vested with all the moneys, rights, powers, and duties of the predecessor Paying Agent; but, at the Request of the District or the request of the successor Paying Agent, the predecessor Paying Agent shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to the successor Paying Agent all the right, title, and interest of such predecessor Paying Agent in and to any property held by it under this Paying Agent Agreement and shall duly assign, transfer, and deliver to the successor Paying Agent all property and money held by the predecessor Paying Agent hereunder. Upon request of any successor Paying Agent, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Paying Agent all such moneys, properties, rights, powers, and duties.

Section 10.11. Merger or Consolidation. Any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion, or consolidation to which it shall be a party or any company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under Section 10.8 (Paying Agent Required; Eligibility), shall be the successor to such Paying Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. In case any Bonds shall have been authenticated, but not delivered, by the Paying Agent then in office, any successor by merger, conversion, or consolidation to such authenticating Paying Agent may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Paying Agent had itself authenticated such Bonds.

Section 10.12. Preservation and Inspection of Documents. All documents received by the Paying Agent under the provisions of this Paying Agent Agreement shall be retained in its possession and shall be subject to the inspection of the District and any Owner, and their agents and representatives duly authorized in writing, at reasonable times during the Paying Agent's normal business hours and under reasonable conditions.

Section 10.13. Accounting Records. The Paying Agent will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Bonds. Such books of record and account shall be available for inspection by the District at reasonable times during the Paying Agent's normal business hours and under reasonable circumstances upon reasonable notice.

ARTICLE 11 MODIFICATION OR AMENDMENT OF THIS PAYING AGENT AGREEMENT

Section 11.1. Supplemental Paying Agent Agreements without Consent of Bondholders. This Paying Agent Agreement and the rights and obligations of the District, of the Paying Agent, and of the Owners of the Bonds may be modified or amended from time to time and at any time by a Supplemental Paying Agent Agreement, which the District may adopt without the consent of any Bondholders but only with the consent of the Paying Agent and only to the extent permitted by law and only for any one (1) or more of the following purposes:

(A) Additional Security: to add to the covenants and agreements of the District contained in this Paying Agent Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the District;

(B) Curative Provisions: to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Paying Agent Agreement, or in regard to matters or questions arising under this Paying Agent Agreement, or to make any other revisions or additions as the District may deem necessary or desirable, and that shall not materially and adversely affect the interests of the Owners of the Bonds;

(C) Additional Series: to create any Series of Bonds (other than the Series A Bonds);

(D) Book-Entry System: to amend, modify, or eliminate the book-entry registration system for the Bonds or any Series of the Bonds;

(E) Notice of Redemption: to modify or add to the procedures providing for the notice in the event of redemption of the Bonds in order to comply with regulations promulgated by the United States Securities and Exchange Commission;

(F) Credit Enhancement: to make modifications or adjustments necessary, appropriate, or desirable to accommodate credit enhancements including letters of credit, insurance policies, and surety bonds;

(G) Preservation of Tax Exemption: to make such provisions as are necessary or appropriate to maintain the exclusion of interest on a Series of Bonds from gross income for purposes of federal income taxation; and

(H) No Material Effect: for any other purpose that does not materially and adversely affect the interests of the Owners of the Bonds.

With respect to amendments under this Section 11.1 executed without the consent of Owners of the Bonds, the Paying Agent shall be fully protected, and shall incur no liability, in executing such Supplemental Paying Agent Agreement solely in reliance on the Opinion of Bond Counsel received by it under Section 11.3 hereof.

Section 11.2. Supplemental Paying Agent Agreements with Consent of Bondholders.

(A) Majority Consent. This Paying Agent Agreement and the rights and obligations of the District, the Owners of the Bonds, and the Paying Agent may be modified or amended from time to time and at any time by a Supplemental Paying Agent Agreement, which the District may enter into with the written consent of the Paying Agent and when the consent of the Owners of a majority in aggregate Bond Obligation of the Bonds (or, if such Supplemental Paying Agent Agreement is only applicable to a Series of Bonds, such Series of Bonds) then Outstanding shall have been filed with the District; provided that, if such modification or amendment will, by its terms, not take effect so long as any Bonds of any particular maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section.

(B) Credit Provider's Consent. This Paying Agent Agreement and the rights and obligations of the District, the Owners, and the Paying Agent may also be modified or amended at any time by, a Supplemental Paying Agent Agreement entered into by the District, with the written consent of the Paying Agent, which shall become binding when the written consents of each provider of a letter of credit or a policy of bond insurance for the Bonds shall have been filed with the District, provided that at such time the payment of all the Bond Obligation of and interest on all Outstanding Bonds shall be insured by a policy or policies of municipal bond insurance or payable under a letter of credit the provider of which shall be a financial institution or association having unsecured debt obligations rated, or insuring or securing other debt obligations rated on the basis of such insurance or letters of credit, in one of the two highest Rating Categories of each rating agency then rating the Bonds.

(C) Limitations on Amendments. No such modification or amendment shall (1) extend the fixed maturity of any Bond, or reduce the amount of Bond Obligation thereof, or extend the time of payment or reduce the amount of any mandatory redemption provided for any Bond, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the taxes and other amounts pledged under this Paying Agent Agreement prior to or on a parity with the lien created by this Paying Agent Agreement, or deprive the Owners of the Bonds of the lien created by this Paying Agent Agreement on such taxes and other amounts (in each case, except as

expressly provided in this Paying Agent Agreement), without the consent of the Owners of all of the Bonds then Outstanding.

(D) Manner of Consent. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Paying Agent Agreement, but it shall be sufficient if such consent shall approve the substance thereof.

(E) Certification of Consent. When the consent of Bondholders or credit providers is required under this Section for the execution of a Supplemental Paying Agent Agreement, the District shall provide to the Paying Agent a Certificate of the District certifying that the necessary consents have been filed with the District. The Paying Agent may conclusively rely on such Certificate and shall have no liability for relying upon it.

(F) Notice of Amendments. Promptly after the execution of any Supplemental Paying Agent Agreement pursuant to this Section, the Paying Agent shall mail a notice, setting forth in general terms the substance of such Supplemental Paying Agent Agreement to the Owners of the Bonds at the addresses shown on the Bond Register. Any failure to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Paying Agent Agreement.

Section 11.3. Execution of Supplemental Paying Agent Agreements. In executing any Supplemental Paying Agent Agreement permitted by this Article or the modification thereby of the obligations created by this Paying Agent Agreement, the Paying Agent shall be provided with, and, subject to Section 10.2 (Certain Duties and Responsibilities), shall be fully protected in relying upon, an Opinion of Bond Counsel stating that the execution of such Supplemental Paying Agent Agreement is authorized or permitted by this Paying Agent Agreement. The Paying Agent may, but shall not be obligated to, enter into or consent to any such Supplemental Paying Agent Agreement that affects the Paying Agent's own rights, duties, or immunities under this Paying Agent Agreement or otherwise.

Section 11.4. Effect of Supplemental Paying Agent Agreement. From and after the time any Supplemental Paying Agent Agreement becomes effective pursuant to this Article, this Paying Agent Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Paying Agent Agreement of the District, the Paying Agent, and all Owners of Bonds Outstanding shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Paying Agent Agreement shall be deemed to be part of the terms and conditions of this Paying Agent Agreement for any and all purposes.

Section 11.5. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after any Supplemental Paying Agent Agreement becomes effective pursuant to this Article may, and if the District so determines shall, bear a notation by endorsement or otherwise in form approved by the District as to any modification or amendment provided for in such Supplemental Paying Agent Agreement, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such execution and presentation of his Bond for such purpose at the Paying Agent's Office or at such additional offices as the Paying Agent may select and designate for that purpose, a suitable notation shall be made on such Bond. If the Supplemental Paying Agent Agreement shall so

provide, new Bonds so modified as to conform, in the opinion of the District, to any modification or amendment contained in such Supplemental Paying Agent Agreement, shall be prepared and executed by the District and, if required, authenticated by the Paying Agent and, upon demand of the Owners of any Bonds then Outstanding and upon surrender for cancellation of such Bonds, shall be exchanged at the Paying Agent's Office, without cost to any Bondholder, for Bonds then Outstanding in equal aggregate principal amounts or Accreted Value at maturity of the same Series and maturity.

Section 11.6. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE 12 BOND INSURANCE POLICY FOR SERIES A BONDS

The provisions of this Article 12, and its sections individually shall govern and control, with respect to the Series A Bonds only, notwithstanding anything to the contrary as set forth in this Paying Agent Agreement, or individually in this Paying Agent Agreement's sections. Moreover, the provisions of this Article 12 shall not be amended or supplemented without the prior written consent of the 2023 Insurer.

Section 12.1. Municipal Bond Insurance.

(A) Notice and Other Information to be Given to the 2023 Insurer. The District will provide the 2023 Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Certificate and (ii) to the holders of the Series A Bonds or the Paying Agent under the 2023 Security Documents (as defined herein).

The notice address of the 2023 Insurer is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. _____, Telephone: (212) 235-2500, Telecopier: (212) 962-1710, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the 2023 Insurance Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 962-1524 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(B) Amendments, Supplements, and Consents.

(1) Consents and Amendments. Wherever any 2023 Security Document requires the consent of Bondholders, the 2023 Insurer's consent shall also be required. In addition, any amendment, supplement or modification to the 2023 Security Documents that adversely affect the rights or interests of the 2023 Insurer shall be subject to the prior written consent of the 2023 Insurer.

(2) Control Rights of 2023 Insurer upon Default. Anything in any 2023 Security Document to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the 2023 Insurer shall be deemed to be the sole holder of the Series A Bonds for all

purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Series A Bonds or the Paying Agent for the benefit of the holders of the Series A Bonds under any 2023 Security Document. The Paying Agent may not waive any default or event of default or accelerate the Series A Bonds without the 2023 Insurer's written consent.

(C) 2023 Insurer as Third-Party Beneficiary. The 2023 Insurer is explicitly recognized and shall be deemed to be a third-party beneficiary of the 2023 Security Documents and may enforce any right, remedy or claim conferred, given or granted thereunder.

(D) Policy Payments.

(1) In the event that principal or Accreted Value and/or interest due on the Series A Bonds shall be paid by the 2023 Insurer pursuant to the 2023 Insurance Policy, the Series A Bonds shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the District, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the District to the registered owners shall continue to exist and shall run to the benefit of the 2023 Insurer, and the 2023 Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer and sale of the Series A Bonds.

(2) Notwithstanding anything to the contrary, the District and the Paying Agent shall agree for the benefit of the 2023 Insurer that:

(i) They recognize that to the extent the 2023 Insurer makes payments directly or indirectly (e.g., by paying through the Paying Agent), on account of principal or Accreted Value of or interest on the Series A Bonds, the 2023 Insurer will be subrogated to the rights of such holders to receive the amount of such principal or Accreted Value and interest from the District, with interest thereon, as provided and solely from the sources stated in the 2023 Security Documents and the Series A Bonds; and

(ii) They will accordingly pay to the 2023 Insurer the amount of such principal or Accreted Value and interest, with interest thereon, but only from the sources and in the manner provided in the 2023 Security Documents and the Series A Bonds for the payment of principal or Accreted Value of and interest on the Series A Bonds to holders, and will otherwise treat the 2023 Insurer as the owner of such rights to the amount of such principal or Accreted Value and interest.

(3) Special Provisions for Insurer Default. If an Insurer Default shall occur and be continuing, then, notwithstanding anything in subsection (B) above to the contrary, (x) if at any time prior to or following an Insurer Default, the 2023 Insurer has made payment under the 2023 Insurance Policy, to the extent of such payment the 2023 Insurer shall be treated like any other holder of the Series A Bonds for all purposes, including giving of consents, and (y) if the 2023 Insurer has not made any payment under the 2023 Insurance Policy, the 2023 Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or the 2023 Insurer makes a payment under the 2023 Insurance Policy, in which event, the foregoing clause (x) shall control. For purposes of this subsection (D)(3), "Insurer Default" means: (a) the 2023 Insurer has

failed to make any payment under the 2023 Insurance Policy when due and owing in accordance with its terms; or (b) the 2023 Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (c) any state or federal agency or instrumentality shall order the suspension of payments on the 2023 Insurance Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of the 2023 Insurer (including without limitation under the New York Insurance Law.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Paying Agent Agreement by their officers thereunto duly authorized as of the day and year first written above.

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
Superintendent

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Paying Agent

By: _____
Authorized Officer

EXHIBIT A

FORM OF SERIES A GENERAL OBLIGATION BOND

REGISTERED
NO. R-__

REGISTERED
\$ _____

**RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2022, SERIES A
(Tax-Exempt)**

MATURITY DATE	INTEREST RATE PER ANNUM	DATE	CUSIP NO.
August 1, 20__	_____ %	July __, 2023	767032

REGISTERED OWNER: CEDE & COMPANY

PRINCIPAL SUM: _____ DOLLARS

Rio Elementary School District, a school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "District"), for value received, hereby acknowledges itself indebted to and promises to pay to the registered owner named above or registered assigns, on the maturity date specified above, the principal sum specified above, to an account within the United States, together with interest thereon from the date hereof until the principal hereof shall have been paid, at the interest rate per annum specified above, payable semi-annually on February 1 and August 1 in each year until maturity, commencing August 1, 2023. Interest hereon is payable in lawful money of the United States of America by check mailed or, upon the written request of any Owner of one million dollars (\$1,000,000) or more in aggregate principal amount of Bonds who has provided the Paying Agent (identified below), with wire transfer instructions for an account within the United States, by wire transfer on each interest payment date, to the registered owner as of the close of business on the fifteenth day of the calendar month immediately preceding such interest payment date. The principal hereof and premium, if any, hereon are payable at the office of the U.S. Bank Trust Company, National Association, as paying agent (together with any successor as paying agent under the hereinafter mentioned Paying Agent Agreement (the "Paying Agent") in St. Paul, Minnesota, or such office as may be designated by the Paying Agent, in lawful money of the United States of America. Notwithstanding the foregoing, so long as this bond is registered in the name of Cede & Co., both principal of and interest on this bond shall be payable by wire transfer to the registered owner.

This bond is issued under the authority of and pursuant to the Constitution and statutes of the State of California, proceedings of the District and Ventura County (the "County") duly adopted and taken, a vote and assent of more than 55% of all the qualified electors of the District voting at a special election duly called and held for that purpose on November 8, 2022

(collectively, the “Bond Law”), which authorized the issuance of up to \$72,000,000 principal amount of bonds, and pursuant to a Paying Agent Agreement dated as of July 1, 2023, between the District and the Paying Agent providing for the issuance of the bonds so authorized (said Paying Agent Agreement, as amended and supplemented from time to time, the “Paying Agent Agreement”).

This bond is one of the issue of bonds of the District so authorized and designated “Rio Elementary School District, General Obligation Bonds, Election of 2022” (the “Bonds”), all of like tenor (except for such variations, if any, as may be required to designate varying series, denominations, numbers, maturities, interest rates, interest payment provisions, redemption provisions, and forms). This bond is also one of a duly authorized series of the Bonds additionally designated “Series A” (the “Series A Bonds”) issued in the aggregate principal amount of \$[PAR AMOUNT]. The Series A Bonds are issued pursuant to the provisions of the California Education Code sections 15264 *et seq.*

The Bonds are secured by the levy of *ad valorem* property taxes on all taxable property in the territory of the District, which taxes are unlimited as to rate and amount (except with respect to certain personal property that is taxable at limited rates). The Bonds, including interest and redemption premium thereon, do not constitute a debt or liability of the State, the Counties, or any other political subdivision of the State other than the District.

Reference is hereby made to the Paying Agent Agreement and to the Bond Law for a description of the terms on which the Bonds are issued and to be issued and the rights of the registered owners of the Bonds. All the terms of the Paying Agent Agreement and the Bond Law are hereby incorporated herein and constitute a contract between the District and the registered owner from time to time of this Bond. The registered owner of this Bond, by its acceptance hereof, consents and agrees to all the provisions of the Paying Agent Agreement. Additional bonds may be issued on a parity with the Bonds of this authorized issue, but only subject to the conditions and limitations contained in the Paying Agent Agreement.

The Series A Bonds maturing on and before August 1, 2033 are not subject to optional redemption prior to maturity. The Bonds maturing on or after August 1, 2034 are subject to redemption, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2033, at a redemption price equal to the principal amount of the Series A Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

The Series A Current Interest Bonds maturing by their terms on August 1, 20__ (the “20__ Series A Term Bonds”) and on August 1, 20__ (the “20__ Series A Term Bonds”) are subject to mandatory redemption by the District prior to their maturity in part, by lot, from Mandatory Redemption Payments in the following amounts and on the following dates, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium.

20 Series A Term Bonds

**Mandatory Redemption
Dates (August 1)**

**Mandatory
Redemption Payment**
\$

*

* *Final maturity*

20 Series A Term Bonds

**Mandatory Redemption
Dates (August 1)**

**Mandatory
Redemption Payment**
\$

*

* *Final maturity*

This bond is transferable or exchangeable for other Series A Bonds of authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the designated corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Paying Agent Agreement, and upon surrender and cancellation of this bond. Upon such transfer a new fully registered bond or bonds without coupons, of authorized denomination or denomination, of the same series, tenor, and maturity for the same aggregate value at maturity will be issued to the transferee in exchange herefor.

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent or its agent 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 DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC) 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.

The District and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the District and of the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon terms provided in the Paying Agent Agreement, which provides, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of Bonds.

It is hereby certified and recited that any and all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the incurring of the indebtedness evidenced by this bond, and in the issuing of this bond, do exist, have happened, and have been performed in due time, form, and manner, as required by the Constitution and statutes of the State of California; that the total amount of indebtedness of the District, including the amount of this bond, does not exceed any limit prescribed by the Constitution and the statutes of the State of California; and that this bond is not in excess of the amount of Bonds permitted to be issued under the Paying Agent Agreement.

IN WITNESS WHEREOF, the Board of Trustees of the Rio Elementary School District has caused this Series A Bond to be signed by the Rio Elementary School District Assistant Superintendent of Business Services and countersigned by the Secretary of the Board of Trustees.

By: _____
Assistant Superintendent of Business
Services of the Rio Elementary School
District

Countersigned:

By: _____
Secretary of the Board of Trustees of the
Rio Elementary School District

CERTIFICATE OF AUTHENTICATION

This is one of the Series A Bonds described in the within-mentioned Paying Agent Agreement, which has been authenticated on the date set forth below.

Dated: July __, 2023

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Paying Agent**

By: _____
Authorized Officer

ASSIGNMENT

For value received _____ hereby sell, assign and transfer unto _____ the within Bond and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the bond register of the District, with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this Assignment must correspond with the name on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed by:

NOTE: Signature must be guaranteed by an eligible guarantor institution (being banks, stock brokers, savings and loan associations, and credit unions with membership in and approved signature guarantee medallion programs) pursuant to Securities and Exchange Commission Rule 17A(d)15.

Social Security Number, Tax Identification Number, or other identifying number of Assignee:

LEGAL OPINION

The following is a true copy of the opinion rendered by Parker & Covert LLP, 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.

Secretary of the Board of Trustees of the
Rio Elementary School District

PARKER & COVERT LLP
Attorneys at Law
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833

[CLOSING DATE]

Board of Trustees
Rio Elementary School District
1800 Solar Drive
Oxnard, California 93030

Re: \$[PAR AMOUNT]
 Rio Elementary School District
 (Ventura County, California)
 General Obligation Bonds
 Election of 2022, Series A
 Final Opinion of Bond Counsel

Members of the Board of Trustees:

We have acted as bond counsel in connection with the issuance by the Rio Elementary School District (the "District") of \$[PAR AMOUNT] principal amount of Rio Elementary School District, General Obligation Bonds, Election of 2022, Series A (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to *ad valorem* taxation without limitation regarding rate or amount (except certain personal property that is taxable at limited rates) to pay the Bonds. Ventura County is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, interest on the Bonds is taken into account in determining the annual adjusted statement of income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from State of California personal income taxation.

The rights of the owners of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PARKER & COVERT LLP

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to U.S. Bank Trust Company, National Association, Los Angeles, California, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the

Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Paying Agent Agreement or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Paying Agent Agreement, at law or in equity.

REGISTERED
NO. RCAB-__

REGISTERED
\$ _____
(Accreted Value at Maturity)

**RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2022, SERIES A**

MATURITY DATE	ACCRETION RATE PER ANNUM	DATE	CUSIP NO.
August 1, 20__	_____ %	[CLOSING DATE]	767032

REGISTERED OWNER: CEDE & COMPANY

ACCREDITED VALUE
AT MATURITY: _____ DOLLARS

INITIAL PRINCIPAL
AMOUNT: _____ DOLLARS

Rio Elementary School District, a school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "District"), for value received, hereby acknowledges itself indebted to and promises to pay to the registered owner named above or registered assigns, on the maturity date specified above, the accreted value at maturity specified above, representing principal together with interest accreted thereon from the date hereof until the principal hereof shall have been paid, at the interest rate per annum specified above, compounded semiannually on each February 1 and August 1, commencing August 1, 2023. The principal hereof and compounded interest hereon are payable at the office of U.S. Bank Trust Company, National Association, as paying agent (together with any successor as paying agent under the hereinafter mentioned Paying Agent Agreement (the "Paying Agent") in St. Paul, Minnesota, or such office as may be designated by the Paying Agent, in lawful money of the United States of America.

This bond is issued under the authority of and pursuant to the Constitution and statutes of the State of California, proceedings of the District and Ventura County (the "County") duly adopted and taken, a vote and assent of more than 55% of all the qualified electors of the District voting at a special election duly called and held for that purpose on November 8, 2022 (collectively, the "Bond Law"), which authorized the issuance of up to \$72,000,000 principal amount of bonds, and pursuant to a Paying Agent Agreement dated as of July 1, 2023, between the District and the Paying Agent providing for the issuance of the bonds so authorized (said Paying Agent Agreement, as amended and supplemented from time to time, the "Paying Agent Agreement").

This bond is one of the issue of bonds of the District so authorized and designated "Rio Elementary School District, General Obligation Bonds, Election of 2022" (the "Bonds"), all of

like tenor (except for such variations, if any, as may be required to designate varying series, denominations, numbers, maturities, interest rates, interest payment provisions, redemption provisions, and forms). This bond is also one of a duly authorized series of the Bonds additionally designated "Series A" (the "Series A Bonds") issued in the aggregate principal amount of \$[PAR AMOUNT]. This Series A Bond is designated as a Capital Appreciation Bond and is issued pursuant to the provisions of the California Government Code sections 53506 et seq.

The Bonds are secured by the levy of *ad valorem* property taxes on all taxable property in the territory of the District, which taxes are unlimited as to rate and amount (except with respect to certain personal property that is taxable at limited rates). The Bonds, including interest and redemption premium thereon, do not constitute a debt or liability of the State of California, the County, or any other political subdivision of the State of California other than the District.

Reference is hereby made to the Paying Agent Agreement and to the Bond Law for a description of the terms on which the Bonds are issued and to be issued and the rights of the registered owners of the Bonds. All the terms of the Paying Agent Agreement and the Bond Law are hereby incorporated herein and constitute a contract between the District and the registered owner from time to time of this bond. The registered owner of this bond, by its acceptance hereof, consents and agrees to all the provisions of the Paying Agent Agreement.

The Series A Capital Appreciation Bonds maturing on or before August 1, 2033 are not subject to optional redemption prior to maturity. The Series A Capital Appreciation Bonds maturing on or after August 1, 2034 are subject to redemption prior to their respective stated maturity dates, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2033, at a redemption price equal to the accreted value thereof to be redeemed, without premium.

The Series A Capital Appreciation Bonds maturing by their terms on August 1, 20__ are subject to mandatory redemption by the District prior to their maturity in part, by lot, from mandatory redemption payments in the following amounts and on the following dates, at a redemption price equal to the accreted value thereof as of the date fixed for redemption, without premium.

20 Series A Term Bonds

Mandatory Redemption Dates (August 1)	Accreted Value Redeemed
	\$

*

* Final maturity

This bond is transferable or exchangeable for other Series A Bonds of authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the designated corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Paying Agent Agreement, and upon surrender and cancellation of this bond. Upon such transfer a new fully

registered bond or bonds without coupons, of authorized denomination or denominations, of the same series, tenor, and maturity for the same aggregate principal amount will be issued to the transferee in exchange herefor.

Unless this bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the Paying Agent or its agent 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 DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC) 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.

The District, the County, and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the District, the County, and the Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the District, the County, and of the registered owners of the Bonds may be modified or amended at any time in the manner, to the extent, and upon terms provided in the Paying Agent Agreement, which provides, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of Bonds.

It is hereby certified and recited that any and all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the incurring of the indebtedness evidenced by this bond, and in the issuing of this bond, do exist, have happened, and have been performed in due time, form, and manner, as required by the Constitution and statutes of the State of California; that the total amount of indebtedness of the District, including the amount of this bond, does not exceed any limit prescribed by the Constitution and the statutes of the State of California; and that this bond is not in excess of the amount of Bonds permitted to be issued under the Paying Agent Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the Board of Trustees of the Rio Elementary School District has caused this Series A Bond to be signed by the Rio Elementary School District Assistant Superintendent of Business Services and countersigned by the Secretary of the Board of Trustees.

By: _____
Assistant Superintendent of Business
Services of the Rio Elementary School
District

Countersigned:

By: _____
Secretary of the Board of Trustees of the
Rio Elementary School District

CERTIFICATE OF AUTHENTICATION

This is one of the Series A Bonds described in the within-mentioned Paying Agent Agreement, which has been authenticated on the date set forth below.

Dated: July __, 2023

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Paying Agent**

By: _____
Authorized Officer

ASSIGNMENT

For value received _____ hereby sell, assign and transfer unto _____ the within Bond and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the bond register of the District, with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this Assignment must correspond with the name on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed by:

NOTE: Signature must be guaranteed by an eligible guarantor institution (being banks, stock brokers, savings and loan associations, and credit unions with membership in and approved signature guarantee medallion programs) pursuant to Securities and Exchange Commission Rule 17A(d)15.

Social Security Number, Tax Identification Number, or other identifying number of Assignee:

LEGAL OPINION

The following is a true copy of the opinion rendered by Parker & Covert LLP, 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.

Secretary of the Board of Trustees of the
Rio Elementary School District

PARKER & COVERT LLP
Attorneys at Law
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833

Board of Trustees
Rio Elementary School District
1800 Solar Dr.
Oxnard, CA 93030-2655

Re: \$[PAR AMOUNT]
 Rio Elementary School District
 (Ventura County, California)
 General Obligation Bonds
 Election of 2022, Series A
 Final Opinion of Bond Counsel

Members of the Board of Trustees:

We have acted as bond counsel in connection with the issuance by the Rio Elementary School District (the "District") of \$[PAR AMOUNT] principal amount of Rio Elementary School District (Ventura County, California) General Obligation Bonds, Election of 2022, Series A (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to *ad valorem* taxation without limitation regarding rate or amount (except certain personal property that is

taxable at limited rates) to pay the Bonds. Ventura County is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, interest on the Bonds is taken into account in determining the annual adjusted statement of income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from State of California personal income taxation.

The rights of the owners of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PARKER & COVERT LLP

STATEMENT OF INSURANCE

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on this Bond to U.S. Bank Trust Company, National Association, Los Angeles, California, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from BAM or the Paying Agent. All payments

required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Paying Agent Agreement or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Paying Agent Agreement, at law or in equity.

EXHIBIT B

TABLE OF ACCRETED VALUES

[Table on Following Pages]

EXHIBIT C

FORM OF REQUISITION TO PAYING AGENT

**[\$[PAR AMOUNT]
RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2022, SERIES A**

**REQUISITION TO PAYING AGENT TO DISBURSE FUNDS
FROM THE COSTS OF ISSUANCE FUND**

REQUISITION NO. __

The Rio Elementary School District (the "District") hereby directs U.S. Bank Trust Company, National Association, as paying agent (the "Paying Agent"), under the Paying Agent Agreement dated as of July 1, 2023, by and between the District and the Paying Agent, to pay from the Costs of Issuance Fund established pursuant to Section 3.4 (Application of Proceeds of Series A Bonds) of the Paying Agent Agreement, the amounts to the parties as set forth on the attached schedule.

The District hereby certifies that obligations in the amounts stated in Schedule I have been incurred by the District and are presently due and payable, and that each item is a proper charge against the Costs of Issuance Fund and has not been previously paid from that fund.

Attached to Schedule I are invoices for each payment requested.

Dated: [DATE]

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
Authorized Signatory

RIO ELEMENTARY SCHOOL DISTRICT

SCHEDULE I

[Please see attached invoices for delivery and/or wire instructions]

Item	Payee	Purpose	Amount
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
		TOTAL	

PAYING AGENT AGREEMENT

between

RIO ELEMENTARY SCHOOL DISTRICT

and

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Paying Agent**

Dated as of July 1, 2023

**RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
2023 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

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EXHIBITS

- Exhibit A – Form of Notes
- Exhibit B – Table of Accreted Values
- Exhibit C – Form of Requisition to Paying Agent

PAYING AGENT AGREEMENT

This PAYING AGENT AGREEMENT, dated as of July 1, 2023 (this “Paying Agent Agreement”), is by and between the RIO ELEMENTARY SCHOOL DISTRICT, a school district duly established and existing under the laws of the State of California (the “District”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing pursuant to the laws of the United States of America (the “Paying Agent”).

WITNESSETH:

WHEREAS, the District is authorized pursuant to Education Code sections 15264 *et seq.* and Government Code sections 53506 *et seq.* and the approving vote of its qualified electors at an election held on November 8, 2022 (the “2022 Election”), to issue or have issued on its behalf general obligation bonds (the “Bonds”) in an aggregate principal amount not exceeding \$72,000,000;

WHEREAS, the District intends to issue its first series of Bonds in an aggregate principal amount of \$[PAR AMOUNT] (the “Series A Bonds”) to pay the cost of the acquisition, construction, and completion of improvements described in the measure approved in the 2022 Election (the “Project”);

WHEREAS, the District has authorized the issuance and sale of 2023 General Obligation Bond Anticipation Notes (the “Notes”) in the initial principal amount of \$[PAR AMOUNT] for the purpose of providing funds in advance of the issuance of additional Bonds and has determined to enter into this Paying Agent Agreement in order to provide for the authentication and delivery of the Notes, to establish and declare the terms and conditions upon which the Notes shall be issued and secured, and to secure payment of the Accreted Value (as defined herein) thereof and interest thereon;

WHEREAS, the execution and delivery of this Paying Agent Agreement have in all respects been duly and validly authorized by a resolution duly passed and approved by the governing board of the District; and

WHEREAS, the District has determined that all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and the entering into of this Paying Agent Agreement do exist, have happened, and have been performed in regular and due time, form, and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Paying Agent Agreement.

NOW, THEREFORE, THIS PAYING AGENT AGREEMENT WITNESSETH that, in order to secure the payment of the Accreted Value of and the interest on all the Notes issued, authenticated, and delivered hereunder, and to provide the terms and conditions under which all property, rights, and interests hereby assigned and pledged are to be dealt with and disposed of, and to secure performance and observance of the terms, conditions, covenants, agreements, trusts, uses, and purposes hereinafter expressed, and in consideration of the promises and of the material covenants herein contained, and of the purchase and acceptance of the Notes by the Owners (as defined herein) thereof, and for other valuable consideration, the receipt of which is hereby

acknowledged, the District does hereby agree and covenant with the Paying Agent for the benefit of the respective Owners, from time to time, of the Notes, or any part thereof, as follows:

ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICABILITY

Section 1.1. Definitions.

(A) General Principles of Interpretation. For all purposes of this Paying Agent Agreement and of any Supplemental Paying Agent Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires:

1. The terms defined in this Section shall have the meanings herein specified and include the plural as well as the singular.

2. All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

3. All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of applicability thereof.

4. All references herein to “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Paying Agent Agreement as originally executed.

5. The words “herein,” “hereof,” “hereby,” “hereunder,” and other words of similar import refer to this Paying Agent Agreement as a whole and not to any particular Article, Section, or other subdivision.

6. Words of any gender shall mean and include words of all other genders.

7. Unless otherwise defined in this Paying Agent Agreement, all terms used herein shall have the meanings assigned to such terms in the Bond Law.

(B) Specific Definitions. For all purposes of this Paying Agent Agreement and of any Supplemental Paying Agent Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires, the following terms have the meanings herein specified:

Accreted Value means, with respect to any Capital Appreciation Note, the initial principal amount thereof plus the interest accrued thereon from its date, compounded at the interest rate thereon on each date specified therein. The Accreted Values at any compounding date to which reference is made shall be the amounts set forth in the Accreted Value Table as of such date. The Accreted Value between compounding dates shall be calculated assuming that the Accreted Values increase in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

Accreted Value Table means the table by that name attached as an exhibit to this Paying Agent Agreement or a Supplemental Paying Agent Agreement.

Authorized District Representative means the Superintendent or the Assistant Superintendent of Business Services of the District, and any other designee of the Superintendent or the Board, acting with the authority of the Superintendent.

Board means the governing Board of Trustees of the District.

Bond Law means Sections 15100 *et seq.*, Section 15150, and Sections 15264 *et seq.* of the California Education Code, Government Code sections 53506 *et seq.*, Government Code sections 53550 *et seq.*, and other provisions of California law concerning the issuance of debt payable from *ad valorem* property taxes, as now in effect and as such statutes may from time to time hereafter be amended or supplemented.

Bonds means the bonds to be issued by the District pursuant to the authority provided by Measure H by the electors at the 2022 Election.

Building Fund means the building fund of the District established pursuant to Education Code section 15146 and the request of the District pursuant to Section 3.2 (Building Fund).

Business Day means any day other than a Saturday, Sunday, or a day on which banking institutions in the State are authorized or obligated by law or executive order to be closed.

Capital Appreciation Notes means the Notes designated as Capital Appreciation Notes in this Paying Agent Agreement or a Supplemental Paying Agent Agreement providing for the issuance of such Notes and on which interest is compounded and paid at maturity or on prior redemption.

Certificate, Statement, Request, Requisition, and Order of the District means, respectively, a written certificate, statement, request, requisition, or order signed in the name of the District by an Authorized District Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion, or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.6 (Form and Content of Certificates and Opinions), each such instrument shall include the statements provided for in Section 1.6 (Form and Content of Certificates and Opinions).

Code means the Internal Revenue Code of 1986, as amended, and the regulations applicable to or issued thereunder.

Continuing Disclosure Certificate means the certificate or agreement delivered on the on the date of delivery of the Notes concerning the District's undertakings made to allow the Participating Underwriters to fulfill their responsibilities under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as such certificate or agreement was originally executed by the District or as it may from time to time be supplemented or amended in accordance with its terms.

Costs of Issuance means all items of expense directly or indirectly payable by or reimbursable to the District and related to the original authorization, execution, sale, and delivery of the Notes, including, but not limited to, advertising and printing costs, costs of preparation and reproduction of documents, costs of printing and distribution of the preliminary and final official statements, filing and recording fees, initial fees and charges of the Paying Agent, legal fees and charges, fees and disbursements of consultants and professionals, financial advisor fees and expenses, rating agency fees, premiums and other fees for municipal bond insurance and other credit enhancement, fees and charges for preparation, execution, transportation, and safekeeping of the Notes, and any other cost, charge, or fee in connection with the original delivery of the Notes.

Costs of Issuance Fund means the fund held by the Paying Agent for the purposes of paying Costs of Issuance.

County means Ventura County, State of California.

DTC means The Depository Trust Company, a New York corporation.

District means the Rio Elementary School District, a school district of the State of California, duly organized and existing under the Constitution and laws of the State.

Event of Default means any of the events specified in Section 6.1 (Events of Default).

Federal Securities means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

Information Service means the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (“EMMA”) website, or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or no such services, as the District may designate in a Request of the District delivered to the Paying Agent.

Investment Securities means any securities in which funds of the District may now or hereafter be legally invested as provided by applicable law in effect at the time of such investment, subject to any limitations imposed by the investment policy approved by the Board, but without regard to any limitations contained therein concerning the maximum percentage limitations for any particular investment. Investment Securities also include (a) money market funds, including funds of the Paying Agent or any of its affiliates, and (b) interest-bearing deposit accounts (including certificates of deposit) in federal or State chartered savings and loan associations or in federal or State banks (including the Paying Agent), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated AA or better by S&P; or (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation; or (iii) deposits (including those of the Paying Agent, its parent and its affiliates) secured at all times by collateral that may be used by a national bank for purposes of satisfying its obligations to collateralize under federal law, which are issued by commercial banks, savings and loan associations or mutual savings banks whose short-term obligations are ranked A-1 or better by S&P.

Maturity Date means August 1, 2028.

Measure H means the provisions of Measure H, which was approved by more than 55% of the voters of the District at the 2022 Election, under which the issuance of the Bonds has been authorized.

Note Register has the meaning stated in Section 2.6 (Registration, Transfer, and Exchange).

Note Repayment Fund means the fund by that name established pursuant to Section 4.2 (Note Repayment Fund) of this Paying Agent Agreement.

Notes means the 2023 General Obligation Bond Anticipation Notes authorized by, and at any time Outstanding pursuant to this Paying Agent Agreement.

Opinion of Counsel means a written opinion of a law firm experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes, selected by the District.

Outstanding, when used as of any particular time with reference to Notes, means all Notes theretofore, or thereupon being, authenticated and delivered by the Paying Agent under this Paying Agent Agreement except (1) Notes theretofore cancelled by the Paying Agent or surrendered to the Paying Agent for cancellation; (2) Notes with respect to which all liability of the District shall have been discharged in accordance with 0 (Discharge of Notes); and (3) Notes for the transfer or exchange of or in lieu of or in substitution for which other Notes shall have been authenticated and delivered by the Paying Agent pursuant to this Paying Agent Agreement.

Owner or Noteholder or Note owner, whenever used herein with respect to a Note, means the person in whose name such Note is registered.

Paying Agent means U.S. Bank Trust Company, National Association, as Paying Agent, or its successor as Paying Agent as provided in Section 7.9 (Removal and Resignation; Appointment of Successor).

Paying Agent Agreement means this Paying Agent Agreement, dated as of July 1, 2023, between the District and the Paying Agent, as originally executed or as it may from time to time be supplemented or amended by any Supplemental Paying Agent Agreement delivered pursuant to the provisions hereof.

Paying Agent's Office means the office of the Paying Agent located at U.S. Bank Trust Company, National Association, 633 W. Fifth Street, 24th Floor, Los Angeles, CA 90071, Attn.: Global Corporate Trust, or such other additional offices as may be designated by the Paying Agent.

Person means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Project means the facilities to be funded by the District with Bond proceeds or Note proceeds.

Rating Category means (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Responsible Officer means the president, any vice-president, any assistant vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, or any other officer of the Paying Agent customarily performing functions similar to those performed by any of the above-designated officers and also means, with respect to a particular corporate trust matter, any other officer of the Paying Agent to whom such matter is referred because of such officer's knowledge of and familiarity with the particular subject and having direct responsibility for the administration of this Paying Agent Agreement.

State means the State of California.

Supplemental Paying Agent Agreement means any agreement hereafter duly executed and delivered, supplementing, modifying, or amending this Paying Agent Agreement, but only if and to the extent that such Supplemental Paying Agent Agreement is specifically authorized hereunder.

Tax Certificate means the tax certificate delivered by the District at the time of the issuance and delivery of the Notes, as the same may be further amended or supplemented in accordance with its terms.

Treasurer means the Treasurer-Tax Collector of Ventura County.

Section 1.2. Equality of Security. In consideration of the acceptance of the Notes by the Owners thereof from time to time, this Paying Agent Agreement shall be deemed to be and shall constitute a contract between the District and the Owners from time to time of the Notes and the covenants and agreements herein set forth to be performed by or on behalf of the District or the Paying Agent shall be for the equal and proportionate benefit, security, and protection of all Owners of the Notes, without preference, priority or distinction as to security or otherwise of any of the Notes over any of the others for any cause whatsoever, except as expressly provided therein or herein.

Section 1.3. Acts of Noteholders. Any request, consent, or other instrument required or permitted by this Paying Agent Agreement to be signed and executed by Noteholders may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Noteholders in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent, or other instrument or of a writing appointing any such agent, or of the holding by any person of Notes transferable by delivery, shall be sufficient for any purpose of this Paying Agent Agreement and shall be conclusive in favor of the Paying Agent and the District if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the

person signing such request, consent, or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

Any request, consent, or other instrument or writing of the Owner of any Note shall bind every future Owner of the same Note and the Owner of every Note issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Paying Agent or the District in accordance therewith or reliance thereon.

Section 1.4. Notices to District and Paying Agent. Any notice to or demand upon the Paying Agent may be served or presented, and such demand may be made, at the Paying Agent's Office. Any notice to or demand upon the District shall be deemed to have been sufficiently given or served for all purposes by being deposited, first-class mail postage prepaid, in a post office letter box, addressed to the Rio Elementary School District, 1800 Solar Drive, Oxnard, California 93030, Attention: Assistant Superintendent of Business Services (or such other address as may have been filed in writing by the District with the Paying Agent).

Section 1.5. Notices to Noteholders; Waiver. In any case where notice to Noteholders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Noteholder shall affect the sufficiency of such notice with respect to other Noteholders.

Where this Paying Agent Agreement provides for notice in any manner, such notice may be waived in writing by the person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Noteholders shall be filed with the District, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 1.6. Form and Content of Certificates and Opinions. Every certificate or opinion provided for in this Paying Agent Agreement with respect to compliance with any provision hereof shall include (1) a statement that the Person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such Person, he has made or caused to be made such examination or investigation as is necessary to enable him to express an informed opinion with respect to the subject matter referred to in the instrument to which his signature is affixed; and (4) a statement as to whether, in the opinion of such Person, such provision has been complied with.

Any such certificate or opinion made or given by an officer of the District may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel, an accountant, or an independent consultant, unless such officer knows, or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel, an accountant, or an independent consultant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the District) upon a certificate or opinion of or representation by an officer of the District, unless such counsel, accountant, or independent consultant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation

with respect to the matters upon which such Person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the District, or the same counsel, or accountant or independent consultant, as the case may be, need not certify to all of the matters required to be certified under any provision of this Paying Agent Agreement, but different officers, counsel, accountants, or independent consultants may certify to different matters, respectively.

Section 1.7. Effect of Headings and Table of Contents. The headings or titles of the Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Paying Agent Agreement.

Section 1.8. Successors and Assigns. Whenever in this Paying Agent Agreement the District or the Paying Agent is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Paying Agent Agreement contained by or on behalf of the District or the Paying Agent shall bind and inure to the benefit of the respective successors and assigns thereof, whether so expressed or not.

Section 1.9. Benefits of Paying Agent Agreement. Nothing in this Paying Agent Agreement or in the Notes expressed or implied is intended or shall be construed to give to any Person other than the District, the Paying Agent, and the Owners of the Notes, any legal or equitable right, remedy, or claim under or in respect of this Paying Agent Agreement or any covenant, condition, or provision therein or herein contained; and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Paying Agent, and the Owners of the Notes.

Section 1.10. Payments/Actions Otherwise Scheduled on Non-Business Days. Except as specifically set forth in a Supplemental Paying Agent Agreement, any payments or transfers that would otherwise become due on any day that is not a Business Day shall become due or shall be made on the next succeeding Business Day. When any other action is provided for herein to be done on a day named or within a specified time period and the day named or the last day of the specified period falls on a day other than a Business Day, such action may be performed on the next succeeding Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 1.11. No Personal Liability for Debt Service. No Board member, officer, agent, or employee of the District or the Paying Agent shall be individually or personally liable for the payment of the Accreted Value at maturity of or interest on the Notes or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such Board member, officer, agent, or employee of the District or the Paying Agent from the performance of any official duty provided by law or by this Paying Agent Agreement.

Section 1.12. Severability Clause. If any one or more of the provisions contained in this Paying Agent Agreement or in the Notes shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Paying Agent Agreement and such invalidity, illegality, or unenforceability shall not affect any other provision of this Paying Agent Agreement, and this Paying Agent Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District hereby declares that it would have executed this

Paying Agent Agreement and each and every other Section, paragraph, sentence, clause, or phrase hereof, and authorized the issuance of the Notes pursuant thereto, irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Paying Agent Agreement may be held illegal, invalid, or unenforceable.

Section 1.13. Governing Law. This Paying Agent Agreement shall be construed and governed in accordance with the laws of the State.

Section 1.14. Execution in Counterparts. This Paying Agent Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

ARTICLE 2 THE NOTES

Section 2.1. Authorization; Title. The District hereby authorizes the issuance of bond anticipation notes in the aggregate initial principal amount of _____ Dollars (\$[PAR AMOUNT]), titled “Rio Elementary School District, 2023 General Obligation Bond Anticipation Notes.” At any time after the execution and delivery of this Paying Agent Agreement, the District may execute and the Paying Agent shall authenticate and deliver the Notes upon the Order of the District

Section 2.2. Terms and Form of Notes. (A) Form of Notes. The form of the Notes shall be substantially as set forth in Exhibit A, with such insertions, omissions, substitutions, and variations as may be determined by the officers executing the same, as evidenced by their execution thereof, to reflect the applicable terms of the Notes established by this Article.

(B) Book-Entry Form, Denominations. The Notes shall be issued as Capital Appreciation Notes, in fully registered form, in denominations of five thousand dollars (\$5,000) or any integral multiple thereof. The Notes shall be initially issued registered in the name of “Cede & Co.,” as nominee of DTC. The Notes shall be evidenced by one Note in the total initial principal amount of the Notes. Registered ownership of the Notes, or any portion thereof, may not thereafter be transferred except as set forth in Section 2.4 (Book-Entry Provisions). The Notes shall bear such distinguishing numbers and letters as may be specified by the District.

(C) Date, Interest Accrual, Maturity Dates, Interest Rates. The Notes shall be dated their date of delivery and interest shall accrete from their date. The Notes shall be issued in the initial principal amount of \$[PAR AMOUNT] and mature on the Maturity Date. Interest on the Notes shall accrete at the rate of ____% compounding to the Accreted Value at maturity of \$_____. Interest on the Notes shall be compounded on August 1, 2023, and on February 1 and August 1 of each year thereafter until maturity, as set forth in the Table of Accreted Values attached as Exhibit B hereto. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The District’s obligation is only to pay the Accreted Value to maturity of the Notes at maturity.

(D) Principal and Interest Payments. The Accreted Value at maturity of and interest on the Notes shall be payable to the Owner thereof upon surrender thereof in lawful money of the United States of America at the Paying Agent’s Office or, as provided in Section 2.4(E) (Book-

Entry Provisions – Payments to Depository), by wire transfer on the Maturity Date to “Cede & Co.” or its registered assign, as sole registered Owner.

(E) Cessation of Interest Accrual. Interest on any Note shall cease to accrue on the Maturity Date, provided that there has been irrevocably deposited with the Paying Agent an amount sufficient to pay the Accreted Value thereof, plus interest accrued thereon to such date. The Owner of such Note shall not be entitled to any other payment, and such Note shall no longer be Outstanding and entitled to the benefits of this Paying Agent Agreement, except for the payment of the Accreted Value at maturity of such Note.

Section 2.3. Execution and Authentication. The Notes issued by the District shall be executed by the President of the Board or the Assistant Superintendent of Business Services of the District and countersigned by the Secretary of the Board or their respective designees. The signature of any of these officers on the Notes may be facsimile or manual; provided that one such signature or countersignature shall be manually affixed. The Notes shall then be delivered to the Paying Agent for authentication by it.

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

Except as may be provided in any Supplemental Paying Agent Agreement, no Note shall be valid or obligatory for any purpose or entitled to the benefits of this Paying Agent Agreement unless there appears on such Note a certificate of authentication substantially in the form provided for herein, manually executed by the Paying Agent. Such certificate of authentication when manually executed by the Paying Agent shall be conclusive evidence, and the only evidence when such authentication is required, that such Note has been duly executed, authenticated, and delivered hereunder.

Section 2.4. Book-Entry Provisions. Notwithstanding any provision of this Paying Agent Agreement to the contrary, the following provisions shall apply to the Notes:

(A) Limits on Transfer. The Notes shall be initially issued as provided in Section 2.2 (Terms and Form of Notes). Registered ownership of Notes issued in book-entry form, or any portions thereof, may not thereafter be transferred except:

1. To any successor of DTC or its nominee, or to any substitute depository designated pursuant to clause (2) of this subsection (A) (“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;

2. 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 (or any substitute depository 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

3. To any Person as provided below, upon (a) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository; provided that no substitute depository can be obtained, or (b) a determination by the District that it is in the best interests of the District to remove DTC or its successor (or any substitute depository or its successor) from its function as depository.

(B) Execution and Delivery of New Notes. In the case of any transfer pursuant to clause (1) or clause (2) of Section 4.2(A) (Book-Entry Provisions – Limits on Transfer) hereof, upon receipt of all Outstanding Notes by the Paying Agent, together with a Certificate of the District to the Paying Agent specifying the successor or substitute depository or its nominee, a single new Note in the Accreted Value at maturity of the Notes then Outstanding shall be executed and delivered, registered in the name of such successor or such substitute depository, or its nominee, as the case may be. In the case of any transfer pursuant to clause (3) of Section 2.4(A) (Book-Entry Provisions – Limits on Transfer) hereof, upon receipt of all Outstanding Notes by the Paying Agent together with a Certificate of the District to the Paying Agent, new Notes shall be executed and delivered in such denominations and registered in the names of such Persons as are requested in such a Certificate of the District, subject to the limitations of Section 2.6 (Registration, Transfer, and Exchange) hereof; provided the Paying Agent shall not be required to deliver such new Notes within a period less than sixty (60) days from the date of receipt of such a Certificate of the District.

(C) Notation of Reduction of Accreted Value. In the case of partial redemption, cancellation or refunding of any Notes, DTC shall make an appropriate notation on the Notes indicating the date and amounts of such reduction in Accreted Value, in form acceptable to the Paying Agent. The Paying Agent shall not be liable for any failure or error of DTC to make such notations; the records of the Paying Agent shall be controlling with respect to the outstanding Accreted Value of the Notes.

(D) No Responsibility to Persons Other Than Owners. The District and the Paying Agent shall be entitled to treat the Person in whose name any Notes are registered as the Owner thereof for all purposes of the Paying Agent Agreement 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 have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Notes. Neither the District nor the Paying Agent will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party including DTC or its successor (or substitute depository or its successor), except for the Owner of any Notes.

(E) Payments to Depository. So long as all Outstanding Notes are registered in the name of “Cede & Co.” or its registered assign, the District and the Paying Agent shall cooperate

with “Cede & Co.,” as sole registered Owner, and its registered assigns in effecting payment of the Accreted Value at maturity of the Notes by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 2.5. Redemption of Notes. The Notes are not subject to optional redemption by the District prior to the Maturity Date.

Section 2.6. Registration, Transfer, and Exchange. The Paying Agent will keep or cause to be kept, at the Paying Agent’s Office, a register (herein sometimes referred to as the “Note Register”) in which, subject to such reasonable regulations as it may prescribe, the Paying Agent shall provide for the registration and transfer of Notes. The Note Register shall at all times be open to inspection during the Paying Agent’s normal business hours by the District.

Upon surrender of a Note for transfer at the Paying Agent’s Office, the District shall execute and, if required, the Paying Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Notes for an equivalent Accreted Value at maturity.

Notes may be exchanged for an equivalent Accreted Value at maturity of Notes of other authorized denominations upon surrender of the Notes for exchange at the Paying Agent’s Office. Upon surrender of Notes for exchange, the District shall execute and the Paying Agent shall authenticate and deliver the Notes that the Noteholder making the exchange is entitled to receive.

All Notes surrendered upon any exchange or transfer provided for in this Paying Agent Agreement shall be promptly cancelled by the Paying Agent and thereafter disposed of as provided for in Section 2.10 (Cancellation).

All Notes issued upon any transfer or exchange of Notes shall be the valid obligations of the District, evidencing the same debt, and entitled to the same security and benefits under this Paying Agent Agreement, as the Notes surrendered upon such transfer or exchange.

Every Note presented or surrendered for transfer or exchange shall be accompanied by a written instrument of transfer, in a form satisfactory to the Paying Agent, that is duly executed by the Owner or by his attorney duly authorized in writing.

No service charge shall be made for any transfer or exchange of Notes, but the Paying Agent shall require the Noteholder requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

The Paying Agent shall not be required to transfer or exchange (i) Notes during the period established by the Paying Agent for the selection of Notes for redemption; or (ii) any Note that has been selected for redemption in whole or in part, except the unredeemed portion of such Note selected for redemption in part, from and after the day that such Note has been selected for redemption in whole or in part.

Section 2.7. Mutilated, Destroyed, Lost, or Stolen Notes. If (i) any mutilated Note is surrendered to the Paying Agent, or the District and the Paying Agent receive evidence to their satisfaction of the destruction, loss, or theft of any Note; and (ii) there is delivered to the District and the Paying Agent such security or indemnity as may be required by them to save each of them

harmless, then the District shall execute, and upon its request, the Paying Agent shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Note, a new Note of the same Accreted Value at maturity, bearing a number not contemporaneously outstanding.

Upon the issuance of any new Note under this Section, the District may require payment of a sum sufficient to pay the cost of preparing such Note, any tax or other governmental charge that may be imposed in relation thereto, and any other expenses connected therewith.

Every new Note issued pursuant to this Section in lieu of any destroyed, lost, or stolen Note shall constitute an original additional contractual obligation of the District, whether or not the destroyed, lost, or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the security and benefits of this Paying Agent Agreement equally and ratably with all other Outstanding Notes secured by this Paying Agent Agreement. Neither the District nor the Paying Agent shall be required to treat both the new Note and the Note it replaces as being Outstanding for the purpose of determining the Accreted Value at maturity amount of Notes that may be issued hereunder, but both the new Note and the Note it replaces shall be treated as one and the same.

Section 2.8. Interest Rights Preserved. Each Note delivered under this Paying Agent Agreement upon transfer of or in exchange for or in lieu of any other Note shall carry all the rights to interest accrued and unpaid, and to accrue, that were carried by such other Note. Each such Note shall bear interest from such date that neither loss nor gain in interest shall result from such transfer, exchange, or substitution.

Section 2.9. Persons Deemed Owners. The District and the Paying Agent shall be entitled to treat the Person in whose name any Note is registered as the Owner thereof for all purposes of the Paying Agent Agreement and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District. The ownership of Notes shall be proved by the Note Register. The District may establish a record date as of which to measure consent of the Noteholders in order to determine whether the requisite consents are received.

Section 2.10. Cancellation. All Notes surrendered for payment, redemption, transfer, or exchange, if surrendered to the Paying Agent, shall be promptly cancelled by the Paying Agent and, if surrendered to any Person other than the Paying Agent, shall be delivered to the Paying Agent and, if not already cancelled, shall be promptly cancelled by the Paying Agent.

The District shall deliver to the Paying Agent for cancellation any Notes acquired in any manner by the District, and the Paying Agent shall promptly cancel such Notes.

No Note shall be authenticated in lieu of or in exchange for any Note cancelled as provided in this Section, except as expressly provided by this Paying Agent Agreement. The Paying Agent shall destroy all cancelled Notes and deliver a certificate of such destruction to the District.

Section 2.11. Validity of Notes. The recitals in the Notes that they are issued pursuant to the Constitution and statutes of the State shall be conclusive evidence of their validity and of compliance with provisions of law in their issuance.

ARTICLE 3
APPLICATION OF PROCEEDS

Section 3.1. Application of Proceeds of Notes. The District shall cause the proceeds of the sale of the Notes to be deposited or transferred as follows:

(A) **Building Fund.** \$ _____ shall be wired by Raymond James & Associates, Inc. (the “Underwriter”) to the Treasurer for deposit and maintenance in the Building Fund created by Section 3.2 (**Building Fund**); and

(B) **Costs of Issuance Fund.** The Underwriter shall wire to the Paying Agent the amount of \$ _____. The Paying Agent shall deposit such proceeds in the Notes Costs of Issuance Fund (as defined below).

(C) The Paying Agent shall establish and maintain the Notes Costs of Issuance Fund (the “Costs of Issuance Fund”) and pay amounts held therein upon the written Order of the District, substantially in the form of Exhibit C attached hereto. The Paying Agent may rely conclusively on such Written Order of the District and shall have no duty to investigate or verify any statements made therein. Three months after [CLOSING DATE], or upon prior written Order of the District, the Paying Agent shall transfer any remaining amounts in the Costs of Issuance Fund to the District for deposit to the Note Repayment Fund of the District, and the Paying Agent shall close the Costs of Issuance Fund.

Section 3.2. Building Fund. The District shall establish, maintain, and hold a separate fund designated as the “Rio Elementary School District Building Fund,” which shall be kept separate and distinct from all other District funds, into which the District shall deposit proceeds from the sale of the Notes (except any premium or account interest received from the sale). The District shall use the moneys in the Building Fund to pay the costs of the Project. The District may direct that any amounts in the Building Fund not needed for the Project costs be transferred into the Note Repayment Fund.

ARTICLE 4
REPAYMENT AND DISCHARGE OF NOTES

Section 4.1. Source of Repayment. The Notes are payable from the Bonds issued for such purposes, from the proceeds of an additional series of bond anticipation notes, or other obligations of the District, and from other District funds that are lawfully available for the purpose of repaying the Notes.

Section 4.2. Note Repayment Fund. The District hereby directs the Paying Agent to establish, hold and maintain a fund to be known as the “Note Repayment Fund,” which shall be maintained by the Paying Agent as a separate account, distinct from all other funds of the Paying Agent and the District. The District shall cause to be transferred to the Paying Agent for deposit in the Note Repayment Fund the proceeds of the Bonds, bond anticipation notes or other obligations issued by the District under Section 4.1 (**Source of Repayment**) that are provided for the payment of the Accreted Value at maturity of the Notes, when due. The Paying Agent shall use the amounts in the Note Repayment Fund to pay the Accreted Value at maturity on the Notes when due. Upon the

payment in full of the Notes, any amounts remaining in the Note Repayment Fund shall be transferred to the District.

Section 4.3. Investments. All money in the Building Fund shall be invested by the Treasurer in those investments which are legal investments for school districts as permitted by Sections 16429.1 and 53601 of the California Government Code (the "Government Code") or in shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Sections 53635 of the Government Code or in the Local Agency Investment Fund managed by the California State Treasurer. All moneys in the Costs of Issuance Fund or the Note Repayment Fund shall be invested by the Paying Agent solely in Investment Securities pursuant to and as identified in the Written Request of the District given to the Paying Agent in advance of the making of such investments (and promptly confirmed in writing, as to any such direction given orally). All interest, profits, and other income received from the investment of moneys in any of the funds established hereunder shall be deposited therein.

The Paying Agent or any of its affiliates may act as principal or agent in the making or disposing of any investment made by the Paying Agent hereunder and may impose its customary charge therefor. The Paying Agent may sell, or present for redemption, any securities so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such security is credited, and the Paying Agent shall not be liable or responsible for any loss resulting from such investment. The Paying Agent will furnish the District, with periodic cash transaction statements that include detail for all investment transactions made by the Paying Agent hereunder. The Paying Agent shall not be required to determine the legality of any investments. The Paying Agent may make any investments hereunder through its own bond or investment department or trust investment department or those of its parent or any affiliate.

The Paying Agent shall keep proper books of record and accounts containing complete and correct entries of all transactions relating to the receipt, investment, disbursement, allocation and application of the moneys related to the Notes, including moneys derived from, pledged to, or to be used to make payments on the Notes. Such records shall specify the account or fund to which each investment (or portion thereof) held by the Paying Agent is to be allocated and shall set forth, in the case of each investment security, (a) its purchase price, (b) identifying information, including par amount, coupon rate, and payment dates, (c) the amount received at maturity or its sale price, as the case may be, including accrued interest, (d) the amounts and dates of any payments made with respect thereto, and (e) the dates of acquisition and disposition or maturity.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by applicable law. The Paying Agent will furnish the District periodic transaction statements which include detail for all investment transactions made by the Paying Agent hereunder; provided that the Paying Agent is not obligated to provide an accounting for any fund or account that (a) has a balance of \$0.00 and (b) has not had any activity since the last reporting date.

Section 4.4. Discharge of Notes. If the District shall pay and discharge any or all of the Outstanding Notes in any one or more of the following ways:

(A) by paying or causing to be paid the Accreted Value at maturity on such Notes, as and when the same become due and payable;

(B) by irrevocably depositing with the Paying Agent, an escrow agent or other fiduciary, at or before the Maturity Date, money that, together with the available amounts then on deposit in the funds established under this Paying Agent Agreement, is fully sufficient to pay Accreted Value at maturity of such Notes; or

(C) by irrevocably depositing with the Paying Agent, in trust, Federal Securities in such amount as an independent accountant or fiscal consultant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds established under this Paying Agent Agreement, be fully sufficient to pay and discharge the indebtedness on such Notes (including all principal and interest) on the Maturity Dates;

then, notwithstanding that any such Notes shall not have been surrendered for payment, the pledge of the Bonds proceeds and other funds provided for in this Paying Agent Agreement with respect to such Notes, and all other pecuniary obligations of the District under this Paying Agent Agreement with respect to all such Notes shall cease, terminate, become void, and be completely discharged and satisfied, except only the obligation of the District to pay or cause to be paid to the Owners of such Notes not so surrendered and paid all sums due thereon from amounts set aside for such purposes as aforesaid.

ARTICLE 5 COVENANTS OF THE DISTRICT

Section 5.1. Power to Issue Notes and Make Pledge. The District is duly authorized pursuant to the Bond Law to issue the Notes and to enter into this Paying Agent Agreement. The Notes and the provisions of this Paying Agent Agreement are and will be the valid and binding obligations of the District in accordance with their terms.

Section 5.2. Limitation on Issuance of Bonds. The District covenants that so long as any of the Notes remain Outstanding hereunder, the aggregate principal amount of Bonds which are authorized but unissued shall at all times be at least equal to the Accreted Value at maturity of the Outstanding Notes.

Section 5.3. Obligation to Issue Refunding Obligations. The District hereby covenants that, in order to provide for the timely payment of the Accreted Value at maturity of the Notes, it will (i) issue and sell Bonds at a time and in an amount not less than sufficient to provide for the payment of the Notes; or (ii) issue renewal bond anticipation notes as permitted by law at a time and in an amount sufficient for such purpose; or (iii) apply any other lawfully available funds of the District, including State grants, to pay or provide for payment of the Notes; or (iv) cause a tax to be levied to provide for payment of interest on the Notes, as authorized by Section 15150(d) of the Education Code; or (v) any combination of the above.

If prior to the Maturity Date of the Notes, the Board has not caused the Bonds to be issued or otherwise authorized payment of the Notes from another source, the Authorized District Representative is hereby expressly authorized and shall, in accordance with Section 15150(b) of the Education Code and without further action of this Board, issue renewal notes. Unless otherwise provided by the Education Code, no renewal notes may be issued by the District if the maturity thereof is beyond five years from the date of original issue of the Notes.

Upon the issuance of such Bonds, bond anticipation notes or other obligations by the District, or the use of other District funds that are lawfully available, the District shall cause the proceeds thereof to be paid to the Paying Agent and deposited in the Note Repayment Fund.

Section 5.4. Punctual Payment and Performance. The District will punctually pay or cause to be paid the Accreted Value at maturity to become due in respect of all the Notes, in strict conformity with the terms of the Notes and of this Paying Agent Agreement, according to the true intent and meaning thereof. The District will faithfully observe and perform all of the conditions, covenants, and terms contained herein and in the Notes required to be observed and performed by it.

Section 5.5. Preservation of Rights of Owners. The District shall at all times, to the extent permitted by law, defend, preserve, and protect the taxes and other assets and all the rights of the Noteholders under this Paying Agent Agreement against all claims and demands of all Persons whomsoever.

Section 5.6. Waiver of Laws. The District will not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Paying Agent Agreement or in the Notes, and all benefit or advantage of any such law or laws is hereby expressly waived by the District to the extent permitted by law.

Section 5.7. Federal Income Tax Covenants. The District shall at all times do and perform all acts and things permitted by law and this Paying Agent Agreement that are necessary and desirable in order to assure that interest paid on the Notes will be excludable from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excludable; provided that, prior to the issuance of the Notes, the District may exclude the application of the covenants contained in this Section. Without limiting the generality of the foregoing, the District agrees to comply with the provisions of the Tax Certificate. This covenant shall survive the defeasance or payment in full of the Notes.

Section 5.8. Further Assurances. The District will adopt, make, execute, and deliver any and all such resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Paying Agent Agreement, and for the better assuring and confirming unto the Owners of the Notes of the rights and benefits provided in this Paying Agent Agreement.

Section 5.9. Rebate Requirement. The District shall take actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings with respect to the Notes, if any, to the federal government, to the extent such Section is applicable to the Notes.

Section 5.10. Continuing Disclosure. The District hereby covenants that it will comply with and carry out all the provisions of the Continuing Disclosure Certificate.

**ARTICLE 6
EVENTS OF DEFAULT AND REMEDIES OF NOTEHOLDERS**

Section 6.1. Events of Default. The following events shall be Events of Default:

(A) **Accreted Value at Maturity Payment Default.** default in the due and punctual payment of the Accreted Value at Maturity of any Note when and as the same shall become due and payable;

(B) **Other Covenant Default.** if the District shall fail to observe or perform any covenant, condition, agreement or provision in this Paying Agent Agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of sixty (60) days after written notice, specifying such failure and requesting that it be remedied, has been given to the District by an Owner; except that, if such failure can be remedied but not within such sixty (60) day period and if the District has taken all action reasonably possible to remedy such failure within such sixty (60) day period, such failure shall not become an Event of Default for so long as the District shall diligently proceed to remedy same in accordance with and subject to any directions or limitations of time established by a majority of the Owners.

Section 6.2. Remedies of Owners. Upon the occurrence and continuance of an Event of Default, any Owner shall have the right for the equal benefit and protection of all Owners similarly situated

(A) by mandamus or other action, suit, or proceeding at law or in equity to enforce the Owners' rights against the Board or the District or any of the officers or employees of the District, and to compel the Board or the District or any such officers or employees to perform and carry out their duties under the Bond Law and the agreements and covenants with the Owners contained herein;

(B) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Owners; or

(C) by suit in equity upon the nonpayment of the Notes to require the Board or the District or its officers and employees to account as the trustee of an express trust.

Section 6.3. Application of Money Collected. If an Event of Default shall occur and be continuing, the Paying Agent shall apply all funds then held or thereafter received by the Paying Agent under any of the provisions of this Paying Agent Agreement (except as otherwise provided in this Paying Agent Agreement) as follows and in the following order:

First: To the payment of reasonable fees and expenses of the Paying Agent (including reasonable fees and disbursements of its counsel and other agents) incurred in and about the performance of its duties under this Paying Agent Agreement; and

Second: To the payment of the persons entitled thereto of the unpaid Accreted Value at maturity of any Notes that shall have become due, at maturity, in the order of their due dates, with interest on the overdue Accreted Value at maturity at the rate borne by the respective Notes, and, if the amount available shall not be sufficient to pay in full all the Notes due on any date, together with such interest, then to the payment thereof ratably, according to the amounts of Accreted Value at maturity due on such date to the persons entitled thereto, without any discrimination or preference.

Section 6.4. Restoration of Positions. In case any proceedings taken by any one or more Noteholders on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Noteholders, then in every such case the District and the Noteholders, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers, and duties of the District and the Noteholders shall continue as though no such proceedings had been taken.

Section 6.5. Rights and Remedies Cumulative. No right or remedy herein conferred upon or reserved to the Owners of the Notes is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right or remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Section 6.6. Delay or Omission Not Waiver. No delay or omission of any Owner of the Notes to exercise any right or remedy accruing upon an Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Paying Agent Agreement or by law to the Owners of the Notes may be exercised from time to time, and as often as may be deemed expedient, by the Owners.

ARTICLE 7 THE PAYING AGENT

Section 7.1. Appointment of Paying Agent. U.S. Bank Trust Company, National Association is hereby appointed as paying agent, note registrar, and authenticating agent for the Notes under this Paying Agent Agreement, and hereby accepts the appointment as Paying Agent hereunder, and agrees to perform all the functions and duties of the Paying Agent hereunder, subject to the terms and conditions set forth in this Paying Agent Agreement.

Section 7.2. Certain Duties and Responsibilities.

(A) **Duties Limited to Those Specified.** The Paying Agent undertakes to perform such duties and only such duties as are specifically set forth in this Paying Agent Agreement and no implied covenants shall be read into this Paying Agent Agreement against the Paying Agent.

(B) **Reliance on Documents.** In the absence of bad faith on its part, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates, statements, requests, requisitions, orders, or opinions furnished to the Paying Agent and conforming to the requirements of this Paying Agent Agreement; but in the case

of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Paying Agent, the Paying Agent shall be under a duty to examine the same to determine whether or not they conform on their face to the requirements of the Paying Agent Agreement.

(C) Immunities of Paying Agent. No provision of this Paying Agent Agreement shall be construed to relieve the Paying Agent from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(1) this subsection shall not be construed to limit the effect of subsection (A) of this Section;

(2) the Paying Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Paying Agent was negligent in ascertaining the pertinent facts; and

(3) no provision of this Paying Agent Agreement shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 7.3. Notice of Defaults. Within ninety (90) days after the occurrence of any default hereunder, the Paying Agent shall transmit by mail to all Owners of Notes as their names and addresses appear on the Note Register notice of such default hereunder actually known to a Responsible Officer of the Paying Agent, unless such default shall have been cured or waived. For purposes of this Section, the term “default” means any event that is, or after notice or lapse of time or both would become, an Event of Default. The Paying Agent shall not be deemed to have knowledge of any default or Event of Default hereunder unless and until it shall have actual knowledge thereof, or shall have received written notice thereof, at the Paying Agent’s Office. As used herein, the term “actual knowledge” means the actual fact or statement of knowing, without any duty to make any investigation with regard thereto.

Section 7.4. Certain Rights of Paying Agent; Liability of Paying Agent. Except as otherwise provided in Section 7.2 (Certain Duties and Responsibilities):

(A) Reliance on Documents Believed Genuine. The Paying Agent may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, requisition, consent, order, bond, note, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(B) Documentation of District’s Directions. Any request or direction of the District mentioned herein shall be sufficiently evidenced by a Certificate, Statement, Request, Requisition, or Order of the District;

(C) Reliance on District Certificate. Whenever in the fulfillment of the obligations imposed upon it by this Paying Agent Agreement the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking, suffering, or omitting any action

hereunder, the Paying Agent (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a Certificate of the District, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable;

(D) Reliance on Advice of Counsel. The Paying Agent may consult with counsel, including, without limitation, counsel of or to the District, and the advice or opinion of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered, or omitted by the Paying Agent hereunder in good faith and in reliance thereon;

(E) Investigation of Factual Matters. The Paying 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, direction, consent, order, bond, or other paper or document but the Paying Agent, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Paying Agent shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the District, personally or by agent or attorney;

(F) Performance of Duties by Agents. The Paying Agent may perform the duties required of it hereunder by or through attorneys, agents, or receivers and shall be entitled to advice of counsel concerning all matters of its duty hereunder, but the Paying Agent shall be answerable for the negligence or misconduct of any such attorney-in-fact, agent, or receiver selected by it; provided that the Paying Agent shall not be answerable for the negligence or misconduct of any attorney-at-law or certified public accountant selected by it with due care;

(G) Electronic Instructions and Directions. The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Paying Agent Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the District shall provide to the Paying Agent 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 whenever a person is to be added or deleted from the listing. If the District elects to give the Paying Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Paying Agent in its discretion elects to act upon such instructions, the Paying Agent's understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying 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 Paying Agent, including, without limitation, the risk of the Paying Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(H) Force Majeure. The Paying Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Paying Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

Section 7.5. Paying Agent Not Responsible for Recitals or Issuance of Notes or Application of Proceeds.

(A) **Paying Agent Makes No Representations.** The recitals of facts herein and in the Notes contained therein shall be taken as statements of the District, and the Paying Agent assumes no responsibility for the correctness of the same (other than the certificate of authentication of the Paying Agent on each Note). The Paying Agent makes no representations as to the validity or sufficiency of this Paying Agent Agreement or of the Notes, as to the sufficiency of the taxes or the priority of the lien of this Paying Agent Agreement thereon, or as to the financial or technical feasibility of the Project financed by the Notes and shall not incur any responsibility in respect of any such matter, other than in connection with the duties or obligations expressly herein or in the Notes assigned to or imposed upon it. The Paying Agent makes no representations with respect to any information, statement, or recital in, and shall have no liability with respect to, any official statement, offering memorandum, or any other disclosure material prepared or distributed with respect to the Notes.

(B) **Paying Agent Not Responsible for Application of Certain Moneys.** The Paying Agent shall not be responsible for:

(1) the application or handling by the District of any moneys transferred to or pursuant to any Requisition or Request of the District in accordance with the terms and conditions hereof;

(2) the application and handling by the District or the Treasurer of any fund or account designated to be held by the District or the Treasurer hereunder; and

(3) the construction, operation, or maintenance of any facilities by the District.

Section 7.6. Paying Agent May Hold Notes. The Paying Agent and its directors, officers, employees or agents may in good faith buy, sell, own, hold, and deal in any of the Notes, and may join in any action which any Owner of a Note may be entitled to take, with like effect as if the Paying Agent was not the Paying Agent under this Paying Agent Agreement. The Paying Agent may in good faith hold any other form of indebtedness of the District, own, accept, or negotiate any drafts, bills of exchange, acceptances, or obligations of the District, and make disbursements for the District, and enter into any commercial or business arrangement therewith, without limitation.

Section 7.7. Compensation and Indemnification of Paying Agent. The District agrees:

(A) **Compensation.** To pay to the Paying Agent from time to time compensation for all services rendered by it hereunder in accordance with the terms of a fee agreement to be entered into with the Paying Agent;

(B) **Reimbursement.** To reimburse the Paying Agent upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Paying Agent in accordance with any provision of this Paying Agent Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement, or advance as may be attributable to the Paying Agent's negligence or bad faith; and

(C) Indemnification. To indemnify the Paying Agent and its officers, directors, agents, and employees for, and to hold it and them harmless from and against, any loss, liability, claim, judgment, cost or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the obligations created hereby, including the costs and expenses (including reasonable attorneys' fees and expenses) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

The rights of the Paying Agent and the obligations of the District under this Section 7.7 (Compensation and Indemnification of Paying Agent) shall survive the discharge of the Notes and this Paying Agent Agreement and the earlier removal or resignation of the Paying Agent.

Section 7.8. Paying Agent Required; Eligibility. There shall at all times be a Paying Agent hereunder, which shall be either a trust company or bank having the powers of a trust company having a corporate trust office in the State, having a combined capital and surplus of at least ten million dollars (\$10,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Paying Agent shall cease to be eligible in accordance with the provisions of this Section, the Paying Agent shall resign immediately in the manner and with the effect specified in this Article.

Section 7.9. Removal and Resignation; Appointment of Successor.

(A) Effectiveness of Resignation or Removal. No removal or resignation of the Paying Agent and appointment of a successor Paying Agent pursuant to this Article shall become effective until the acceptance of appointment by the successor Paying Agent under Section 7.10 (Acceptance of Appointment by Successor).

(B) Paying Agent's Right to Resign. The Paying Agent may resign at any time by giving written notice of such resignation to the District and by giving the Noteholders notice of such resignation by mail at the addresses shown on the Note Register. If an instrument of acceptance by a successor Paying Agent shall not have been delivered to the Paying Agent within thirty (30) days after the giving of such notice of resignation, the resigning Paying Agent may appoint or petition any court of competent jurisdiction for the appointment of a successor Paying Agent, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Paying Agent.

(C) District's Right to Remove Paying Agent. The District may remove the Paying Agent at any time, unless an Event of Default shall have occurred and then be continuing, by giving written notice of such removal to the Paying Agent.

(D) Removal of Paying Agent at the Request of Owners. The District shall remove the Paying Agent if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate Accreted Value at maturity of the

Notes then Outstanding (or their attorneys duly authorized in writing), by giving written notice of such removal to the Paying Agent.

(E) Mandatory Removal of Paying Agent. The District shall remove the Paying Agent if at any time:

(1) the Paying Agent shall cease to be eligible in accordance with Section 7.8 (Paying Agent Required; Eligibility) and shall fail to resign after written request therefor by the District, or

(2) the Paying Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Paying Agent or of its property shall be appointed or any public officer shall take control or charge of the Paying Agent or of its property or affairs for the purpose of rehabilitation, conservation, or liquidation;

in each case by giving written notice of such removal to the Paying Agent.

(F) Appointment of Successor. If the Paying Agent shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of the Paying Agent for any cause, the District shall promptly appoint a successor Paying Agent by an instrument in writing. If no successor Paying Agent shall have been so appointed by the District and accepted appointment in the manner hereinafter provided within thirty (30) days after such resignation, removal, or incapability or the occurrence of such vacancy, the then-current Paying Agent or the Noteholders, by an instrument or instruments signed by the Owners of a majority in aggregate amount of Accreted Value at maturity of the Notes, may appoint a successor Paying Agent, or any Noteholder (on behalf of himself and all other Noteholders), or the then-current Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Paying Agent.

(G) Notice of Removal or Resignation. The District shall give notice of each resignation and each removal of the Paying Agent and each appointment of a successor Paying Agent by mailing written notice of such event by first-class mail, postage prepaid, to the Owners as their names and addresses appear in the Note Register. Each notice shall include the name of the successor Paying Agent and the address of its principal office. If the District fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Paying Agent, the successor Paying Agent shall cause such notice to be mailed at the expense of the District.

Section 7.10. Acceptance of Appointment by Successor. Any successor Paying Agent appointed under this Paying Agent Agreement shall execute and deliver to the District and to its predecessor Paying Agent an instrument accepting such appointment, and thereupon such successor Paying Agent, without any further act, deed, or conveyance, shall become vested with all the moneys, rights, powers, and duties of the predecessor Paying Agent; but, at the Request of the District or the request of the successor Paying Agent, the predecessor Paying Agent shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to the successor Paying Agent all the right, title, and interest of such predecessor Paying Agent in and to any property held by it under this Paying Agent Agreement and shall duly assign, transfer, and deliver to the successor Paying Agent all property and money held by the predecessor Paying Agent

hereunder. Upon request of any successor Paying Agent, the District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Paying Agent all such moneys, properties, rights, powers, and duties.

Section 7.11. Merger or Consolidation. Any company into which the Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion, or consolidation to which it shall be a party or any company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under Section 7.8 (Paying Agent Required; Eligibility), shall be the successor to such Paying Agent without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding. In case any Notes shall have been authenticated, but not delivered, by the Paying Agent then in office, any successor by merger, conversion, or consolidation to such authenticating Paying Agent may adopt such authentication and deliver the Notes so authenticated with the same effect as if such successor Paying Agent had itself authenticated such Notes.

Section 7.12. Preservation and Inspection of Documents. All documents received by the Paying Agent under the provisions of this Paying Agent Agreement shall be retained in its possession and shall be subject to the inspection of the District and any Owner, and their agents and representatives duly authorized in writing, at reasonable times during the Paying Agent's normal business hours and under reasonable conditions.

Section 7.13. Accounting Records. The Paying Agent will at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with generally accepted accounting principles, in which complete and accurate entries shall be made of all transactions relating to the Notes. Such books of record and account shall be available for inspection by the District at reasonable times during the Paying Agent's normal business hours and under reasonable circumstances upon reasonable notice.

Section 7.14. Unclaimed Moneys.

(A) **Earnings on Moneys Unclaimed after Notes Are Due and Payable.** All moneys held by or on behalf of the Paying Agent for the payment of Accreted Value at maturity of or interest on Notes shall be held in trust for the account of the Owners thereof and the Paying Agent shall not be required to pay Owners any interest on, or be liable to the Owners or any other person for any interest earned on, moneys so held.

(B) **Return of Unclaimed Funds to District.** Subject to applicable escheatment laws, any moneys held by the Paying Agent in trust for the payment of the Accreted Value at maturity or interest on any Notes and remaining unclaimed for two years after the date when such Notes have become due and payable, if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after the date when such Notes became due and payable, shall be repaid to the District free from the trusts created by this Paying Agent Agreement, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; provided that the District has certified to the Paying Agent that the District has complied with the provisions of Sections 50050-50056 of the California Government Code. Thereafter, Noteholders shall look solely to the District for the payment of such funds and the Paying Agent shall have no further liability for such funds.

ARTICLE 8
MODIFICATION OR AMENDMENT OF THIS PAYING AGENT AGREEMENT

Section 8.1. Supplemental Paying Agent Agreements without Consent of Noteholders. This Paying Agent Agreement and the rights and obligations of the District, of the Paying Agent, and of the Owners of the Notes may be modified or amended from time to time and at any time by a Supplemental Paying Agent Agreement, which the District may adopt without the consent of any Noteholders but only with the consent of the Paying Agent and only to the extent permitted by law and only for any one (1) or more of the following purposes:

(A) Additional Security: to add to the covenants and agreements of the District contained in this Paying Agent Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Notes (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the District;

(B) Curative Provisions: to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in this Paying Agent Agreement, or in regard to matters or questions arising under this Paying Agent Agreement, or to make any other revisions or additions as the District may deem necessary or desirable, and that shall not materially and adversely affect the interests of the Owners of the Notes;

(C) Book-Entry System: to amend, modify, or eliminate the book-entry registration system for the Notes;

(D) Credit Enhancement: to make modifications or adjustments necessary, appropriate, or desirable to accommodate credit enhancements including letters of credit, insurance policies, and surety bonds;

(E) Preservation of Tax Exemption: to make such provisions as are necessary or appropriate to maintain the exclusion of interest the Notes from gross income for purposes of federal income taxation; and

(F) No Material Effect: for any other purpose that does not materially and adversely affect the interests of the Owners of the Notes.

With respect to amendments under this Section 8.1 executed without the consent of Owners of the Notes, the Paying Agent shall be fully protected, and shall incur no liability, in executing such Supplemental Paying Agent Agreement solely in reliance on the Opinion of Counsel received by it under Section 8.3 (Execution of Supplemental Paying Agent Agreements) hereof.

Section 8.2. Supplemental Paying Agent Agreements with Consent of Noteholders.

(A) Majority Consent. This Paying Agent Agreement and the rights and obligations of the District, the Owners of the Notes, and the Paying Agent may be modified or amended from time to time and at any time by a Supplemental Paying Agent Agreement, which the District may enter into with the written consent of the Paying Agent and when the consent of the Owners of a majority in aggregate Accreted Value at maturity of the Notes then Outstanding shall have been filed with the District; provided that, if such modification or amendment will, by its terms, not take effect so

long as any Notes of any particular maturity remain Outstanding, the consent of the Owners of such Notes shall not be required and such Notes shall not be deemed to be Outstanding for the purpose of any calculation of Notes Outstanding under this Section.

(B) Credit Provider's Consent. This Paying Agent Agreement and the rights and obligations of the District, the Owners, and the Paying Agent may also be modified or amended at any time by, a Supplemental Paying Agent Agreement entered into by the District, with the written consent of the Paying Agent, which shall become binding when the written consents of each provider of a letter of credit or a policy of bond insurance for the Notes shall have been filed with the District, provided that at such time the payment of all the Accreted Value of and interest on all Outstanding Notes shall be insured by a policy or policies of municipal bond insurance or payable under a letter of credit the provider of which shall be a financial institution or association having unsecured debt obligations rated, or insuring or securing other debt obligations rated on the basis of such insurance or letters of credit, in one of the two highest Rating Categories of each rating agency then rating the Notes.

(C) Limitations on Amendments. No such modification or amendment shall (1) extend the fixed maturity of any Note, or reduce the amount of Accreted Value thereof, or extend the time of payment or reduce the amount of any mandatory redemption provided for any Note, or reduce the rate of interest thereon, or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the Owner of each Note so affected, or (2) reduce the aforesaid percentage of Notes the consent of the Owners of which is required to effect any such modification or amendment, or permit the creation of any lien on the amounts pledged under this Paying Agent Agreement prior to or on a parity with the lien created by this Paying Agent Agreement, or deprive the Owners of the Notes of the lien created by this Paying Agent Agreement on such pledged amounts (in each case, except as expressly provided in this Paying Agent Agreement), without the consent of the Owners of all of the Notes then Outstanding.

(D) Manner of Consent. It shall not be necessary for the consent of the Noteholders to approve the particular form of any Supplemental Paying Agent Agreement, but it shall be sufficient if such consent shall approve the substance thereof.

(E) Certification of Consent. When the consent of Noteholders or credit providers is required under this Section for the execution of a Supplemental Paying Agent Agreement, the District shall provide to the Paying Agent a Certificate of the District certifying that the necessary consents have been filed with the District. The Paying Agent may conclusively rely on such Certificate and shall have no liability for relying upon it.

(F) Notice of Amendments. Promptly after the execution of any Supplemental Paying Agent Agreement pursuant to this Section, the Paying Agent shall mail a notice, setting forth in general terms the substance of such Supplemental Paying Agent Agreement to the Owners of the Notes at the addresses shown on the Note Register. Any failure to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Paying Agent Agreement.

Section 8.3. Execution of Supplemental Paying Agent Agreements. In executing any Supplemental Paying Agent Agreement permitted by this Article or the modification thereby of the obligations created by this Paying Agent Agreement, the Paying Agent shall be provided with, and,

subject to Section 7.2 (Certain Duties and Responsibilities), shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such Supplemental Paying Agent Agreement is authorized or permitted by this Paying Agent Agreement. The Paying Agent may, but shall not be obligated to, enter into or consent to any such Supplemental Paying Agent Agreement that affects the Paying Agent's own rights, duties, or immunities under this Paying Agent Agreement or otherwise.

Section 8.4. Effect of Supplemental Paying Agent Agreement. From and after the time any Supplemental Paying Agent Agreement becomes effective pursuant to this Article, this Paying Agent Agreement shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this Paying Agent Agreement of the District, the Paying Agent, and all Owners of Notes Outstanding shall thereafter be determined, exercised, and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Paying Agent Agreement shall be deemed to be part of the terms and conditions of this Paying Agent Agreement for any and all purposes.

Section 8.5. Endorsement of Notes; Preparation of New Notes. Notes delivered after any Supplemental Paying Agent Agreement becomes effective pursuant to this Article may, and if the District so determines shall, bear a notation by endorsement or otherwise in form approved by the District as to any modification or amendment provided for in such Supplemental Paying Agent Agreement, and, in that case, upon demand of the Owner of any Note Outstanding at the time of such execution and presentation of his Note for such purpose at the Paying Agent's Office or at such additional offices as the Paying Agent may select and designate for that purpose, a suitable notation shall be made on such Note. If the Supplemental Paying Agent Agreement shall so provide, new Notes so modified as to conform, in the opinion of the District, to any modification or amendment contained in such Supplemental Paying Agent Agreement, shall be prepared and executed by the District and, if required, authenticated by the Paying Agent and, upon demand of the Owners of any Notes then Outstanding and upon surrender for cancellation of such Notes, shall be exchanged at the Paying Agent's Office, without cost to any Noteholder, for Notes then Outstanding in equal aggregate Accreted Value at maturity.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Paying Agent Agreement by their officers thereunto duly authorized as of the day and year first written above.

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
Superintendent

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
as Paying Agent

By: _____
Authorized Officer

EXHIBIT A

FORM OF NOTES

REGISTERED
NO. RCAB-__

REGISTERED
\$ _____

**RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
2023 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

MATURITY DATE	ACCRETED RATE PER ANNUM	DATE	CUSIP NO.
August 1, 20__	_____ %	July __, 2023	767032

REGISTERED OWNER: CEDE & COMPANY

ACCRETED VALUE
AT MATURITY: _____ DOLLARS

INITIAL PRINCIPAL
AMOUNT: _____ DOLLARS

Rio Elementary School District, a school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "District"), for value received, hereby acknowledges itself indebted to and promises to pay to the registered owner named above or registered assigns, on the maturity date specified above, the accreted value at maturity specified above, representing principal together with interest accreted thereon from the date hereof until the principal hereof shall have been paid, at the accreted rate per annum, specified above, compounded on August 1, 2023, and on February 1 and August 1 in each year thereafter until maturity. The principal hereof and compounded interest hereon are payable upon presentation and surrender hereof at the office of the U.S. Bank Trust Company, National Association, as paying agent (together with any successor as paying agent under the hereinafter mentioned Paying Agent Agreement (the "Paying Agent") in St. Paul, Minnesota, or such office as may be designated by the Paying Agent, in lawful money of the United States of America. Notwithstanding the foregoing, so long as this note is registered in the name of Cede & Co., both principal hereof and compounded interest thereon this note shall be payable by wire transfer to the registered owner.

This note is one of a duly authorized issue of notes titled "2023 General Obligation Bond Anticipation Notes" (the "Notes"), limited in aggregate initial principal amount to \$[PAR AMOUNT], issued pursuant to the provisions of California Education Code Section 15150 (the "Law"), and pursuant to a Paying Agent Agreement dated as of July 1, 2023, between the Paying Agent and the District (said Paying Agent Agreement, as amended and supplemented from time to time, the "Paying Agent Agreement").

Reference is hereby made to the Paying Agent Agreement and to the Law for a description of the terms on which the Notes are issued and to be issued, the provisions with regard to the nature and extent of the security for the Notes, and the rights of the registered owners of the Notes. All the terms of the Paying Agent Agreement and the Law are hereby incorporated herein and constitute a contract between the District and the registered owner from time to time of this Note. The registered owner of this Note, by its acceptance hereof, consents and agrees to all the provisions of the Paying Agent Agreement.

This Note is an obligation of the District payable as described herein and as provided in the Paying Agent Agreement. The District has covenanted that, in order to provide for the timely payment of the accreted value at maturity of the Notes, it will (i) sell and deliver its authorized general obligation bonds at a time and in an amount not less than sufficient to provide for the payment of the Notes; or (ii) issue renewal bond anticipation notes as permitted by law at a time and in an amount sufficient for such purpose; or (iii) apply any other lawfully available funds of the District, including State grants, to pay or provide for payment of the Notes; or (iv) cause a tax to be levied to provide for payment of interest on the Notes, as authorized by Section 15150(d) of the Education Code; or (v) any combination of the above.

This Note is transferable or exchangeable for other authorized denominations by the registered owner hereof, in person or by its attorney duly authorized in writing, at the designated corporate trust office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Paying Agent Agreement, and upon surrender and cancellation of this Note. Upon such transfer a new fully registered Note or Notes without coupons, of authorized denomination or denomination, of the same aggregate accreted value at maturity will be issued to the transferee in exchange herefor.

Unless this Note is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Paying Agent or its agent for registration of transfer, exchange, or payment, and any Note issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC) 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.

The District and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The rights and obligations of the District and of the registered owners of the Notes may be modified or amended at any time in the manner, to the extent, and upon terms provided in the Paying Agent Agreement, which provides, in certain circumstances, for modifications and amendments without the consent of or notice to the registered owners of Notes.

It is hereby certified and recited that any and all acts, conditions, and things required to exist, to happen, and to be performed, precedent to and in the incurring of the indebtedness evidenced by this Note, and in the issuing of this Note, do exist, have happened, and have been performed in due time, form, and manner, as required by the Constitution and statutes of the

State of California; that the total amount of indebtedness of the District, including the amount of this Note, does not exceed any limit prescribed by the Constitution and the statutes of the State of California; and that this Note is not in excess of the amount of Notes permitted to be issued under the Paying Agent Agreement.

This Note shall not be entitled to any benefit under the Paying Agent Agreement, or become valid or obligatory for any purpose, until the certificate of authentication hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the Board of Trustees of the Rio Elementary School District has caused this Note to be signed by its President and countersigned by its Secretary.

By: _____
President of the Board of Trustees of the
Rio Elementary School District

Countersigned:

By: _____
Secretary of the Board of Trustees of the
Rio Elementary School District

CERTIFICATE OF AUTHENTICATION

This is one of the Notes described in the within-mentioned Paying Agent Agreement, which has been authenticated on the date set forth below.

Dated: July __, 2023

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Paying Agent**

By: _____
Authorized Officer

ASSIGNMENT

For value received _____ hereby sell, assign and transfer unto _____ the within Note and hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the note register of the District, with full power of substitution in the premises.

Dated: _____

NOTE: The signature to this Assignment must correspond with the name on the face of the within Note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed by:

NOTE: Signature must be guaranteed by an eligible guarantor institution (being banks, stock brokers, savings and loan associations, and credit unions with membership in and approved signature guarantee medallion programs) pursuant to Securities and Exchange Commission Rule 17A(d)15.

Social Security Number, Tax Identification Number, or other identifying number of Assignee:

LEGAL OPINION

The following is a true copy of the opinion rendered by Parker & Covert LLP, in connection with the issuance of, and dated as of the date of the original delivery of, the Notes. A signed copy is on file in my office.

Secretary of the Board of Trustees of the
Rio Elementary School District

PARKER & COVERT LLP
Attorneys at Law
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833

[CLOSING DATE]

Board of Trustees
Rio Elementary School District
1800 Solar Drive
Oxnard, California 93030

Re: \$[PAR AMOUNT]
 Rio Elementary School District
 (Ventura County, California)
 2023 General Obligation Bond Anticipation Notes
 Final Opinion of Bond Counsel

Members of the Board of Trustees:

We have acted as bond counsel in connection with the issuance by the Rio Elementary School District (the “District”) of \$[PAR AMOUNT] principal amount of Rio Elementary School District, 2023 General Obligation Bond Anticipation Notes (the “Notes”), pursuant to Section 15150 of the California Education Code and the provisions of the Paying Agent Agreement dated as of July 1, 2023 (the “Paying Agent Agreement”), between U.S. Bank Trust Company, National Association, as paying agent, and the District. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Notes constitute valid and binding obligations of the District payable in accordance with the terms described therein.

2. The Paying Agent Agreement constitutes a valid and binding obligation of the District and creates a valid lien on the funds pledged under the Paying Agent Agreement for the security of the Notes.

3. Interest on the Notes is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, interest on the Notes is taken into account in determining the annual adjusted statement of income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Notes to be included in gross income for federal tax purposes retroactively to the date of issuance of the Notes.

4. Interest on the Notes is exempt from State of California personal income taxation.

The rights of the owners of the Notes and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PARKER & COVERT LLP

EXHIBIT B

FORM OF REQUISITION TO PAYING AGENT

**§[PAR AMOUNT]
RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
2023 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

**REQUISITION TO PAYING AGENT TO DISBURSE FUNDS
FROM THE COSTS OF ISSUANCE FUND**

REQUISITION NO. __

The Rio Elementary School District (the “District”) hereby directs U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”), under the Paying Agent Agreement dated as of July 1, 2023, by and between the District and the Paying Agent, to pay from the Costs of Issuance Fund established pursuant to Section 3.1 (Application of Proceeds of Notes) of the Paying Agent Agreement, the amounts to the parties as set forth on the attached schedule.

The District hereby certifies that obligations in the amounts stated in Schedule I have been incurred by the District and are presently due and payable, and that each item is a proper charge against the Costs of Issuance Fund and has not been previously paid from that fund.

Attached to Schedule I are invoices for each payment requested.

Dated: [DATE]

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
Authorized Signatory

RIO ELEMENTARY SCHOOL DISTRICT

SCHEDULE I

[Please see attached invoices for delivery and/or wire instructions]

Item	Payee	Purpose	Total
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
		TOTAL	

§ _____
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
General Obligation Bonds, Election of 2018, Series G

PURCHASE AGREEMENT

_____, 2023

Board of Trustees
 Rio Elementary School District
 1800 Solar Drive
 Oxnard, California 93036

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc. (the “Underwriter”), offers to enter into this Purchase Agreement (the “Purchase Agreement”) with the Rio Elementary School District (the “District”), which, upon your acceptance hereof, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to the Underwriter at or prior to 11:59 P.M., California Time, on the date hereof. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Paying Agent Agreement (as defined herein).

Inasmuch as this purchase and sale represents a negotiated transaction, the District acknowledges and agrees that: (i) the transaction contemplated by this Purchase Agreement is an arm’s-length commercial transaction by and between the District and the Underwriter, in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the District, and the Underwriter has financial and other interests that differ from those of the District; (ii) the Underwriter has not assumed a financial advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto, irrespective of whether or not the Underwriter has provided other services or is currently providing other services to the District on other matters; (iii) the Underwriter is acting solely in its capacity as an underwriter for its own account; (iv) the only obligations the Underwriter has to the District with respect to the transactions contemplated hereby are expressly set forth in this Purchase Agreement; and (v) the District has consulted with its own legal, accounting, tax, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Bonds. The District further acknowledges that it has previously provided the Underwriter with an acknowledgment of receipt of the required disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”).

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of (i) \$ _____ aggregate initial principal amount of the District’s General Obligation Bonds, Election of 2018, Series G (the “Bonds”). The Bonds shall be dated the date of delivery thereof. The Bonds shall be issued as Current Interest

Bonds and shall be payable as to interest on each February 1 and August 1, commencing August 1, 2023, and shall be paid at maturity as shown in Appendix A hereto. The final maturity dates, interest rates, yields and redemption provisions of the Bonds are shown in Appendix A hereto, which appendix is incorporated by reference herein.

The Underwriter shall purchase the Bonds at a price of \$_____ (which is equal to the initial principal amount of the Bonds of \$_____, plus less/net original issue premium/discount of \$_____, less an underwriting discount of \$_____, and less premium of \$_____ for the Bonds to be used by the Underwriter to pay to the Insurer (as defined herein) a ratable portion of the premium on the Insurance Policy (as defined herein).

2. **The Bonds.** The Bonds shall be dated their date of delivery. The Bonds 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 District adopted on June __, 2023 (the "Resolution"), the Paying Agent Agreement, dated as of March 1, 2019, as supplemented by that First Supplemental Paying Agent Agreement, dated as of April 1, 2020, that Second Supplemental Paying Agent Agreement, dated as of March 1, 2022 and that Third Supplemental Paying Agent Agreement, dated as of July 1 2023 (the "Paying Agent Agreement"), by and between the District and U.S. Bank Trust Company, National Association (the "Paying Agent"), this Purchase Agreement and Section 53506 *et seq.* of the California Government Code (the "Act").

The Bonds 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 Five Thousand Dollars (\$5,000) principal amount or accreted value at maturity, as applicable, or any integral multiple thereof.

The Bonds are being issued to provide funds to (i) finance the cost of the acquisition, construction, and completion of school facility improvements described in the measure approved by the voters on November 6, 2018, including all necessary legal, financial, engineering, and contingent costs in connection therewith; (ii) pay certain legal, accounting, and financing expenses incurred in connection with the issuance of the Bonds; and (iii) pay capitalized interest on the Bonds.

The principal of and interest on the Bonds, as the same shall become due and payable, shall be guaranteed by a municipal bond insurance policy (the "Insurance Policy") to be issued by _____ (the "Insurer").

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, the Paying Agent Agreement, the Continuing Disclosure Certificate (as defined herein), this Purchase Agreement, the Preliminary Official Statement (as defined herein), an Official Statement, the Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

4. **Issue Price.** 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 of the Official Statement and Appendix A hereto.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing (as defined herein) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Parker & Covert LLP (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District’s municipal advisor and any notice or report to be provided to the District may be provided to the District’s municipal advisor.

(b) [Except as otherwise set forth in Appendix A attached hereto], the District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which the Underwriter has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Appendix A attached hereto, except as otherwise set forth therein. Appendix A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when the Underwriter has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The District acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public,

the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires.

(d) The Underwriter confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50%

common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

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 _____, 2023 (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 such 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), selling compensation, aggregate initial 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 (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.

6. **Closing.** At 9:00 A.M., California Time, on July __, 2023 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 Bond Counsel, in Sacramento, 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 hereof in immediately available funds by wire transfer to the account or accounts designated by 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 school district duly organized and validly existing under the laws of the State of California (the “State”), with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Agreement, the Paying Agent Agreement, and the Continuing Disclosure Certificate, 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 Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of its obligations contained in the Bonds, the Resolution, the Paying Agent Agreement, the Continuing Disclosure Certificate and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) assuming the due authorization and execution by the other parties thereto, this Purchase Agreement, the Paying Agent Agreement, and the Continuing Disclosure Certificate constitute valid and legally binding obligations of the District, 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 of California; 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, or is required and has not been taken or obtained, in connection with the issuance, delivery or sale of the Bonds, the execution and delivery of this Purchase Agreement, the Paying Agent Agreement, and the Continuing Disclosure Certificate, the adoption of the Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, excepting herefrom 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; 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 (the "Code"), as amended, with respect to the Bonds.

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, the adoption of the Resolution, and the execution, delivery and performance of this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate, the Resolution 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 State Constitution or any existing law, charter, ordinance, regulation, judgment, decree, loan agreement, indenture, bond, note, order, resolution, or agreement 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, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District to be pledged to secure

the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Paying Agent Agreement, and no event has occurred which would have a material and adverse effect upon the financial condition of the District and is continuing which constitutes, or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing.

(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 or levy of *ad valorem* property taxes contemplated by the Resolution and the Paying Agent Agreement, and the application thereof to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Resolution, or contesting the powers of the District or its authority with respect to the Bonds, the Resolution, the Paying Agent Agreement, the Continuing Disclosure Certificate or this Purchase Agreement; 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 Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of interest 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 or otherwise consented to in writing by the Underwriter.

(h) Interim Financial Report. The District has not received a qualified or negative certification in its most recent interim report pursuant to Section 42130 *et seq.* of the California Education Code.

(i) 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.

(j) 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") relating to the Bonds. The Continuing Disclosure Certificate shall be substantially in the form attached to the Preliminary Official Statement and the Official Statement in Appendix E. Except as disclosed in the Official Statement, within the past five years, the District has not failed to

comply in any material respect with its past continuing disclosure undertakings pursuant to the Rule.

(k) Preliminary Official Statement and Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof and as of 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. As of its date and as of the Closing, the Final Official Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) Levy of Tax. The District hereby agrees to take any and all actions as may be required by Ventura 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 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.

(m) 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.

(n) No Breach/Default. The District is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the District has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing.

8. **Representations 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 Agreement and the Underwriter is duly authorized to take any action under the Purchase Agreement required to be taken by it.

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

(c) The Underwriter has, and has had, no financial advisory relationship, as that term is defined in California 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.

9. **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 of 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 and the Paying Agent Agreement;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Agreement is signed, copies of 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 and the District in such quantities as may be requested by the Underwriter not later than five (5) business days following the date this Purchase Agreement 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 twenty-five (25) days following the Closing;

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

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (as defined herein) (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact 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. 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. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, at its own expense, 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 Purchase Agreement, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 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.

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

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate, and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolution, this Purchase Agreement, the Paying Agent Agreement 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 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 its obligation to purchase the Bonds if, between the date of this Purchase Agreement 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, shall be materially adversely affected, in the reasonable judgment of the Underwriter, by the occurrence of any of the following:

(1) 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 (by press release, other form of notice or otherwise), 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:

(i) 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 interest on the Bonds or of obligations of the general character of the Bonds in the hands of the holders thereof; or

(ii) 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;

(2) any outbreak or escalation of hostilities affecting the United States, the declaration by the United States of a national or international emergency or war, or engagement in or material escalation of major military hostilities by the United States or the occurrence or escalation of any other national or international emergency, calamity or crisis;

(3) the declaration of a general banking moratorium by Federal, New York State or State 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;

(4) 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;

(5) 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;

(6) 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 Insurer or the outstanding indebtedness of the District;

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

(8) the suspension by the SEC of trading in the outstanding securities of the District;

(9) 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;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of *ad valorem* property taxes to pay principal of and interest on the Bonds;

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

(12) any event occurring, of information becoming known, which in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statements or information contained in the Official Statement, or has the effect that the Official Statement contains an untrue statement of a material fact or omits to state a 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.

(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) Opinions.

(i) The approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the District, in substantially the form set forth in the Official Statement.

(ii) A supplemental opinion of Bond Counsel, dated the Closing and addressed to the District and the Underwriter, substantially in the form attached as Appendix C hereto.

(iii) Disclosure Counsel Letter. A letter of Parker & Covert LLP, dated the date of Closing and addressed to the District and the Underwriter, substantially in the form attached as Appendix D hereto;

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

(3) Certificates. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Agreement, the Continuing Disclosure Certificate and the Paying Agent Agreement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Resolution, the Paying Agent Agreement, and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing, and, as to the District, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Paying Agent Agreement, (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, and (vii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to the best knowledge of such officials, threatened against the District, contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by the District or the due adoption of the Resolution;

(4) Arbitrage. A nonarbitrage and tax certificate of the District in connection with the Bonds, in form satisfactory to Bond Counsel;

(5) Ratings. Evidence satisfactory to the Underwriter that (i) the Bonds shall have been rated "AA" by S&P Global Ratings, based upon the issuance of the Insurance Policy by the Insurer, (ii) the Bonds shall have been assigned an underlying rating of "A+" by S&P Global Ratings (or such other equivalent rating as such rating

agency may give), and (iii) that any such ratings have not been revoked or downgraded;

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

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

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing; and

(iii) evidence satisfactory to the Underwriter that the District Board considered the 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 Education Code of the State of California.

(7) Debt Management Policy. A certified copy of the policy adopted by the District pursuant to California Government Code section 8855.

(8) 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;

(9) Paying Agent Agreement; Continuing Disclosure Certificate. Fully executed copies of the final versions of the Paying Agent Agreement and the Continuing Disclosure Certificate;

(10) Underwriter's Counsel Opinion. An opinion of Nixon Peabody LLP, counsel to the Underwriter ("Underwriter's Counsel"), dated as of the Closing, and in a form and substance satisfactory to the Underwriter; and

(11) Certificate of the Paying Agent. A certificate of the Paying Agent dated the Closing Date, signed by a duly authorized officer of the Paying Agent, to the effect that (i) the Paying Agent is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Paying Agent Agreement, (ii) the execution and delivery of the Paying Agent Agreement and compliance with the provisions on the Paying Agent's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Paying Agent is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), and (iii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental or public entity pending or, to the best knowledge of the Paying Agent, threatened against the Paying Agent, affecting the existence of the Paying

Agent, or the titles of its officers to their respective offices or in any way contesting or affecting the validity or enforceability of the Paying Agent Agreement or contesting the powers of the Paying Agent or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Paying Agent Agreement or the ability of the Paying Agent to perform its obligations thereunder;

(12) Paying Agent Authorization. Certified copies of the excerpts of the Bylaws of the Paying Agent authorizing the execution and delivery of certain documents by officers of the Paying Agent, the execution and delivery of the Bonds and the performance of the Paying Agent's obligations under the Paying Agent Agreement;

(13) Insurance. A copy of the Insurance Policy, together with an opinion of counsel to the Insurer, dated the date of Closing and addressed to the District and the Underwriter, in form and substance acceptable to the Underwriter, and a certificate of the Insurer, dated the date of Closing, in form and substance acceptable to the Underwriter, regarding, among other matters, disclosure, no default and tax matters; and

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

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter as provided in Section 6 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 Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing in 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 Agreement are consummated, the District shall pay, and the Underwriter shall be under no obligation to pay, the following costs of issuance with respect to the Bonds, including but not limited to the following costs of issuance: (i) the fees and disbursements of Bond Counsel, Disclosure Counsel and Underwriter's 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; (vi) the fees of the District's municipal advisor, (vii) 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 and (viii) all other fees and expenses incident to the issuance and sale of the Bonds. 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.

(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, and other expenses (except those expressly provided above) without limitation, except travel and related expenses in connection with the bond ratings.

(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(a)(vii) above that are attributable to District personnel.

13. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the District, to the Assistant Superintendent of Business Services of Rio Elementary School District, 1800 Solar Drive, Oxnard, California 93036, or if to the Underwriter, Raymond James & Associates, Inc., 10250 Constellation Boulevard, Suite 850 Los Angeles, California 90067, attention: John Baracy, Managing Director.

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

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

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

Very truly yours,

**RAYMOND JAMES AND ASSOCIATES, INC.,
as Underwriter**

By: _____
Authorized Officer

The foregoing is hereby agreed to and accepted at _____ p.m., California Time, as of the date first above written:

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
Assistant Superintendent, Business Services

APPENDIX A

\$ _____
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
General Obligation Bonds, Election of 2018, Series G

\$ _____ **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>Price</u>	<u>10% Rule</u> *	<u>Hold the</u> <u>Offering</u> <u>Price Rule</u>
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\$ _____ - _____% Term Bond Due August 1, 20____, Priced to Yield _____%⁽¹⁾ 10% Rule - _____

* 10% of each maturity of the Bonds sold to the public on the sale date.

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

Redemption

Optional Redemption. The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their stated maturity dates. The Bonds maturing on or after August 1, 20__ 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 selected for redemption, without premium, together with interest accrued thereon to the date of redemption.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20__ (“Term Bonds”) 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 as of the date fixed for redemption, together with accrued interest to the date fixed for redemption, without premium. The principal amount of 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

⁽¹⁾ Maturity.

In the event that a portion of the Term Bonds 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 principal amount, in respect of the portion of such Term Bonds optionally redeemed.

APPENDIX B

FORM OF ISSUE PRICE CERTIFICATE

§ _____
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
General Obligation Bonds, Election of 2018, Series G

The undersigned, on behalf of Raymond James & Associates, Inc. (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule I.

2. ***Defined Terms.***

(a) ***District*** means Rio Elementary School District.

(b) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) ***Sale Date*** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____.

(e) ***Underwriter*** means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Parker & Covert LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

RAYMOND JAMES AND ASSOCIATES, INC.

By: _____

Name: _____

Dated: _____, 2023

SCHEDULE A

**IDENTIFICATION OF GENERAL RULE MATURITIES AND
HOLD-THE-OFFERING-PRICE MATURITIES**

\$ _____
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
General Obligation Bonds, Election of 2018, Series G

<u>Maturity</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Rule</u>	<u>Hold the</u> <u>Offering</u> <u>Price Rule</u>
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\$ _____ - _____% Term Bond Due August 1, 20____, Priced to Yield _____%⁽¹⁾ 10% Rule - _____

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

APPENDIX C
FORM OF SUPPLEMENTAL OPINION
[TO COME]

APPENDIX D
FORM OF DISCLOSURE COUNSEL OPINION
[TO COME]

§ _____
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
General Obligation Bonds, Election of 2022, Series A

PURCHASE AGREEMENT

_____, 2023

Board of Trustees
 Rio Elementary School District
 1800 Solar Drive
 Oxnard, California 93036

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc. (the “Underwriter”), offers to enter into this Purchase Agreement (the “Purchase Agreement”) with the Rio Elementary School District (the “District”), which, upon your acceptance hereof, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to the Underwriter at or prior to 11:59 P.M., California Time, on the date hereof. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Paying Agent Agreement (as defined herein).

Inasmuch as this purchase and sale represents a negotiated transaction, the District acknowledges and agrees that: (i) the transaction contemplated by this Purchase Agreement is an arm’s-length commercial transaction by and between the District and the Underwriter, in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the District, and the Underwriter has financial and other interests that differ from those of the District; (ii) the Underwriter has not assumed a financial advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto, irrespective of whether or not the Underwriter has provided other services or is currently providing other services to the District on other matters; (iii) the Underwriter is acting solely in its capacity as an underwriter for its own account; (iv) the only obligations the Underwriter has to the District with respect to the transactions contemplated hereby are expressly set forth in this Purchase Agreement; and (v) the District has consulted with its own legal, accounting, tax, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Bonds. The District further acknowledges that it has previously provided the Underwriter with an acknowledgment of receipt of the required disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”).

1. **Purchase and Sale of the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of (i) \$_____ aggregate initial principal amount of the District’s General Obligation Bonds, Election of 2022, Series A (the “Bonds”). The

Bonds shall be dated the date of delivery thereof. The Bonds shall be issued as [Current Interest Bonds and] Capital Appreciation Bonds and shall accrete interest from the date of delivery, compounded semiannually on February 1 and August 1 of each year, commencing August 1, 2023. [The Current Interest Bonds and shall be payable as to interest on each February 1 and August 1, commencing August 1, 2023, and shall be paid at maturity as shown in Appendix A hereto.] The Capital Appreciation Bonds will not pay interest on a current basis but shall accrete interest from the date of delivery, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2023. The Maturity Value of the Capital Appreciation Bonds shall be payable only upon maturity or the prior redemption thereof. The final maturity dates, accretion rates, yields and redemption provisions of the Bonds are shown in Appendix A hereto, which appendix is incorporated by reference herein.

The Underwriter shall purchase the Bonds at a price of \$_____ (which is equal to the initial principal amount of the Bonds of \$_____, plus less/net original issue premium/discount of \$_____, less an underwriting discount of \$_____, and less premium of \$_____ for the Bonds to be used by the Underwriter to pay to the Insurer (as defined herein) a ratable portion of the premium on the Insurance Policy (as defined herein).

2. **The Bonds.** The Bonds shall be dated their date of delivery. The Bonds 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 District adopted on June __, 2023 (the "Resolution"), the Paying Agent Agreement, dated as of July 1, 2023 (the "Paying Agent Agreement"), by and between the District and U.S. Bank Trust Company, National Association (the "Paying Agent"), this Purchase Agreement and Section 53506 *et seq.* of the California Government Code (the "Act").

The Bonds 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 Five Thousand Dollars (\$5,000) principal amount or accreted value at maturity, as applicable, or any integral multiple thereof.

The Bonds are being issued to (i) finance the cost of the acquisition, construction, and completion of school facility improvements described in the measure approved by the voters on November 8, 2022, including all necessary legal, financial, engineering, and contingent costs in connection therewith; (ii) pay certain legal, accounting, and financing expenses incurred in connection with the issuance of the Bonds; and (iii) pay capitalized interest on the Bonds.

The principal and accreted value of and interest on the Bonds, as the same shall become due and payable, shall be guaranteed by a municipal bond insurance policy (the "Insurance Policy") to be issued by _____ (the "Insurer").

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, the Paying Agent Agreement, the Continuing Disclosure Certificate (as defined herein), this Purchase Agreement, the Preliminary Official Statement (as defined herein), an Official Statement, the Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

4. **Issue Price.** 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 of the Official Statement and Appendix A hereto.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing (as defined herein) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Parker & Covert LLP (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the District under this section to establish the issue price of the Bonds may be taken on behalf of the District by the District’s municipal advisor and any notice or report to be provided to the District may be provided to the District’s municipal advisor.

(b) [Except as otherwise set forth in Appendix A attached hereto], the District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which the Underwriter has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Appendix A attached hereto, except as otherwise set forth therein. Appendix A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when the Underwriter has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The District acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires.

(d) The Underwriter confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

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 _____, 2023 (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 such 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), selling compensation, aggregate initial principal amount, principal amount or accreted value at maturity 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 (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.

6. **Closing.** At 9:00 A.M., California Time, on July __, 2023 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 Bond Counsel, in Sacramento, 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 hereof in immediately available funds by wire transfer to the account or accounts designated by 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 school district duly organized and validly existing under the laws of the State of California (the "State"), with the power to issue the Bonds pursuant to the Act.

(b) Due Authorization. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Agreement, the Paying Agent Agreement, and the Continuing Disclosure Certificate, 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 Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of its obligations contained in the Bonds, the Resolution, the Paying Agent Agreement, the Continuing Disclosure Certificate and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) assuming the due authorization and execution by the other parties thereto, this Purchase Agreement, the Paying Agent Agreement, and the Continuing Disclosure Certificate constitute valid and legally binding obligations of the District, 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 of California; 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, or is required and has not been taken or obtained, in connection with the issuance, delivery or sale of the Bonds, the execution and delivery of this Purchase Agreement, the Paying Agent Agreement, and the Continuing Disclosure Certificate, the adoption of the Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, excepting herefrom 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; 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 (the "Code"), as amended, with respect to the Bonds.

(e) No Conflicts. To the best knowledge of the District, the issuance of the Bonds, the adoption of the Resolution, and the execution, delivery and performance of this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate, the Resolution 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 State Constitution or any existing law, charter, ordinance, regulation, judgment, decree, loan agreement, indenture, bond, note, order, resolution, or agreement 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, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Paying Agent Agreement, and no event has occurred which would have a material and adverse effect upon the financial condition of the District and is continuing which constitutes, or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing.

(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 or levy of *ad valorem* property taxes contemplated by the Resolution and the Paying Agent Agreement, and the application thereof to pay the principal or accreted value of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Resolution, or contesting the powers of the District or its authority with respect to the Bonds, the Resolution, the Paying Agent Agreement, the Continuing Disclosure Certificate or this Purchase Agreement; 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 Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of interest 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 or otherwise consented to in writing by the Underwriter.

(h) Interim Financial Report. The District has not received a qualified or negative certification in its most recent interim report pursuant to Section 42130 *et seq.* of the California Education Code.

(i) 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.

(j) 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") relating to the

Bonds. The Continuing Disclosure Certificate shall be substantially in the form attached to the Preliminary Official Statement and the Official Statement in Appendix E. Except as disclosed in the Official Statement, within the past five years, the District has not failed to comply in any material respect with its past continuing disclosure undertakings pursuant to the Rule.

(k) Preliminary Official Statement and Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof and as of 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. As of its date and as of the Closing, the Final Official Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) Levy of Tax. The District hereby agrees to take any and all actions as may be required by Ventura 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 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.

(m) 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.

(n) No Breach/Default. The District is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the District has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing.

8. **Representations 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 Agreement and the Underwriter is duly authorized to take any action under the Purchase Agreement required to be taken by it.

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

(c) The Underwriter has, and has had, no financial advisory relationship, as that term is defined in California 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.

9. **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 of 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 and the Paying Agent Agreement;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Agreement is signed, copies of 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 and the District in such quantities as may be requested by the Underwriter not later than five (5) business days following the date this Purchase Agreement 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 twenty-five (25) days following the Closing;

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

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (as defined herein) (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or

amended) to contain any untrue statement of a material fact or to omit to state a material fact 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. 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. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, at its own expense, 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 Purchase Agreement, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 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.

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

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate, and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolution, this Purchase Agreement, the Paying Agent Agreement 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 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 its obligation to purchase the Bonds if, between the date of this Purchase Agreement 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, shall be materially adversely affected, in the reasonable judgment of the Underwriter, by the occurrence of any of the following:

(1) 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 (by press release, other form of notice or otherwise), 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:

(i) 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 interest on the Bonds or of obligations of the general character of the Bonds in the hands of the holders thereof; or

(ii) 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;

(2) any outbreak or escalation of hostilities affecting the United States, the declaration by the United States of a national or international emergency or war, or engagement in or material escalation of major military hostilities by the United States or the occurrence or escalation of any other national or international emergency, calamity or crisis;

(3) the declaration of a general banking moratorium by Federal, New York State or State 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;

(4) 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;

(5) 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;

(6) 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 Insurer or the outstanding indebtedness of the District;

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

(8) the suspension by the SEC of trading in the outstanding securities of the District;

(9) 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;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of *ad valorem* property taxes to pay principal of and interest on the Bonds;

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

(12) any event occurring, of information becoming known, which in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statements or information contained in the Official Statement, or has the effect that the Official Statement contains an untrue statement of a material fact or omits to state a 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.

(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) Opinions.

(i) The approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Bonds, dated the date of the Closing, addressed to the District, in substantially the form set forth in the Official Statement.

(ii) A supplemental opinion of Bond Counsel, dated the Closing and addressed to the District and the Underwriter, substantially in the form attached as Appendix C hereto.

(iii) Disclosure Counsel Letter. A letter of Parker & Covert LLP, dated the date of Closing and addressed to the District and the Underwriter, substantially in the form attached as Appendix D hereto;

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

(3) Certificates. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Agreement, the Continuing Disclosure Certificate and the Paying Agent Agreement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Resolution, the Paying Agent Agreement, and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing, and, as to the District, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Bonds being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Paying Agent Agreement, (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, and (vii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to the best knowledge of such officials, threatened against the District, contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Bonds by the District or the due adoption of the Resolution;

(4) Arbitrage. A nonarbitrage and tax certificate of the District in connection with the Bonds, in form satisfactory to Bond Counsel;

(5) Ratings. Evidence satisfactory to the Underwriter that (i) the Bonds shall have been rated “AA” by S&P Global Ratings, based upon the issuance of the Insurance Policy by the Insurer, (ii) the Bonds shall have been assigned an underlying rating of “A+” by S&P Global Ratings (or such other equivalent rating as such rating agency may give), and (iii) that any such ratings have not been revoked or downgraded;

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

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

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing; and

(iii) evidence satisfactory to the Underwriter that the District Board considered the 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 Education Code of the State of California.

(7) Debt Management Policy. A certified copy of the policy adopted by the District pursuant to California Government Code section 8855.

(8) 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;

(9) Paying Agent Agreement; Continuing Disclosure Certificate. Fully executed copies of the final versions of the Paying Agent Agreement and the Continuing Disclosure Certificate;

(10) Underwriter’s Counsel Opinion. An opinion of Nixon Peabody LLP, counsel to the Underwriter (“Underwriter’s Counsel”), dated as of the Closing, and in a form and substance satisfactory to the Underwriter; and

(11) Certificate of the Paying Agent. A certificate of the Paying Agent dated the Closing Date, signed by a duly authorized officer of the Paying Agent, to the effect that (i) the Paying Agent is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Paying Agent Agreement, (ii) the execution and delivery of the Paying Agent Agreement and compliance with the provisions on the Paying Agent’s part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Paying Agent is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to

any federal or state securities or blue sky laws or regulations), and (iii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental or public entity pending or, to the best knowledge of the Paying Agent, threatened against the Paying Agent, affecting the existence of the Paying Agent, or the titles of its officers to their respective offices or in any way contesting or affecting the validity or enforceability of the Paying Agent Agreement or contesting the powers of the Paying Agent or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Paying Agent Agreement or the ability of the Paying Agent to perform its obligations thereunder;

(12) Paying Agent Authorization. Certified copies of the excerpts of the Bylaws of the Paying Agent authorizing the execution and delivery of certain documents by officers of the Paying Agent, the execution and delivery of the Bonds and the performance of the Paying Agent's obligations under the Paying Agent Agreement;

(13) Insurance. A copy of the Insurance Policy, together with an opinion of counsel to the Insurer, dated the date of Closing and addressed to the District and the Underwriter, in form and substance acceptable to the Underwriter, and a certificate of the Insurer, dated the date of Closing, in form and substance acceptable to the Underwriter, regarding, among other matters, disclosure, no default and tax matters; and

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

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Bonds shall not have been delivered by the District to the Underwriter as provided in Section 6 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 Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing in 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 Agreement are consummated, the District shall pay, and the Underwriter shall be under no obligation to pay, the following costs of issuance with respect to the Bonds, including but not limited to the following costs of issuance: (i) the fees and disbursements of Bond Counsel, Disclosure Counsel and Underwriter's 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; (vi) the fees of the District's municipal advisor, (vii) 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 and (viii) all other fees and expenses incident to the issuance and sale of the Bonds. 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.

(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, and other expenses (except those expressly provided above) without limitation, except travel and related expenses in connection with the bond ratings.

(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(a)(vii) above that are attributable to District personnel.

13. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the District, to the Assistant Superintendent of Business Services of Rio Elementary School District, 1800 Solar Drive, Oxnard, California 93036, or if to the Underwriter, Raymond James & Associates, Inc., 10250 Constellation Boulevard, Suite 850 Los Angeles, California 90067, attention: John Baracy, Managing Director.

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

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

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

Very truly yours,

**RAYMOND JAMES AND ASSOCIATES, INC. as
Underwriter**

By: _____
Authorized Officer

The foregoing is hereby agreed to and accepted at _____ p.m., California Time, as of the date first above written:

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
Assistant Superintendent, Business Services

APPENDIX A

\$ _____
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
General Obligation Bonds, Election of 2022, Series A
 \$ _____ **Capital Appreciation Bonds**

<u>Maturity Date (August 1)</u>	<u>Denominational Amount</u>	<u>Accretion Rate</u>	<u>Reoffering Yield</u>	<u>Maturity Amount</u>	<u>Price</u>	<u>10% Rule</u>	<u>Hold the Offering Price Rule</u>
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[\$ _____ **Current Interest Bonds**]

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Price</u>	<u>10% Rule</u>	<u>Hold the Offering Price Rule</u>
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\$ _____ – ____% **Term Bond Due August 1, 20__**, Priced to Yield _____%⁽¹⁾ **10% Rule - _____**

* 10% of each maturity of the Bonds sold to the public on the sale date.

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

Redemption

Current Interest Bonds. The Current Interest Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to maturity. 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, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 20__, at the principal amount of Current Interest Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

Capital Appreciation Bonds. The Capital Appreciation Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to maturity. 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, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 20__, at a redemption price equal to the accreted value thereof to be redeemed, as of the date set for such redemption, without premium.

Mandatory Sinking Fund Redemption. [The Current Interest Bonds maturing on August 1, 20__ (“Term Bonds”) 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 as of the date fixed for redemption, together with accrued interest to the date fixed for redemption, without premium. The principal amount of such Current Interest Term Bonds to be so redeemed, 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 Amount</u>
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⁽¹⁾ Maturity.

In the event that a portion of the Current Interest Term Bonds 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 principal amount, in respect of the portion of such Current Interest Term Bonds optionally redeemed.]

Capital Appreciation Bonds. The Capital Appreciation Bonds maturing on August 1, 20__ (the “20__ Term Bonds”) 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 thereof as of the date fixed for redemption, without premium, as set forth below in the following table:

20 Series A Term Bonds

<u>Year Ending</u> <u>August 1</u>	<u>Accreted Value</u> <u>To Be Redeemed</u>
	\$

*

*Maturity.

In the event that a portion of the 20__ Term Bonds shown above 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 accreted value, in respect of the portion of such 20__ Term Bonds optionally redeemed.

APPENDIX B

FORM OF ISSUE PRICE CERTIFICATE

**§ _____
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
General Obligation Bonds, Election of 2022, Series A**

The undersigned, on behalf of Raymond James & Associates, Inc. (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule I.

2. ***Defined Terms.***

(a) *District* means Rio Elementary School District.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Parker & Covert LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

RAYMOND JAMES AND ASSOCIATES, INC.

By: _____

Name: _____

Dated: _____, 2023

SCHEDULE A

IDENTIFICATION OF GENERAL RULE MATURITIES AND HOLD-THE-OFFERING-PRICE MATURITIES

\$ _____ Capital Appreciation Bonds

<u>Maturity Date (August 1)</u>	<u>Denominational Amount</u>	<u>Accretion Rate</u>	<u>Reoffering Yield</u>	<u>Maturity Amount</u>	<u>Price</u>	<u>10% Rule</u>	<u>Hold the Offering Price Rule</u>
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[\$ _____ Current Interest Bonds]

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Price</u>	<u>10% Rule</u>	<u>Hold the Offering Price Rule</u>
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APPENDIX C
FORM OF SUPPLEMENTAL OPINION
[TO COME]

APPENDIX D
FORM OF DISCLOSURE COUNSEL OPINION
[TO COME]

\$ _____
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
2023 General Obligation Bond Anticipation Notes

PURCHASE AGREEMENT

_____, 2023

Board of Trustees
 Rio Elementary School District
 1800 Solar Drive
 Oxnard, California 93036

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc. (the “Underwriter”), offers to enter into this Purchase Agreement (the “Purchase Agreement”) with the Rio Elementary School District (the “District”), which, upon your acceptance hereof, will be binding upon the District and the Underwriter. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to the Underwriter at or prior to 11:59 P.M., California Time, on the date hereof. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Paying Agent Agreement (as defined herein).

Inasmuch as this purchase and sale represents a negotiated transaction, the District acknowledges and agrees that: (i) the transaction contemplated by this Purchase Agreement is an arm’s-length commercial transaction by and between the District and the Underwriter, in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the District, and the Underwriter has financial and other interests that differ from those of the District; (ii) the Underwriter has not assumed a financial advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto, irrespective of whether or not the Underwriter has provided other services or is currently providing other services to the District on other matters; (iii) the Underwriter is acting solely in its capacity as an underwriter for its own account; (iv) the only obligations the Underwriter has to the District with respect to the transactions contemplated hereby are expressly set forth in this Purchase Agreement; and (v) the District has consulted with its own legal, accounting, tax, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Notes. The District further acknowledges that it has previously provided the Underwriter with an acknowledgment of receipt of the required disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”).

1. **Purchase and Sale of the Notes.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of (i) \$ _____ aggregate initial principal amount of the District’s General Obligation Bond Anticipation Notes (the “Notes”). The Notes shall be dated the date of delivery thereof. The Notes shall be issued as Capital Appreciation Notes and shall accrete interest from the date of delivery, compounded semiannually on February 1 and August

1 of each year, commencing August 1, 2023. The Capital Appreciation Notes will not pay interest on a current basis but shall accrete interest from the date of delivery, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2023. The Maturity Value of the Capital Appreciation Notes shall be payable only upon maturity or the prior redemption thereof. The final maturity dates, accretion rates, yields and redemption provisions of the Notes are shown in Appendix A hereto, which appendix is incorporated by reference herein.

The Underwriter shall purchase the Notes at a price of \$ _____ (which is equal to the initial principal amount of the Notes of \$ _____, plus less/net original issue premium/discount of \$ _____, and less an underwriting discount of \$ _____).

2. **The Notes.** The Notes shall be dated their date of delivery. The Notes 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 District adopted on June __, 2023 (the "Resolution"), the Paying Agent Agreement, dated as of July 1, 2023 (the "Paying Agent Agreement"), by and between the District and U.S. Bank Trust Company, National Association (the "Paying Agent"), this Purchase Agreement and Section 53506 *et seq.* of the California Government Code (the "Act").

The Notes are payable from the proceeds of the Bonds issued for that purpose, from the proceeds of an additional issue of renewal bond anticipation notes, other obligations of the District, and from other District funds that are lawfully available for the purpose of repaying the Notes. The District has covenanted in the District Resolution to take all actions required to authorize, sell and issue Bonds, an additional series of renewal notes, or other obligations, in an aggregate principal amount which is sufficient to pay the Maturity Value of the Notes coming due and payable at maturity.

The Notes 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 Notes shall initially be in authorized denominations of Five Thousand Dollars (\$5,000) principal amount or accreted value at maturity, as applicable, or any integral multiple thereof.

The Notes are being issued to provide interim financing for projects described in the measure approved by the voters on November 8, 2022, including all necessary legal, financial, engineering, and contingent costs in connection therewith; [(ii) pay certain legal, accounting, and financing expenses incurred in connection with the issuance of the Notes; and (iii) pay capitalized interest on the Notes].

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Notes, the Paying Agent Agreement, the Continuing Disclosure Certificate (as defined herein), this Purchase Agreement, the Preliminary Official Statement (as defined herein), an Official Statement, the Resolution and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

4. **Issue Price.** The Underwriter agrees to make a bona fide public offering of all the Notes at the initial public offering prices or yields to be set forth on the inside cover of the Official Statement and Appendix A hereto.

(a) The Underwriter agrees to assist the District in establishing the issue price of the Notes and shall execute and deliver to the District at Closing (as defined herein) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Parker & Covert LLP (“Bond Counsel”), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Notes. All actions to be taken by the District under this section to establish the issue price of the Notes may be taken on behalf of the District by the District’s municipal advisor and any notice or report to be provided to the District may be provided to the District’s municipal advisor.

(b) [Except as otherwise set forth in Appendix A attached hereto], the District will treat the first price at which 10% of each maturity of the Notes (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which the Underwriter has sold to the public each maturity of Notes. If at that time the 10% test has not been satisfied as to any maturity of the Notes, the Underwriter agrees to promptly report to the District the prices at which Notes of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Notes of that maturity or until all Notes of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Notes to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Appendix A attached hereto, except as otherwise set forth therein. Appendix A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Notes for which the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Notes, the Underwriter will neither offer nor sell unsold Notes of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the District when the Underwriter has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The District acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Notes to the public,

the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires.

(d) The Underwriter confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Notes to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Notes of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Notes of that maturity or all Notes of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires.

(e) The Underwriter acknowledges that sales of any Notes to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50%

common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

5. **Review of Official Statement.** The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Notes, dated _____, 2023 (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 Notes, and that it has deemed such Preliminary Official Statement to be final as of its date, except for either revision or addition of the offering price(s), accretion rate(s), yield(s), selling compensation, aggregate initial principal amount, principal amount or accreted value at maturity per maturity, delivery date, rating(s), redemption provisions and other terms of the Notes 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 (the “Official Statement”) relating to the Notes is available, the Underwriter will send to any potential purchaser of the Notes, 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.

6. **Closing.** At 9:00 A.M., California Time, on July __, 2023 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 Notes 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 Bond Counsel, in Sacramento, California, the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price of the Notes identified in Section 1 hereof in immediately available funds by wire transfer to the account or accounts designated by 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 school district duly organized and validly existing under the laws of the State of California (the “State”), with the power to issue the Notes 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 Notes; (ii) the District has full legal right, power and authority to enter into this Purchase Agreement, the Paying Agent Agreement, and the Continuing Disclosure Certificate, 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 Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate and the Resolution; (iii) the execution and delivery or adoption of, and the performance by the District of its obligations contained in the Notes, the Resolution, the Paying Agent Agreement, the Continuing Disclosure Certificate and this Purchase Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) assuming the due authorization and execution by the other parties thereto, this Purchase Agreement, the Paying Agent Agreement, and the Continuing Disclosure Certificate constitute valid and legally binding obligations of the District, 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 of California; 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, or is required and has not been taken or obtained, in connection with the issuance, delivery or sale of the Notes, the execution and delivery of this Purchase Agreement, the Paying Agent Agreement, and the Continuing Disclosure Certificate, the adoption of the Resolution, or the consummation of the other transactions effected or contemplated herein or hereby, excepting herefrom such actions as may be necessary to qualify the Notes 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; 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 (the "Code"), as amended, with respect to the Notes.

(e) No Conflicts. To the best knowledge of the District, the issuance of the Notes, the adoption of the Resolution, and the execution, delivery and performance of this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate, the Resolution and the Notes, 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 State Constitution or any existing law, charter, ordinance, regulation, judgment, decree, loan agreement, indenture, bond, note, order, resolution, or agreement 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, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the District to be pledged to secure

the Notes or under the terms of any such law, regulation or instrument, except as provided by the Notes and the Paying Agent Agreement, and no event has occurred which would have a material and adverse effect upon the financial condition of the District and is continuing which constitutes, or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing.

(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 Notes, the application of the proceeds of the sale of the Notes, or the collection or levy of *ad valorem* property taxes contemplated by the Resolution and the Paying Agent Agreement, and the application thereof to pay the Maturity Value on the Notes, or in any way contesting or affecting the validity or enforceability of the Notes, this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Resolution, or contesting the powers of the District or its authority with respect to the Notes, the Resolution, the Paying Agent Agreement, the Continuing Disclosure Certificate or this Purchase Agreement; 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 Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate or the Resolution, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Notes from gross income for federal income tax purposes and the exemption of interest on the Notes from State personal income taxation.

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

(h) Interim Financial Report. The District has not received a qualified or negative certification in its most recent interim report pursuant to Section 42130 *et seq.* of the California Education Code.

(i) 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.

(j) 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") relating to the Notes. The Continuing Disclosure Certificate shall be substantially in the form attached to the Preliminary Official Statement and the Official Statement in Appendix E. Except as disclosed in the Official Statement, within the past five years, the District has not failed to comply in any material respect with its past continuing disclosure undertakings pursuant to the Rule.

(k) Preliminary Official Statement and Official Statement Accurate and Complete. The Preliminary Official Statement, at the date thereof and as of 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. As of its date and as of the Closing, the Final Official Statement will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) Levy of Tax. The District hereby agrees to take any and all actions as may be required by Ventura County (the "County") or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Notes, and the deposit and investment of Note 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 Notes, in accordance with Education Code Section 15140(c) and policies and procedures of the County.

(m) 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.

(n) No Breach/Default. The District is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Notes or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the District has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the District under any of the foregoing.

8. **Representations 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 Agreement and the Underwriter is duly authorized to take any action under the Purchase Agreement required to be taken by it.

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

(c) The Underwriter has, and has had, no financial advisory relationship, as that term is defined in California Government Code section 53590(c) or MSRB Rule G-23, with the District with respect to the Notes, and no investment firm controlling, controlled by or

under common control with the Underwriter has or has had any such financial advisory relationship.

9. **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 Notes for offer and sale under the Blue Sky or other securities laws and regulations of 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 Notes for the purposes specified in the Resolution and the Paying Agent Agreement;

(c) Official Statement. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Agreement is signed, copies of 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 and the District in such quantities as may be requested by the Underwriter not later than five (5) business days following the date this Purchase Agreement 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 Notes;

(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 twenty five (25) days following the Closing;

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

(f) Amendments to Official Statement. During the period ending on the 25th day after the End of the Underwriting Period (as defined herein) (or such other period as may be agreed to by the District and the Underwriter), the District (i) shall not supplement or amend the Official Statement or cause the Official Statement to be supplemented or amended without the prior written consent of the Underwriter and (ii) shall notify the Underwriter promptly if any event shall occur, or information comes to the attention of the District, that is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact 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. 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. If such notification shall be given subsequent to the Closing, the District also shall furnish, or cause to be furnished, at its own expense, 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 Purchase Agreement, the "End of the Underwriting Period" is used as defined in Rule 15c2-12 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 Notes; 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.

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

(a) Representations True. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, this Purchase Agreement, the Paying Agent Agreement, the Continuing Disclosure Certificate, and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or have performed all of its obligations required under or specified in the Resolution, this Purchase Agreement, the Paying Agent Agreement 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 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 its obligation to purchase the Notes if, between the date of this Purchase Agreement and the Closing, the

market price or marketability of the Notes, or the ability of the Underwriter to enforce contracts for the sale of the Notes, shall be materially adversely affected, in the reasonable judgment of the Underwriter, by the occurrence of any of the following:

(1) 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 (by press release, other form of notice or otherwise), 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:

(i) 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 interest on the Notes or of obligations of the general character of the Notes in the hands of the holders thereof; or

(ii) 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 Notes, or obligations of the general character of the Notes, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended;

(2) any outbreak or escalation of hostilities affecting the United States, the declaration by the United States of a national or international emergency or war, or engagement in or material escalation of major military hostilities by the United States or the occurrence or escalation of any other national or international emergency, calamity or crisis;

(3) the declaration of a general banking moratorium by Federal, New York State or State 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;

(4) 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 Notes, or obligations of the general character of the Notes, 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;

(5) 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 Notes, or the issuance, offering or sale of the Notes, 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;

(6) 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 or the outstanding indebtedness of the District;

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

(8) the suspension by the SEC of trading in the outstanding securities of the District;

(9) 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 Notes as described herein, or issued a stop order or similar ruling relating thereto;

(10) any amendment shall have been made to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the levy of *ad valorem* property taxes to pay the Maturity Value on the Notes;

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

(12) any event occurring, of information becoming known, which in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statements or information contained in the Official Statement, or has the effect that the Official Statement contains an untrue statement of a material fact or omits to state a 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.

(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) Opinions.

(i) The approving opinion of Bond Counsel, as to the validity and tax-exempt status of the Notes, dated the date of the Closing, addressed to the District, in substantially the form set forth in the Official Statement.

(ii) A supplemental opinion of Bond Counsel, dated the Closing and addressed to the District and the Underwriter, substantially in the form attached as Appendix C hereto.

(iii) Disclosure Counsel Letter. A letter of Parker & Covert LLP, dated the date of Closing and addressed to the District and the Underwriter, substantially in the form attached as Appendix D hereto;

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

(3) Certificates. A certificate signed by appropriate officials of the District to the effect that (i) such officials are authorized to execute this Purchase Agreement, the Continuing Disclosure Certificate and the Paying Agent Agreement, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Resolution, the Paying Agent Agreement, and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing, and, as to the District, such documents are in full force and effect, (iv) such District officials have reviewed the Official Statement and on such basis certify that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (v) the Notes being delivered on the date of the Closing to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Paying Agent Agreement, (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, and (vii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending or, to the best knowledge of such officials, threatened against the District, contesting in any way the completeness or accuracy of the Official Statement, the issuance of the Notes by the District or the due adoption of the Resolution;

(4) Arbitrage. A nonarbitrage and tax certificate of the District in connection with the Notes, in form satisfactory to Bond Counsel;

(5) Ratings. Evidence satisfactory to the Underwriter that (i) the Notes shall have been rated "A+" by S&P Global Ratings (or such other equivalent rating as such rating agency may give) and (ii) that any such rating has not been revoked or downgraded;

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

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

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing.

(7) Debt Management Policy. A certified copy of the policy adopted by the District pursuant to California Government Code section 8855.

(8) 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;

(9) Paying Agent Agreement; Continuing Disclosure Certificate. Fully executed copies of the final versions of the Paying Agent Agreement and the Continuing Disclosure Certificate;

(10) Underwriter's Counsel Opinion. An opinion of Nixon Peabody LLP, counsel to the Underwriter ("Underwriter's Counsel"), dated as of the Closing, and in a form and substance satisfactory to the Underwriter; and

(11) Certificate of the Paying Agent. A certificate of the Paying Agent dated the Closing Date, signed by a duly authorized officer of the Paying Agent, to the effect that (i) the Paying Agent is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Paying Agent Agreement, (ii) the execution and delivery of the Paying Agent Agreement and compliance with the provisions on the Paying Agent's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Paying Agent is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), and (iii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental or public entity pending or, to the best knowledge of the Paying Agent, threatened against the Paying Agent, affecting the existence of the Paying Agent, or the titles of its officers to their respective offices or in any way contesting or affecting the validity or enforceability of the Paying Agent Agreement or contesting the powers of the Paying Agent or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Paying Agent Agreement or the ability of the Paying Agent to perform its obligations thereunder;

(12) Paying Agent Authorization. Certified copies of the excerpts of the Bylaws of the Paying Agent authorizing the execution and delivery of certain documents by officers of the Paying Agent, the execution and delivery of the Notes and the performance of the Paying Agent's obligations under the Paying Agent Agreement;

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

(f) Termination. Notwithstanding anything to the contrary herein contained, if for any reason whatsoever the Notes shall not have been delivered by the District to the Underwriter as provided in Section 6 hereof, then the obligation to purchase Notes 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 Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing in 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 Agreement are consummated, the District shall pay, and the Underwriter shall be under no obligation to pay, the following costs of issuance with respect to the Notes, including but not limited to the following costs of issuance: (i) the fees and disbursements of Bond Counsel, Disclosure Counsel and Underwriter's Counsel; (ii) the cost of the preparation, printing and delivery of the Notes; (iii) the fees for Note 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; (vi) the fees of the District's municipal advisor, (vii) expenses for travel, lodging, and subsistence related to rating agency visits and other meetings connected to the authorization, sale, issuance and distribution of the Notes and (viii) all other fees and expenses incident to the issuance and sale of the Notes. 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 Notes.

(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, and other expenses (except those expressly provided above) without limitation, except travel and related expenses in connection with the bond ratings.

(c) Notwithstanding Section 10(f) hereof, the District hereby agrees, in the event the purchase and sale of the Notes does not occur as contemplated hereunder, to reimburse the

Underwriter for any costs described in Subsection 12(a)(vii) above that are attributable to District personnel.

13. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing, if to the District, to the Assistant Superintendent of Business Services of Rio Elementary School District, 1800 Solar Drive, Oxnard, California 93036, or if to the Underwriter, Raymond James & Associates, Inc., 10250 Constellation Boulevard, Suite 850 Los Angeles, California 90067, attention: John Baracy, Managing Director.

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

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

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

Very truly yours,

**RAYMOND JAMES AND ASSOCIATES, INC. as
Underwriter**

By: _____
Authorized Officer

The foregoing is hereby agreed to and accepted at _____ p.m., California Time, as of the date first above written:

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
Assistant Superintendent, Business Services

APPENDIX A

\$ _____
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
General Obligation Notes, Election of 2022, Series A

<u>Maturity</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Accretion</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Rule</u>	<u>Hold the</u> <u>Offering</u> <u>Price Rule</u>
--	---	---	---------------------	---------------------	------------------------	--

Redemption

The Notes are not subject to redemption prior to maturity.

APPENDIX B

FORM OF ISSUE PRICE CERTIFICATE

\$ _____
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
2023 General Obligation Bond Anticipation Notes

The undersigned, on behalf of Raymond James & Associates, Inc. (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Notes”).

1. ***Sale of the Notes.*** As of the date of this certificate, for each Maturity of the Notes, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule I.

2. ***Defined Terms.***

(a) *District* means Rio Elementary School District.

(b) *Maturity* means Notes with the same credit and payment terms. Notes with different maturity dates, or Notes with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Notes. The Sale Date of the Notes is _____.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Notes, and by Parker & Covert LLP, Bond Counsel, in connection with rendering its opinion that the interest on the Notes is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Notes. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

RAYMOND JAMES AND ASSOCIATES, INC.

By: _____

Name: _____

Dated: _____, 2023

SCHEDULE A

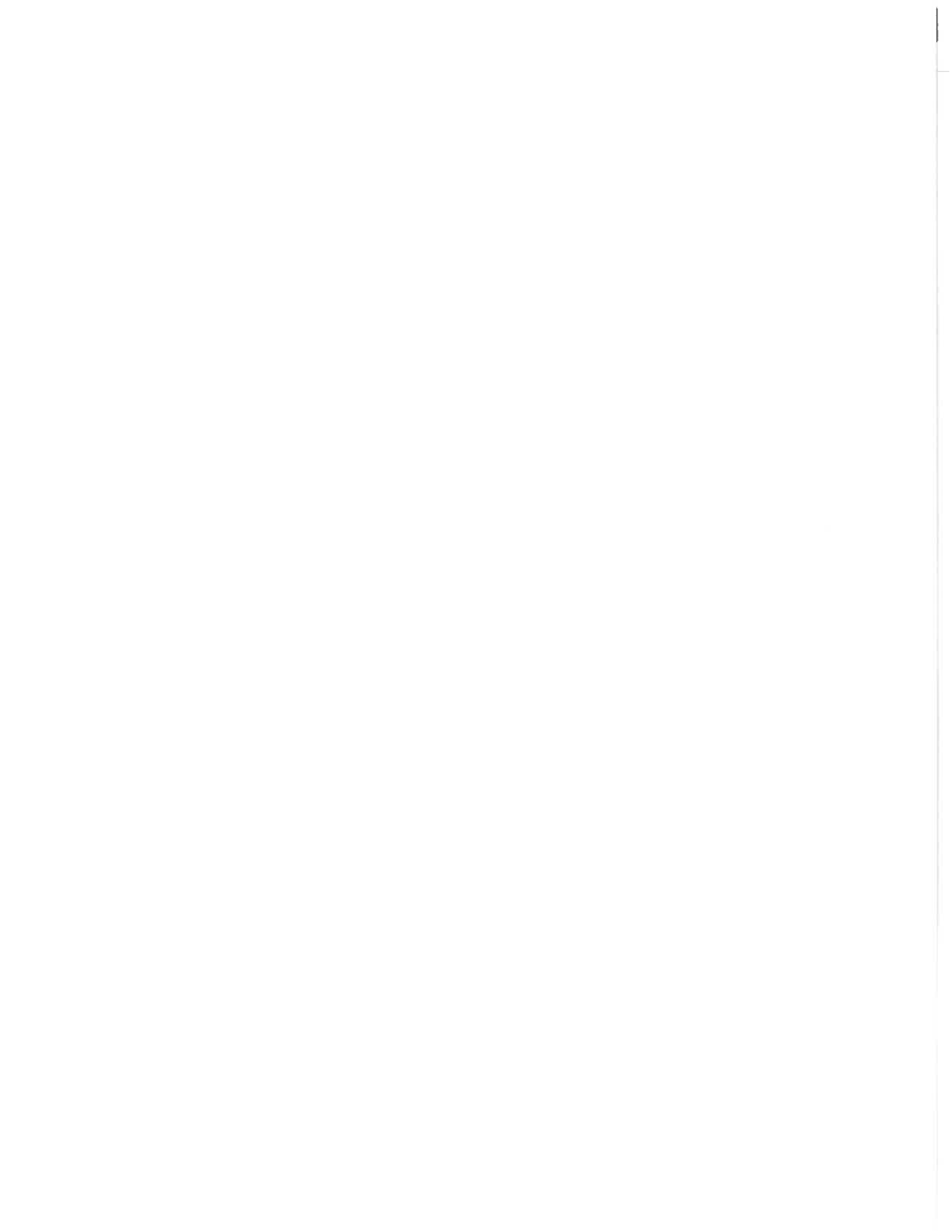
IDENTIFICATION OF GENERAL RULE MATURITIES AND HOLD-THE-OFFERING-PRICE MATURITIES

\$ _____
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
2023 General Obligation Bond Anticipation Notes

<u>Maturity</u> <u>August 1</u>	<u>Principal</u> <u>Amount</u>	<u>Accretion</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Rule</u>	<u>Hold the</u> <u>Offering</u> <u>Price Rule</u>
--	---	---	---------------------	---------------------	------------------------	--

APPENDIX C
FORM OF SUPPLEMENTAL OPINION
[TO COME]

APPENDIX D
FORM OF DISCLOSURE COUNSEL OPINION
[TO COME]



**[\$[PAR AMOUNT]]
RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES G**

and

**[\$[PAR AMOUNT]]
RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2022, SERIES A**

and

**[\$[PAR AMOUNT]]
RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
2023 GENERAL OBLIGATION BOND ANTICIPATION NOTES**

CONTINUING DISCLOSURE CERTIFICATE

[CLOSING DATE]

This Continuing Disclosure Certificate (this “Disclosure Certificate”) is executed and delivered by the Rio Elementary School District (the “District”) in connection with the issuance of \$[PAR AMOUNT] aggregate principal amount of Rio Elementary School District, General Obligation Bonds, Election of 2018, Series G (the “Series G Bonds”), \$[PAR AMOUNT] aggregate principal amount of Rio Elementary School District, General Obligation Bonds, Election of 2022, Series A (the “Series A Bonds,”), and \$[PAR AMOUNT] aggregate principal amount of Rio Elementary School District, 2023 General Obligation Bond Anticipation Notes (the “Notes”). The Series G Bonds are being issued pursuant to a Third Supplemental Paying Agent Agreement dated as of July 1, 2023 between the District and U.S. Bank Trust Company, National Association (the “Paying Agent”), supplementing the Paying Agent Agreement dated March 1, 2019, the First Supplemental Paying Agent Agreement dated April 1, 2020, and the Second Supplemental Paying Agent Agreement dated March 1, 2022, all between the District and the Paying Agent, (collectively, such agreements hereinafter referred to as the “Measure L Paying Agent Agreement”). The Series A Bonds are being issued pursuant to a Paying Agent Agreement dated as of July 1, 2023 (the “Measure H Paying Agent Agreement”), between the District and the Paying Agent. The Notes are being issued pursuant to a separate Paying Agent Agreement dated as of July 1, 2023 (the “Notes Paying Agent Agreement,” and together with the Measure L Paying Agent Agreement and the Measure H Paying Agent Agreement, the “Paying Agent Agreements”), between the District and the Paying Agent. The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being delivered by the District for the benefit of the holders and beneficial owners of the Series G Bonds, the Series A Bonds, and the Notes, and to assist the Participating Underwriter, as defined below, in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Paying Agent Agreements, 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 means any report provided by the District pursuant to, and as described in, Sections 3 (Provision of Annual Reports) and 4 (Content of Annual Reports) of this Disclosure Certificate.

Beneficial Owner means any person who (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any the Series G Bonds, the Series A Bonds, or the Notes (including persons holding the Series G Bonds, the Series A Bonds, or the Notes through nominees, depositories or other intermediaries); or (b) is treated as the owner of any the Series G Bonds, the Series A Bonds, or the Notes for federal income tax purposes.

Bondholders or Noteholders means either the registered owners of the Series G Bonds, the Series A Bonds, and the Notes, respectively, or, if the Series G Bonds, the Series A Bonds, and the Notes are registered in the name of The Depository Trust Company or another recognized depository, any Beneficial Owner or applicable participant in its depository system.

Dissemination Agent means the District, or any successor Dissemination Agent designated in writing by the District, and which has filed with the District a written acceptance of such designation. The initial Dissemination Agent will be Isom Advisors, a Division of Urban Futures, Inc.

EMMA or Electronic Municipal Market Access means the centralized online repository for documents filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

Financial Obligation means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Listed Events means any of the events listed in Section 5(a) (Reporting of Significant Events – Significant Events) of this Disclosure Certificate.

MSRB means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information, which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

Official Statement for the Bonds means the final Official Statement dated [SALE DATE], relating to the Series G Bonds and the Series A Bonds.

Official Statement for the Notes means the final Official Statement dated [SALE DATE], relating to the Notes.

Opinion of Bond Counsel means a written opinion of a law firm or attorney experienced in matters relating to obligations the interest on which is excludable from gross income for federal income tax purposes.

Participating Underwriter means the original underwriter of the Series G Bonds, the Series A Bonds, and the Notes required to comply with the Rule in connection with offering of the Series G Bonds, the Series A Bonds, and the Notes.

Repository means MSRB 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 means 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 means the State of California.

Section 3. Provision of Annual Reports.

a. **Delivery of Annual Report to Repositories.** The District shall, or shall cause the Dissemination Agent to, not later than nine (9) months after the end of each fiscal year, commencing with the report for the 2022-2023 Fiscal Year, due March 31, 2024, provide to the Repository an Annual Report that is consistent with the requirements of Section 4 (**Content of Annual Reports**) of this Disclosure Certificate. The Annual Report may be submitted as a single document or as a package of separate documents and may include by cross-reference other information as provided in Section 4 (**Content of Annual Reports**) 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(d).

If the District does not provide, or cause the Dissemination Agent to provide, an Annual Report by the date required above, the Dissemination Agent shall provide to the MSRB in a timely manner, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

b. The Dissemination Agent shall:

(1) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(2) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

a. Financial Statements. Audited financial statements prepared in accordance with the 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 for the Bonds or final Official Statement for the Notes, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

b. Other Financial Information and Operating Data. To the extent not included in the audited financial statements, the following information:

(1) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year and for the current budgeted year;

(2) pension plan contributions made by the District for the preceding fiscal year and for the current budgeted year;

(3) aggregate principal amount of short-term borrowings, lease obligations, and other long-term borrowings of the District, as of the end of the preceding fiscal year;

(4) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year;

(5) the District's total Local Control Funding Formula allocation for the preceding fiscal year and for the current budget year;

(6) prior fiscal year total secured property tax levy and collections, showing current collections as a percent of the total levy; and

(7) current fiscal year assessed valuation of taxable properties in the District, including assessed valuation of the top ten properties.

c. In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

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 that 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.

Section 5. Reporting of Significant Events.

a. Significant Events. Pursuant to the provisions of this Section, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to any of the Series G Bonds, the Series A Bonds, and the Notes:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of any of the Series G Bonds, the Series A Bonds, and the Notes, or other material events affecting the tax-exempt status of any of the Series G Bonds, the Series A Bonds, and the Notes;
- (7) modifications to rights of Bondholders or Noteholders, if material;
- (8) bond calls, if material and tender offers;
- (9) defeasances;
- (10) release, substitution, or sale of property securing repayment of any of the Series G Bonds, the Series A Bonds, and the Notes, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the District;
- (13) the consummation of a merger, consolidation, or acquisition, or certain asset sales, involving the District, or entry into or termination of a definitive agreement relating to the foregoing, if material;
- (14) appointment of a successor or additional trustee or paying agent, or the change of name of the trustee or paying agent, if material
- (15) incurrence of a financial obligation of the District, if material, or agreement to covenant, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bondholders, if material;

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

b. Determination of Materiality. Whenever the District obtains knowledge of one of the foregoing events notice of which must be given only if material, the District shall immediately determine if such event would be material under applicable federal securities laws.

c. Notice to Dissemination Agent. If the District has determined an occurrence of a Listed Event under applicable federal securities laws, the District shall promptly notify the Dissemination Agent (if other than the District) in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (d) (Notice of Listed Events).

d. Notice of Listed Events. The District shall file, or cause the Dissemination Agent to file, with the Repository, in an electronic format prescribed by the MSRB, a notice of the occurrence of a Listed Event to provide notice of specified events in a timely manner not in excess of ten (10) business days after the event's occurrence. Notwithstanding the foregoing, notice of Listed Events described in subsection (a)(8) (bond calls) need not be given under this subsection any earlier than the notice (if any) given to Bondholders of affected Series G Bonds or Series A Bonds, or Noteholders of affected Notes pursuant to the applicable Paying Agent Agreements.

Section 6. Identifying Information for Filings with MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be filed in a readable PDF or other electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. 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 Series G Bonds, the Series A Bonds, or the Notes, as applicable. If such termination occurs prior to the final maturity of the Series G Bonds, the Series A Bonds, or the Notes, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(d) (Notice of Listed Events).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

a. if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), 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 Series G Bonds, the Series A Bonds, and the Notes, or type of business conducted;

b. the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Series G Bonds, the Series A Bonds, and the Notes, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

c. the proposed amendment or waiver either (i) is approved by holders of the Series G Bonds, the Series A Bonds, or the Notes, as applicable, in the manner provided in the respective Paying Agent Agreements for amendments to the respective Paying Agent Agreements with the consent of holders, or (ii) does not, in the opinion of the Paying Agent or nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Series G Bonds, the Series A Bonds, or the Notes.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(d).

Section 10. 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 Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, any Bondholder of the Series G Bonds or the Series A Bonds, or any Noteholder of the Notes, 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 Paying Agent Agreements, and the sole remedy under this Disclosure Certificate if the District fails to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders, the Noteholders, or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bo Series G Bonds, the Series A Bonds, and the Notes.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Paying Agent, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Series G Bonds, the Series A Bonds, or the Notes, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the District has caused this Continuing Disclosure Certificate to be executed by its authorized officer as of the day and year first above written.

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
Superintendent

EXHIBIT A

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of District: Rio Elementary School District

Name of Bonds: RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES G

RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
GENERAL OBLIGATION BONDS
ELECTION OF 2022, SERIES A

RIO ELEMENTARY SCHOOL DISTRICT
(VENTURA COUNTY, CALIFORNIA)
2023 GENERAL OBLIGATION BOND ANTICIPATION NOTES

Date of Delivery: [CLOSING DATE]

NOTICE IS HEREBY GIVEN that the Rio Elementary School District (the "District") has not provided an Annual Report with respect to the above-named Bonds or Notes as required by a Continuing Disclosure Certificate executed [CLOSING DATE], with respect to the above-captioned bond issue. The District anticipates that the Annual Report will be filed by

_____.

Dated: _____

RIO ELEMENTARY SCHOOL DISTRICT

[SAMPLE ONLY]

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. 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 jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED [DATE]

NEW ISSUE -- FULL BOOK-ENTRY

Standard & Poor's Insured Rating: "AA"
Standard & Poor's Underlying Rating: "A+"
See "Ratings" herein

In the opinion of Parker & Covert LLP, Sacramento, California ("Bond Counsel"), based upon an analysis of existing statutes, regulations, rulings and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax; however, with respect to certain corporations, interest on the Bonds is included in determining adjusted financial statement income to compute alternative minimum tax for tax years beginning after December 31, 2022. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "Tax Matters" herein.

RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)

[\$AMOUNT] *
General Obligation Bonds
Election of 2018, Series G

[\$AMOUNT] *
General Obligation Bonds
Election of 2022, Series A

Dated: Date of Delivery

Due: August 1, as set forth on inside cover

The Rio Elementary School District General Obligation Bonds, Election of 2018, Series G (the "Series G Bonds") and the Rio Elementary School District General Obligation Bonds, Election of 2022, Series A (the "Series A Bonds," and together with the Series G Bonds, the "Bonds") are being issued by the Rio Elementary School District (the "District"), to provide funds to (i) finance school facility improvements authorized by the voters of the District, (ii) pay capitalized interest, and (iii) pay costs of issuance of the Bonds. See "The Financing Plan."

The Bonds are general obligations of the District, payable solely from the proceeds of *ad valorem* property taxes levied within the territory of the District, which the Board of Supervisors of Ventura County is empowered and obligated to levy, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except upon certain personal property which is taxable at limited rates), for the payment of principal and accreted value of and interest on the Bonds when due. See "Security and Sources of Payment for the Bonds."

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 will not receive physical certificates representing their interests in the Bonds. See Appendix F - "Book Entry Only System."

The Series G Bonds will be issued as current interest bonds ("Current Interest Bonds"). The Series A Bonds will be issued as Current Interest Bonds and capital appreciation bonds ("Capital Appreciation Bonds"). Interest on the Current Interest Bonds accrues from their date of delivery and is payable on August 1, 2023, and semiannually thereafter on February 1 and August 1 of each year. The Capital Appreciation Bonds are dated their date of delivery and accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2023. The Capital Appreciation Bonds do not pay current interest. Payments of principal or accreted value of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, Los Angeles, California, as Paying Agent, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity. See "The Bonds – Redemption."

The scheduled payment of principal of (or in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due will be guaranteed under separate municipal bond insurance policies to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company. See "Bond Insurance" and Appendix I – "Specimen Municipal Bond Insurance Policies."



This cover page contains information for quick reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire Official Statement to obtain information essential in making an informed investment decision.

MATURITY SCHEDULE
(on inside front cover)

* Preliminary, subject to change
175965v4 / RIOSD.35.22

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel and Disclosure Counsel to the District. Certain matters will also be passed upon for the Underwriter by Nixon Peabody LLP, Los Angeles, California, as Counsel to the Underwriter. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company, on or about July __, 2023.

RAYMOND JAMES®

This Official Statement is dated June __, 2023

MATURITY SCHEDULE

**[/PAR AMOUNT]
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
GENERAL OBLIGATION BONDS
ELECTION OF 2018, SERIES G**

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP®†
	\$	%	%	767032
				767032
				767032
				767032
				767032

\$ _____ % Term Bonds due August 1, 20__ – Yield: _____ % - CUSIP®† 767032

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. CUSIP® numbers are provided for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter, the District, Bond Counsel, nor Disclosure Counsel is responsible for the selection or correctness of the CUSIP® numbers set forth above.

\$(PAR AMOUNT)
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
GENERAL OBLIGATION BONDS
ELECTION OF 2022, SERIES A

\$ _____ **Current Interest Bonds**

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP®†</u>
	\$	%	%	767032
				767032
				767032
				767032
				767032

\$ _____ % Term Bonds due August 1, 20__ – Yield: _____% - CUSIP®† 767032

\$ _____ **Capital Appreciation Bonds**

<u>Maturity Date (August 1)</u>	<u>Initial Principal Amount</u>	<u>Accretion Rate</u>	<u>Yield to Maturity</u>	<u>Maturity Value</u>	<u>CUSIP®†</u>
	\$	%	%	\$	767032
					767032
					767032
					767032
					767032

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RIO ELEMENTARY SCHOOL DISTRICT
Ventura County, California

DISTRICT GOVERNING BOARD

Eleanor Torres, President
Felix Eisenhauer, Clerk,
Kristine Anderson, Trustee
Alesia Martin, Trustee
Rosa Balderrama, Trustee

DISTRICT ADMINISTRATION

John D. Puglisi, Ph.D., Superintendent
Wael Saleh, Assistant Superintendent, Business Services
Mayte Duenez, Director of Fiscal Services

BOND COUNSEL AND DISCLOSURE COUNSEL

Parker & Covert LLP
Sacramento, California

FINANCIAL ADVISOR

Isom Advisors, a Division of Urban Futures, Inc.
Walnut Creek, California

PAYING AGENT

U.S. Bank Trust Company, National Association
Los Angeles, California

DISTRICT CONSULTANT

Sage Realty Group
Westlake Village, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. 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. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may 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.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources that are believed to be reliable, but, as to such other sources, it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any press release and in any oral statement made with the approval of an authorized officer of the District, 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." 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.

Stabilization of and Changes to Offering Prices. The Underwriter may overallocate or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

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

Document Summaries. All summaries of documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

District Website and Social Media. The District maintains an internet website and certain social media accounts. However, the information presented there 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.

Insurer's Disclaimer. Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy

of the information regarding BAM, supplied by BAM and presented under the heading “Bond Insurance” and “Exhibit I -
Specimen Municipal Bond Insurance Policies.”

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OFFICIAL STATEMENT

RIO ELEMENTARY SCHOOL DISTRICT (Ventura County, California)

[\$AMOUNT] *
General Obligation Bonds
Election of 2018, Series G

[\$AMOUNT] *
General Obligation Bonds
Election of 2022, Series A

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, inside cover pages, and attached appendices, is to set forth certain information concerning the issuance, sale, and delivery of the Rio Elementary School District, General Obligation Bonds, Election of 2018, Series G (the “Series G Bonds”) and the Rio Elementary School District, General Obligation Bonds, Election of 2022, Series A (the “Series A Bonds,” and together with the Series G Bonds, the “Bonds”). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the respective Paying Agent Agreements (as defined below).

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover pages, and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

The Rio Elementary School District (the “District”) is an elementary school district established in 1885. The District covers approximately 15.5 square miles in Ventura County (the “County”), including a portion of the City of Oxnard, and unincorporated County territory. The District provides K-8 public education to more than 5,359 students in five elementary schools, two middle schools, a K-8 Dual Immersion Spanish/English academy and a K-8 STEAM school, which opened in the 2018-19 school year. Annual average daily attendance in the District was 96.07% for fiscal year 2020-21, and 93.00% for fiscal year 2021-22 and projected to be 93.00% for fiscal year 2022-23 and 96.00% for fiscal year 2023-24. However, as a result of the ongoing COVID-19 pandemic, District enrollment and ADA may be affected. See “Disclosure Relating to COVID-19.”

The District is governed by a five-member Board of Trustees (the “Board”), each member of which is elected to a four-year term. Elections for positions to the Board are held every four years. The management and policies of the District are administered by a Superintendent, appointed by the Board, who is responsible for day-to-day District operations, as well as the supervision of the District’s other personnel. John D. Puglisi, Ph.D. is the District Superintendent. See Appendix A – “The District – General and Financial Information” herein. The District’s audited financial statements for the fiscal year ending June 30, 2022 are attached hereto as Appendix B, and should be read in their entirety.

Authority for Issuance of the Bonds

The Bonds are general obligation bonds to be issued under the provisions of the Constitution of the State of California (the “Constitution”), the State of California Government Code (the “Government

* Preliminary, subject to change

Code”) and the State of California Education Code (the “Education Code”) and a resolution adopted by the Board of Trustees on June __, 2023 (the “District Resolution”). The Series G Bonds are additionally issued pursuant to a third supplemental paying agent agreement dated as of June 1, 2023 by and between the District and U.S. Bank Trust Company, National Association, as paying agent (the “Paying Agent”), supplementing the paying agent agreement dated as of March 1, 2019, the first supplemental paying agent agreement dated April 1, 2020, and the second supplemental paying agent agreement dated March 1, 2022, each by and between the District and the Paying Agent (altogether, the “Election 2018 Paying Agent Agreement”). The Series G Bonds represent the seventh series of bonds issued pursuant to an authorization approved by voters in the District on November 6, 2018. The Series A Bonds are additionally issued pursuant to a paying agent agreement dated as of June 1, 2023, by and between the District and the Paying Agent (the “Election 2022 Paying Agent Agreement,” and together with the Election 2018 Paying Agent Agreement, the “Paying Agent Agreements”). The Series A Bonds represent the first series of bonds issued pursuant to an authorization approved by voters in the District November 8, 2022. See “The Bonds – Authority for Issuance” for additional information.

Purpose of Issue

The Series G Bonds are being issued to provide funds to (i) finance the cost of the acquisition, construction, and completion of school facility improvements described in the measure approved by the voters on November 6, 2018 (the “Measure L”), including all necessary legal, financial, engineering, and contingent costs in connection therewith; (ii) pay certain legal, accounting, and financing expenses incurred in connection with the issuance of the Series G Bonds; and (iii) pay capitalized interest on the Series G Bonds. The Series A Bonds are being issued to provide funds to (i) finance the cost of the acquisition, construction, and completion of school facility improvements described in the measure approved by the voters on November 8, 2022 (the “Measure H”), including all necessary legal, financial, engineering, and contingent costs in connection therewith; (ii) pay certain legal, accounting, and financing expenses incurred in connection with the issuance of the Series A Bonds; and (iii) pay capitalized interest on the Series A Bonds.

Description of the Bonds

The Series G Bonds will be issued as current interest bonds (“Current Interest Bonds”). The Series A Bonds will be issued as Current Interest Bonds and capital appreciation bonds (“Capital Appreciation Bonds”). The Current Interest Bonds will bear interest from their date of delivery and such interest is payable on August 1, 2023, and semiannually thereafter on February 1 and August 1 of each year (each, an “Interest Payment Date”). The Capital Appreciation Bonds are dated their date of delivery and accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2023. Payments of principal or accreted value of and interest on the Bonds will be paid by the Paying Agent, in Los Angeles, California, to DTC (as defined herein) for subsequent disbursement to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds.

The Bonds are issuable in denominations of \$5,000 (principal amount or accreted value at maturity) or any integral multiple thereof, except that one Capital Appreciation Bond may be issued in an odd denomination. The Bonds mature on August 1, in the years and amounts set forth on the inside cover pages hereof.

Registration

The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) under the book-entry-only system maintained

by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds, but will instead receive credit balances on the books of their respective nominees. If use of the book-entry-only system is discontinued with respect to the Bonds, the Bonds will be registered in accordance with the Paying Agent Agreement, as described herein. See “The Bonds – Registration, Transfer and Exchange of Bonds” and Appendix F – “Book-Entry-Only System” for additional information.

Redemption

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as described herein. See “The Bonds – Redemption.”

Security 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 has the power and is obligated to annually levy *ad valorem* property taxes, without limitation as to rate or amount (except certain personal property that is taxable at limited rates), upon all property within the District for the payment of the principal and accreted value of and interest on the Bonds. See “Security and Sources of Payment for the Bonds.”

COVID-19

In late 2019, an outbreak of a respiratory disease caused by a new strain of coronavirus (“COVID-19”) resulted in an ongoing global public health crisis. The federal and State governments both declared public health emergencies in 2019 and have taken action, along with local governments, to limit the spread of the outbreak and reduce the resulting economic impact. Nevertheless, as a result of the COVID-19 pandemic, there have been adverse and volatile financial and economic impacts worldwide. In February 2023, the State prepared to enter the next phase of COVID-19 by lifting the state of emergency. Notwithstanding the progress made towards limiting infection rates of COVID-19, investors are cautioned that, at this time, the District cannot predict the outbreak’s extent or duration or the impacts that the COVID-19 pandemic may have on its operations and finances, enrollment and ADA, property values in the District, and economic activity in the District and the State. Additionally, the District cannot predict how responses by federal, State or local authorities may impact the District’s financial condition, the assessed value of real property in the District, or property tax collections within the District. For more disclosure regarding the COVID-19 emergency, see “Disclosure Relating to COVID-19.” See also references to COVID-19 in “Appendix A –The District – General and Financial Information.”

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued and received by the purchasers, subject to approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about July __, 2023.

Tax Matters

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excludable from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, with respect to certain corporations, interest on the Bonds is included in

determining adjusted financial statement income in order to compute alternative minimum tax for tax years beginning after December 31, 2022. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Bonds or the accrual or receipt of such interest. See “Tax Matters.”

Continuing Disclosure

To assist the Underwriter in complying with the Rule (as defined herein), the District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate is included in Appendix E hereto.

Professionals Involved in the Offering

Parker & Covert LLP, Sacramento, California, is serving as Bond Counsel and Disclosure Counsel to the District for the issuance of the Bonds. Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California, is serving as financial advisor to the District in connection with the sale of the Bonds. Nixon Peabody LLP, Los Angeles, California, is serving as counsel to the Underwriter. Bond Counsel, Disclosure Counsel, the Financial Advisor, and Underwriter’s Counsel will receive compensation contingent upon the sale and delivery of the Bonds. U.S. Bank Trust Company, National Association, Los Angeles, California, will serve as Paying Agent with respect to the Bonds. Sage Realty Group provides consulting services to the District in the areas of facilities finance master planning, construction negotiations, funding eligibility and applications, enrollment projections, and other school facilities related matters.

Other Information

The Official Statement contains brief descriptions of the Bonds, the Paying Agent Agreement, and other documents. Such descriptions are not comprehensive or definitive and are qualified in their entirety by reference to such documents. Copies of documents referred to herein and information concerning the Bonds are available from the District, 1800 Solar Drive, Oxnard, California 93030. The District may impose a charge for copying, mailing and handling.

THE FINANCING PLAN

The Bonds

The net proceeds of the Series G Bonds will be deposited with the County, in a building fund established by the District pursuant to Education Code section 15146, and used to finance projects approved by the voters at the November 6, 2018 election. See “The Bonds – Purpose of the Bonds.”

The net proceeds of the Series A Bonds will be deposited with the County, in a building fund established by the District pursuant to Education Code section 15146, and used to finance projects approved by the voters at the November 8, 2022 election. See “The Bonds – Purpose of the Bonds.”

The *ad valorem* property taxes levied by the County for the payment of the Bonds, when collected, and any premium received upon the sale of the Bonds, are required to be held separate and apart by the County in an interest and sinking fund of the District established pursuant to Education Code section 15251, and used only for payment of principal and accreted value of and interest on Bonds. Funds on deposit in the building and the interest sinking fund will be invested through the County’s pooled investment fund. See Appendix G – “Ventura County Investment Policy and Investment Results.”

THE BONDS

Authority for Issuance

The Series G Bonds. The Series G Bonds are general obligation bonds to be issued under provisions of the Constitution of the State of California, the laws of the State, including Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the State of California Government Code, commencing with Section 53506, and applicable provisions of Title 1, Division 1, Part 10, Chapters 1 and 1.5 of the Education Code, commencing with Sections 15100 and 15264, respectively, and pursuant to the Election 2018 Paying Agent Agreement and the District Resolution. The Series G Bonds represent part of an authorization of \$59,200,000 approved by at least 55% of the votes cast by District voters on November 6, 2018 (the “2018 Authorization”) to provide funding for improvements to school facilities. The Series G Bonds are the seventh and final series of bonds issued pursuant to the 2018 Authorization, and following the issuance thereof, none of the 2018 Authorization will remain.

Series A Bonds. The Series A Bonds are general obligation bonds to be issued under provisions of the Constitution of the State of California, the laws of the State, including Title 5, Division 2, Part 1, Chapter 3, Article 4.5 of the State of California Government Code, commencing with Section 53506, and applicable provisions of Title 1, Division 1, Part 10, Chapters 1 and 1.5 of the Education Code, commencing with Sections 15100 and 15264, respectively, and pursuant to the Election 2022 Paying Agent Agreement and the District Resolution. The Series A Bonds represent part of an authorization of \$72,000,000 approved by at least 55% of the votes cast by District voters on November 8, 2022 (the “2022 Authorization”) to provide funding for improvements to school facilities. The Series A Bonds are the first series of bonds issued pursuant to the 2022 Authorization, and following the issuance thereof, \$ _____* of the 2022 Authorization will remain.

Waiver of Bonded Indebtedness Limit. California Education Code Sections 15102 and 15268 limit the District’s total general obligation bonded indebtedness to 1.25 percent of the District’s taxable property. In order to authorize the issuance of the Bonds in excess of the 1.25 percent limit, the District sought and was granted a waiver of such limit from the California Department of Education at a meeting

* Preliminary, subject to change.

of its governing board on May 25, 2023, as authorized by California Education Code Section 33050. Pursuant to the waiver, the District may issue general obligation bonds up to 2.31 percent of the District's taxable property.

Purpose of the Bonds

Proceeds of the Series G Bonds will be applied to (i) finance school facility construction, improvements and modernization and/or other projects to enhance student learning as set forth in Measure L approved by the voters on November 6, 2018, (ii) pay costs of issuance thereof, and (iii) pay capitalized interest. Proceeds of the Series A Bonds will be applied to (i) finance school facility construction, improvements and modernization and/or other projects to enhance student learning as set forth in Measure H approved by the voters on November 8, 2022, (ii) pay costs of issuance thereof, and (iii) pay capitalized interest.

Description of the Bonds

The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of DTC. Beneficial Owners of the Bonds will not receive physical certificates representing their interests in the Bonds, but will receive a credit balance on the books of the nominees for such Beneficial Owners.

The Series G Bonds shall be issued as Current Interest Bonds. The Series A Bonds shall be issued as Current Interest Bonds and Capital Appreciation Bonds.

The Bonds are issuable in denominations of \$5,000 (principal amount or accreted value at maturity) or any integral multiple thereof, except that one Capital Appreciation Bond may be issued in an odd denomination. The Bonds mature on August 1, in the years and amounts set forth on the inside cover page hereof.

The Current Interest Bonds are dated their date of delivery and will bear interest from such date. Interest on the Current Interest Bonds is payable on August 1, 2023, and semiannually thereafter on February 1 and August 1 of each year. Capital Appreciation Bonds do not pay current interest. The Capital Appreciation Bonds are dated their date of delivery and interest will accrete from such date. Interest on the Capital Appreciation Bonds will compound semiannually on February 1 and August 1 in each year, commencing August 1, 2023.

The principal or accreted value of and interest on the Bonds will be paid by the Paying Agent to DTC, which will in turn remit such payments to its DTC Participants for subsequent disbursement to the Beneficial Owners of the Bonds as described herein. As long as Cede & Co. is the registered owner of the Bonds, the principal or accreted value of and interest on the Bonds is payable by wire transfer with same-day funds transferred by the Paying Agent to Cede & Co., as nominee for DTC.

As long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the registered owners shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. See Appendix F – "Book-Entry-Only System" for more information about DTC. If the book-entry-only system described below is no longer used with respect to the Bonds, the Bonds will be registered as described under the caption "Registration, Transfer and Exchange of Bonds."

The Paying Agent, the District, the County, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of

beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

Redemption

Optional Redemption. Series G Current Interest Bonds. The Series G Current Interest Bonds maturing on or before August 1, 2033, are not subject to optional redemption prior to maturity. The Series G Current Interest Bonds maturing on or after August 1, 2034, are subject to redemption prior to their respective stated maturity dates, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2033, at the principal amount of Series G Current Interest Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

Series A Current Interest Bonds. The Series G Current Interest Bonds maturing on or before August 1, 2033, are not subject to optional redemption prior to maturity. The Series A Current Interest Bonds maturing on or after August 1, 2034, are subject to redemption prior to their respective stated maturity dates, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2033, at the principal amount of Series A Current Interest Bonds called for redemption, plus accrued interest thereon to the date of redemption, without premium.

Series A Capital Appreciation Bonds. The Series A Capital Appreciation Bonds maturing on or before August 1, 2033, are not subject to optional redemption prior to maturity. The Series A Capital Appreciation Bonds maturing on or after August 1, 2034, are subject to redemption prior to their respective stated maturity dates, at the option of the District, as a whole or in part among maturities on such basis as shall be designated by the District and by lot within each maturity, from any source of available funds, on any date on or after August 1, 2033, at a redemption price equal to the accreted value thereof to be redeemed, as of the date set for such redemption, without premium.

Mandatory Sinking Fund Redemption. Series G Current Interest Bonds. The Series G Current Interest Bonds maturing by their terms on August 1, 20__ (the “20__ Series G Term Bonds”) and on August 1, 20__ (the “20__ Series G Term Bonds”), are subject to mandatory redemption by the District prior to their maturity in part, by lot, from mandatory redemption payments in the following amounts and on the following dates, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium:

20 Series G Term Bonds

<u>Year Ending</u> <u>August 1</u>	<u>Mandatory Redemption</u> <u>Payments</u>
*	\$

*Maturity.

20 Series G Term Bonds

<u>Year Ending</u> <u>August 1</u>	<u>Mandatory Redemption</u> <u>Payments</u>
*	\$

*Maturity.

Series A Current Interest Bonds. The Series A Current Interest Bonds maturing by their terms on August 1, 20__ (the “20__ Series A Term Bonds”) and on August 1, 20__ (the “20__ Series A Term Bonds”), are subject to mandatory redemption by the District prior to their maturity in part, by lot, from mandatory redemption payments in the following amounts and on the following dates, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium:

20 Series A Term Bonds

<u>Year Ending</u> <u>August 1</u>	<u>Mandatory Redemption</u> <u>Payments</u>
	\$

*

*Maturity.

20 Series A Term Bonds

<u>Year Ending</u> <u>August 1</u>	<u>Mandatory Redemption</u> <u>Payments</u>
	\$

*

*Maturity.

Series A Capital Appreciation Bonds. The Series A Capital Appreciation Bonds maturing on August 1, 20__ (the “20__ Series A Term Bonds”) 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 thereof as of the date fixed for redemption, without premium, as set forth below in the following table:

20 Series A Term Bonds

<u>Year Ending</u> <u>August 1</u>	<u>Accreted Value</u> <u>To Be Redeemed</u>
	\$

*

*Maturity.

In the event that a portion of the 20__ Series A Term Bonds shown above 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 accreted value, in respect of the portion of such 20__ Series A Term Bonds optionally redeemed.

Selection of Bonds for Redemption. In the case of any redemption at the election of the District of less than all the Outstanding Bonds, the District shall, at least 45 days prior to the date fixed for redemption (unless a shorter notice shall be satisfactory to the Paying Agent) notify the Paying Agent of such redemption date and of the principal amount or accreted value at maturity of Bonds to be redeemed.

If less than all the Outstanding Bonds are to be redeemed, not more than 60 days prior to the redemption date the Paying Agent shall select the particular Bonds to be redeemed from the Outstanding Bonds that have not previously been called for redemption, in minimum amounts of \$5,000 of principal amount or accreted value at maturity, by lot in any manner that the Paying Agent in its sole discretion shall deem appropriate and fair. For purposes of such selection, each \$5,000 amount of principal or accreted value at maturity shall be deemed to be a separate Bond.

The Paying Agent shall promptly notify the District in writing of the Bonds so selected for redemption and, in the case of a Bond selected for partial redemption, the principal amount or accreted value thereof to be redeemed.

For purposes of the Paying Agent Agreements, unless the context otherwise requires, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond that has been or is to be redeemed.

Notice of Redemption. When Bonds are being redeemed as described above, the Paying Agent shall mail notice of redemption not fewer than 20 nor more than 60 days prior to the redemption date by first-class mail, postage prepaid, to the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond Register. The Paying Agent shall also file such notice of redemption on the same day with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (EMMA) website.

Each notice of redemption shall state (a) the date of such notice; (b) the series designation of the Bonds; (c) the date of issue of the Bonds; (d) the redemption date; (e) the redemption price; (f) the place or places of redemption (including the name and appropriate address or addresses of the Paying Agent); (g) the CUSIP number (if any) of the maturity or maturities; and (h) if less than all of any such maturity, the distinctive certificate numbers of the Bonds of such maturity to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount or accreted value at maturity thereof to be redeemed. Each notice of redemption shall either (a) explicitly state that the proposed redemption is conditioned on there being on deposit on the redemption date sufficient money to pay in full the redemption price of the Bonds or portions thereof to be redeemed; or (b) be sent only if sufficient money to pay in full the redemption price of the Bonds or portions thereof to be redeemed is on deposit. Each such notice shall also (a) state that on said date there will become due and payable on each of said Bonds the redemption price thereof or of said specified portion of the principal amount or accreted value at maturity thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the date fixed for redemption; (b) state that from and after such redemption date interest thereon shall cease to accrue or accrete, as applicable; and (c) require that such Bonds be then surrendered at the address or addresses of the Paying Agent specified in the redemption notice.

Failure by the Paying Agent to file notice with MSRB or failure of any Owner to receive notice of any defect in any such notice shall not affect the sufficiency of the proceedings for redemption. Failure by the Paying Agent to mail or otherwise deliver notice to any one or more of the respective Owners of any Bonds designated for redemption shall not affect the sufficiency of the proceedings for redemption with respect to the Owner or Owners to whom such notice was mailed or delivered.

Effect of Notice of Redemption. Notice of redemption having been duly given as aforesaid and moneys for payment of the redemption price of the Bonds so to be redeemed being held by the Paying Agent, on the redemption date designated in such notice (i) the Bonds so to be redeemed shall become due and payable at the redemption price specified in such notice; (ii) interest on such Bonds shall cease to accrue, or accrete, as applicable; (iii) such Bonds shall cease to be entitled to any benefit or security under the respective Paying Agent Agreement; and (iv) the Owners of such Bonds shall have no rights in

respect thereof except to receive payment of the redemption price. Upon surrender of any such Bond for redemption in accordance with said notice, such Bond shall be paid by Paying Agent at the redemption price.

Registration, Transfer and Exchange of Bonds

If the book-entry-only system is discontinued, the provisions in the Paying Agent Agreements summarized below will govern the registration, exchange and transfer of the Bonds.

The Paying Agent will keep or cause to be kept, at the Paying Agent’s Office, the Bond Register to provide for the registration and transfer of the Bonds. The Bond Register will be open to inspection by the District during normal business hours.

Upon surrender of a Bond for transfer at the Paying Agent’s Office, the District shall execute and, if required, the Paying Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same series, tenor, and maturity and for an equivalent aggregate principal amount or accreted value at maturity.

Bonds may be exchanged for an equivalent aggregate principal amount or accreted value at maturity of Bonds of other authorized denominations of the same series, tenor, and maturity, upon surrender of the Bonds for exchange at the Paying Agent’s Office. Upon surrender of Bonds for exchange, the District shall execute and, if required, the Paying Agent shall authenticate and deliver the Bonds that the Bondholder making the exchange is entitled to receive.

Every Bond presented or surrendered for transfer or exchange shall be accompanied by a written instrument of transfer, in a form satisfactory to the Paying Agent that is duly executed by the Owner or by his attorney duly authorized in writing. All fees and costs of any transfer or exchange of Bonds shall be paid by the Bondholder requesting such transfer or exchange.

No transfer or exchanges of Bonds are required to be made (a) during the period established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond that has been selected for redemption in whole or in part, except the unredeemed portion of such Bond selected for redemption in part, from and after the day that such Bond has been selected for redemption in whole or in part.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the Bonds are as follows:

	Series G	Series A
Sources:		
Principal Amount of Bonds	\$	\$
Net Original Issue Premium		
Total Sources:	\$	\$
Uses:		
Deposit to Building Fund	\$	
Deposit to Interest and Sinking Fund		\$
Costs of Issuance ⁽¹⁾		
Total Uses:	\$	\$

(1) Includes the premiums for policies of municipal bond insurance, fees of the financial advisor, Underwriter’s discount, costs of printing, Paying Agent, legal fees, rating agency fees, and miscellaneous other costs of issuance.

DEBT SERVICE SCHEDULES

The Bonds. Debt service on the Bonds, assuming no optional redemptions (but including mandatory sinking fund redemption), is as shown in the following tables.

**General Obligation Bonds
Election of 2018, Series G**

Year Ending (August 1)	Principal	Interest	Total
2023	\$	\$	\$
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
Total	\$	\$	\$

**General Obligation Bonds
Election of 2022, Series A**

Year Ending (August 1)	Principal	Interest	Compounded Interest	Total
2023	\$	\$	\$	\$
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				
2052				
2053				
Total	\$	\$	%	\$

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Ad Valorem Property Taxes

The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* property taxes, without limitation as to rate or amount (except certain personal property that is taxable at limited rates), upon all property within the District subject to taxation by the District for the payment of principal and accreted value of and interest on the Bonds. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. However, the County is not obligated to establish or maintain such a reserve, and the District can make no representations that the County will do so. Such taxes are required to be levied annually, in addition to all other taxes, during the period that any Bonds are outstanding in an amount sufficient to pay the principal and accreted value of and interest on the Bonds when due.

Such taxes, when collected, will be deposited into an interest and sinking fund held by the County for the District. The County will transfer monies from the taxes collected to the Paying Agent to the extent necessary to pay the principal or accreted value of and interest on the Bonds as the same become due and payable.

Although the County is obligated to levy *ad valorem* property taxes for the payment of Bonds, the Bonds are not a debt of the County.

Senate Bill 222 was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 53515 to the California Government Code to provide that voter-approved general obligation bonds which are secured by *ad valorem* tax collections, such as the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Such lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Proposition 19 was approved by voters at the statewide election held on November 3, 2020. Proposition 19 amends the State Constitution to permit eligible homeowners to transfer their tax assessment anywhere in the State, to increase the number of times that eligible homeowners may transfer their tax assessment in real property, and to require market value reassessments for inherited properties that are not used as the heir's principal residence. (See Appendix A – “The District – General and Financial Information – Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Article XIII A of the California Constitution.”) The District cannot predict the impact Proposition 19 it might have on aggregate assessed value of taxable property located within the boundaries of the District.

Property Tax Collection Procedures

Taxes are levied by the County for each fiscal year on taxable real and personal property that is situated 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 that is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll.”

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Tax Collector and Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property, which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIII A of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the Consumer Price Index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners.

State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may informally request a reduction in assessment directly from the County Assessor, who may grant or refuse the request, and may appeal an assessment directly to the County Board of Equalization, which rules on appealed assessments whether or not settled by the County Assessor. The County Assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer.

The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds may be paid. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the County Treasurer against all taxing agencies who received tax revenues, including the District.

A portion of property tax revenue of the District is derived from utility property subject to assessment by the State Board of Equalization ("SBE"). State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions assessed collectively as part of a "going concern" rather than as individual parcels of real or personal property. Unitary and certain other state-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

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

Property within the District has a total assessed valuation for fiscal year 2022-23 of \$7,551,795,414. Shown in the following table are the assessed valuations for the District since fiscal year 2018-19, each as of the date the equalized assessment roll is established (in or about August of each year).

RIO ELEMENTARY SCHOOL DISTRICT
Assessed Valuation
Fiscal Year 2018-19 through Fiscal Year 2022-23

Fiscal Year	Local Secured	Utility	Unsecured	Total
2018-19	\$5,606,686,422	\$58,738	\$236,994,000	\$5,843,739,160
2019-20	5,862,728,580	58,738	242,105,299	6,104,892,617
2020-21	6,063,600,197	60,191	234,573,418	6,298,233,806
2021-22	6,385,211,973	60,191	359,483,715	6,744,755,879
2022-23	7,148,743,351	60,191	402,991,872	7,551,795,414

Source: California Municipal Statistics, Inc.

Assessed valuations are subject to increase or decreases in each year for a variety of reasons, including, but not limited to, general economic conditions, supply and demand for real property, government regulations concerning land use, and natural disasters. A reduction of the assessed valuation of property in the District could necessitate an unanticipated increase in tax rates. See “—Risk of Decline in Property Values” and “—Typical Tax Rates” herein.

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The land use of property in the District as of fiscal year 2022-23 is shown below, as measured by local secured assessed valuation and number of parcels.

**RIO ELEMENTARY SCHOOL DISTRICT
Secured Roll Assessed Valuation and Parcels by Land Use
Fiscal Year 2022-2023**

Non Residential:	2022-2023 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Agricultural/Rural	\$213,110,794	2.98%	90	0.98%
Commercial/Office	1,506,188,083	21.07	265	2.89
Vacant Commercial	59,604,313	0.83	64	0.70
Industrial	1,265,941,122	17.71	213	2.32
Vacant Industrial	131,668,240	1.84	41	0.45
Recreational	19,232,435	0.27	5	0.05
Government/Social/Institutional	9,846,869	0.14	159	1.73
Miscellaneous	27,893,714	0.39	158	1.72
Subtotal Non-Residential	\$3,233,458,570	45.23%	995	10.85%
Residential:				
Single-Family Residence	\$1,952,827,588	27.32%	4,820	52.58%
Condominium	860,201,938	12.03	2,160	23.56
Mobile Home	15,644,546	0.22	796	8.68
Mobile Home Park	41,840,177	0.59	10	0.11
Hotel/Motel	79,585,267	1.11	9	0.10
2-4 Residential Units	73,625,129	1.03	204	2.23
5+Residential Units/Apartments	876,240,335	12.26	122	1.33
Vacant Residential	15,292,801	0.21	51	0.56
Subtotal Residential	\$3,915,257,781	54.77%	8,172	89.15%
Total	\$7,148,743,351	100.00%	9,167	100.00%

⁽¹⁾ Local Secured Assessed Valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

The following table shows the 2022-23 assessed valuation of property in the District by jurisdiction.

**RIO ELEMENTARY SCHOOL DISTRICT
Assessed Valuation by Jurisdiction ⁽¹⁾
Fiscal Year 2022-23**

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Camarillo	\$54,999,662	0.73%	\$16,442,106,909	0.33%
City of Oxnard	6,506,821,467	86.16	24,740,419,622	26.30
City of San Buenaventura	139,236	0.00	20,171,024,594	0.00
Unincorporated Ventura County	989,835,049	13.11	27,088,242,874	3.65
Total District	\$7,551,795,414	100.00%		
Ventura County	\$7,551,795,414	100.00%	\$163,165,747,693	4.63%

Source: California Municipal Statistics, Inc.

Set forth in the following table is the per parcel assessed valuation of single family homes in the District for fiscal year 2022-23.

**RIO ELEMENTARY SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2022-23**

	No. of Parcels	2022-23 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	4,820	\$1,952,827,588	\$405,151	\$400,435

2022-23 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$49,999	110	2.282%	2.282%	\$4,537,003	0.232%	0.232%
\$50,000 - \$99,999	271	5.622	7.905	18,833,376	0.964	1.197
\$100,000 - \$149,999	141	2.925	10.830	18,043,882	0.924	2.121
\$150,000 - \$199,999	210	4.357	15.187	36,867,841	1.888	4.009
\$200,000 - \$249,999	397	8.237	23.423	88,869,065	4.551	8.559
\$250,000 - \$299,999	407	8.444	31.867	111,906,852	5.731	14.290
\$300,000 - \$349,999	475	9.855	41.722	154,924,920	7.933	22.223
\$350,000 - \$399,999	397	8.237	49.959	148,265,158	7.592	29.816
\$400,000 - \$449,999	378	7.842	57.801	160,540,060	8.221	38.037
\$450,000 - \$499,999	410	8.506	66.307	194,758,729	9.973	48.010
\$500,000 - \$549,999	416	8.631	74.938	218,348,433	11.181	59.191
\$550,000 - \$599,999	386	8.008	82.946	221,684,047	11.352	70.543
\$600,000 - \$649,999	296	6.141	89.087	184,286,986	9.437	79.980
\$650,000 - \$699,999	199	4.129	93.216	134,168,231	6.870	86.850
\$700,000 - \$749,999	131	2.718	95.934	95,039,995	4.867	91.717
\$750,000 - \$799,999	91	1.888	97.822	70,075,915	3.588	95.305
\$800,000 - \$849,999	50	1.037	98.859	40,954,173	2.097	97.403
\$850,000 - \$899,999	31	0.643	99.502	26,969,017	1.381	98.784
\$900,000 - \$949,999	13	0.270	99.772	11,893,679	0.609	99.393
\$950,000 - \$999,999	2	0.041	99.813	1,988,135	0.102	99.494
\$1,000,000 and greater	9	0.187	100.000	9,872,588	0.506	100.000
Total	4,820	100.000%		\$1,952,827,588	100.000%	

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

The following table shows the secured tax charges and delinquencies for the District for fiscal years 2017-18 through 2021-22.

**RIO ELEMENTARY SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2017-18 through 2021-22**

	Secured Tax Charge ⁽¹⁾	Amount Delinquent June 30	% Delinquent June 30
2017-18	\$10,544,298.49	\$79,544.87	\$0.75
2018-19	11,076,604.63	80,797.42	0.73
2019-20	11,570,942.72	161,102.30	1.39
2020-21	11,967,543.83	89,319.42	0.75
2021-22	12,756,495.79	104,650.14	0.82

⁽¹⁾ 1% General Fund apportionment.
Source: California Municipal Statistics, Inc. and Ventura County Auditor-Controller

Risk of Decline in Property Values

In particular, California, including the District, is vulnerable in recent years to wildfires (with subsequent flooding or mudslides) and drought.

Drought. On July 8, 2021 the Governor declared a drought emergency in 50 of the State's counties, including Ventura County. The declaration asked residents to voluntarily cut water consumption by 15% compared to the prior year. As of April 27, 2023, as a result of significant rain storms, the majority of counties in California are no longer in a drought, including Ventura County. It is not possible for the District to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the boundaries of the District or the extent to which the drought has had or may have in the future on the value of taxable property within the District.

Earthquake. The District is located in a seismically active region, including portions of the Simi Santa Rosa fault zone, running through the District and the location of portions of the City of Oxnard (but not portions of the District) within a Tsunami hazard zone. The District makes no predictions or representations regarding the effects of such natural disasters on taxable property within the District, or the impacts of such natural disasters on the local and State economic conditions.

Wildfire. In recent years, portions of the State, including Ventura County and adjacent counties, have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. According to the California Fire Hazard Severity Zone Map, the District is surrounded by areas at risk of very high fire hazards. Property damage due to wildfire (or subsequent flooding or mudslides) could result in a significant decrease in the assessed value of property in the District. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

Climate Change. Long term shifts in the Earth's temperature and weather patterns are generally referred to as "climate change." It is expected that, among other things, climate change will result in sea level rise and an increase in the frequency of extreme weather events, including, but not limited to, wildfires, drought, and flooding. More frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure, ecosystems, and social systems over the next 25 to 100 years. Sea level rise may particularly impact coastal areas and waterways throughout or in the vicinity of the District. The District cannot predict what impact climate change will have on property values in the District.

Proposition 19. Proposition 19, approved by voters of the State at the election held on November 3, 2020, is a State constitutional amendment that changes the manner of assessment of property when it is transferred between parents and children. Under prior law, reassessment was not triggered by such transfers, but Proposition 19 generally would result in a reassessment. The District cannot predict the impact Proposition 19 may have in the future on the value of taxable property within the District. See "Security and Sources of Payment for the Bonds – Assessed Valuations" and Appendix A – "The District – General and Financial Information – Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Article XIII A of the State Constitution."

Other. Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, drought, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable, or religious purposes).

Typical Tax Rates

The rate of the annual *ad valorem* property tax 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. A reduction in the assessed valuation of taxable property in the District caused by economic factors beyond the District’s control, such as economic recession, outbreaks of disease, slower growth, or deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, a flood, a fire or wildfire, or other natural or man-made disaster, could necessitate an unanticipated increase in tax rates. See “—Risk of Decline in Property Values” above.

The table below shows the tax rates on the secured roll during the past five fiscal years for Tax Rate Area No. 3-335, which is entirely within the District.

**RIO ELEMENTARY SCHOOL DISTRICT
Typical Tax Rates per \$100 of Assessed Valuation
Fiscal Years 2018-19 through 2022-23
(TRA 3-335⁽¹⁾)**

	2018-19	2019-20	2020-21	2021-22	2022-23
General	1.000000	1.000000	1.000000	1.000000	1.000000
Rio School District	.043100	.063100	.075300	.068900	.057700
Oxnard High School District	.047500	.049100	.052700	.043500	.048500
Ventura Community College District	.015200	.014300	.015000	.014800	.014200
Metropolitan Water District	.003500	.003500	.003500	.003500	.003500
City of Oxnard	.062796	.060177	.070667	.048331	.029095
Total	<u>1.172096</u>	<u>1.190177</u>	<u>1.217167</u>	<u>1.179031</u>	<u>1.152995</u>

⁽¹⁾ 2022-23 assessed valuation of TRA 3-335 is \$913,498,972 which is 12.1% of the District’s total assessed valuation.
Source: California Municipal Statistics, Inc.

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Largest Property Owners

The following table shows the 20 largest owners of taxable property in the District as determined by secured assessed valuation in fiscal year 2022-23. The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

RIO ELEMENTARY SCHOOL DISTRICT Largest Local Secured Taxpayers Fiscal Year 2022-23

	Property Owner	Primary Land Use	2022-23 Assessed Valuation	% of Total ⁽¹⁾
1.	Amazon.com Services LLC	Industrial	\$324,597,398	4.54%
2.	Procter-Gamble Paper Products	Industrial	319,424,316	4.47
3.	SOCM I LLC	Shopping Center	141,047,874	1.97
4.	Serenade Apts Prop Owner LLC	Apartments	119,489,675	1.67
5.	Essex Arbors LP	Apartments	111,263,259	1.56
6.	Arctic Cold Oxnard LLC	Industrial	105,089,778	1.47
7.	Essex Tierra Vista LP	Apartments	100,858,035	1.41
8.	G-I IX Esplanade Property LP	Shopping Center	99,809,387	1.40
9.	2060 Zocolo LLC	Apartments	95,673,601	1.34
10.	Duesenberg Investment Co.	Office Building	80,618,813	1.13
11.	450 Forest Park Apts LLC	Apartments	80,361,550	1.12
12.	MC Gaelic Group	Auto Dealership	80,355,638	1.12
13.	Wagon Wheel Junction 15 LLC	Apartments	76,914,750	1.08
14.	Oxnard Town Square 13 LLC	Commercial	65,184,470	0.91
15.	Champion Vines LLC	Apartments	63,222,502	0.88
16.	DCH CA Investments Inc.	Auto Dealership	62,008,714	0.87
17.	Mosaic Apartments LLC	Apartments	54,361,425	0.76
18.	Clearwater at River Park LLC	Apartments	51,213,734	0.72
19.	Mission Produce Inc.	Industrial	49,467,042	0.69
20.	1701 Solar Drive LLC	Office Building	47,967,311	0.67
			\$2,128,929,272	29.78%

⁽¹⁾2022-23 Local Secured Assessed Valuation: \$7,148,743,351

Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Discussed and shown below is a statement of direct and overlapping bonded debt (the "Debt Report") prepared by California Municipal Statistics, Inc. 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. Self-

supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations are excluded from the Debt Report.

RIO ELEMENTARY SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of June 1, 2023

2022-23 Assessed Valuation: \$7,551,795,414

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/1/23</u>
Metropolitan Water District	17.800%	\$34,203
Ventura Community College District	4.630	11,312,789
Oxnard Union High School District	14.178	61,883,711
Rio School District	100.000	99,552,895⁽¹⁾
Rio School District Community Facilities District No. 1	100.000	63,015,000
City of Oxnard Community Facilities Districts	100.000	4,340,000
California Statewide Communities Development Authority Community Facilities District	100.000	15,625,000
City of Oxnard 1915 Act Bonds (Estimate)	73.580-86.200	6,328,278
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$262,091,876
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Ventura County General Fund Obligations	4.628%	\$13,398,986
Ventura County Superintendent of Schools Certificates of Participation	4.628	340,158
Oxnard Union High School District Certificates of Participation	14.178	8,266,940
Rio School District Certificates of Participation	100.000	970,000
City of Oxnard General Fund Obligations	26.300	17,874,662
Other City General Fund Obligations	Various	14,779
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$40,865,525
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$8,220,572
COMBINED TOTAL DEBT		\$311,177,973⁽²⁾

⁽¹⁾ Excludes issues to be sold.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

Direct Debt (\$99,552,895)	1.32%
Total Direct and Overlapping Tax and Assessment Debt	3.47%
Combined Direct Debt (\$100,522,895)	1.33%
Combined Total Debt	4.12%

Ratio to Redevelopment Incremental Valuation (\$1,482,814,536):

Total Overlapping Tax Increment Debt	0.55%
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Source: California Municipal Statistics, Inc.

DISCLOSURE RELATING TO COVID-19

In late 2019, an outbreak of a respiratory disease caused by a new strain of coronavirus (“COVID-19”) spread to other countries, including the United States, resulting in millions of confirmed cases and deaths. Governments around the world from the national to the local levels, including the State and the County, beginning around March of 2020, implemented various measure to limit the spread of the virus. Such measures included temporary closings of business, schools, and other non-essential entities, restrictions on large gatherings, and requirements to wear masks. As a result of the global outbreak of COVID-19, health and safety measures, and the general uncertainty about the disease, financial markets experienced significant volatility and supply chains were severely disrupted.

In December of 2020 the first vaccine for COVID-19 was authorized for emergency use in the United States. Over time, as more people became vaccinated or were infected, COVID-19 infection rates and deaths have declined. By the end of February 2023, the Governor terminated the COVID-19 State of Emergency. Although COVID-19 has not been eradicated, restrictions on businesses and other health and safety measures have been lifted.

Federal Response. On March 13, 2020, President Trump declared a national emergency, to contain and combat the spread of COVID-19 in the United States. As a result, as much as \$50 billion in financial resources was made available to assist those affected by the outbreak. Congress passed the Families First Coronavirus Response Act (“FFCRA”). FFCRA provided funds to all businesses with fewer than 500 employees in order to provide their employees with paid leave for their own health or to care for family members during the COVID-19 outbreak.

On March 27, 2020 President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) into law. The CARES Act appropriated over \$2 trillion to battle COVID-19 and its economic effects including: immediate cash relief for individual citizens, expanded unemployment insurance for workers, loan programs for small business (including \$349 billion for the Paycheck Protection Program), additional funds for state and local governments, support for hospitals and other medical providers, and various types of economic relief for impacted businesses and industries. The CARES Act designated approximately \$31 billion for K–12 and higher education assistance and more than \$4 billion for childcare and early education programs, including \$13.5 billion to be distributed to states based on their state-level Title I allocation, with states passing on ninety percent of the funds to school districts and charter schools using the Title I formula; \$3 billion for state governors to spend on K–12 or higher education in regions that have been hit hardest by COVID-19, \$8.8 billion for child nutrition programs, \$3.5 billion for child care and development block grants and \$750 million for Head Start early education programs. Later that same year, the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA”) was passed, which included \$900 billion financial relief, including \$54.3 billion for K-12 schools.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (“ARPA”), a \$1.9 trillion stimulus bill to assist the country’s recovery from the economic and health effect of the COVID-19 pandemic and the ongoing recession. Among other things, ARPA funds are authorized for K-12 education programs (approximately \$125.4 billion), including to improve ventilation in school buildings, to purchase personal protective equipment, to hire support staff, and to counteract learning loss from students who missed school during the COVID-19 pandemic. Such funds were distributed to local educational agencies (“LEAs”) based on their relative share of Title I-A funding. As of May 11, 2023, the federal COVID-19 State of Emergency has ended.

State Response. On March 4, 2020, the Governor declared a State of Emergency in order to make additional resources available, formalize emergency actions underway across multiple State agencies and

departments, and assist the State in preparing for and slowing the spread of COVID-19. On March 13, 2020, Governor Newsom issued Executive Order N-26-20, closing schools, but allowing LEAs to continue to receive State funding, and encouraging the implementation of distance learning strategies. The State implemented various systems for monitoring COVID-19 outbreaks and restricting activities on a county-by-county basis, including in-person school attendance, in order to limit to spread of the disease. As stated above, the State of Emergency was lifted on February 28, 2023.

At the beginning of the outbreak of COVID-19, the Governor was forced to confront an over \$50 billion budget deficit for fiscal year 2020-21 budget as a result of the economic impacts of COVID-19. In contrast, in fiscal years 2021-22 and 2022-23, the State had budget surpluses in spite of the economic impacts of COVID-19. See Appendix A – “The District – General and Financial Information – State Budget Process – 2022-23 Adopted State Budget.”

Impacts on School Districts. On March 17, 2020, the Governor signed Senate Bill 117 (“SB 117”), which addressed economic impacts to school districts directly. Among other things, SB 117 provided that, for all school districts that comply with Executive Order N-26-20, attendance during only full school months from July 1, 2019, to February 29, 2020, inclusive, will be reported for apportionment purposes. SB 117 also held harmless school districts not meeting minimum instructional day and minute requirements, in order to prevent a loss of funding related to school closures due to the outbreak. SB 117 also held harmless grantees operating After School Education and Safety Programs that are prevented from operating such programs due to COVID-19, and credit such program grantees with the ADA that the grantee would have received had it been able to operate but for COVID-19. Additionally, SB 117 appropriated \$100 million for local educational agencies to purchase protective equipment and supplies and labor related to cleaning school sites as a result of COVID-19.

On June 28, 2020, the Governor signed Senate Bill 98 (“SB 98”), the education omnibus trailer bill to the 2020 Budget Act, into law, which provided distance learning standards for LEAs to implement in response to the COVID-19 pandemic during the 2020-21 school year. SB 98 outlined that instructional day and school day minute requirements must be met through either in-person instruction or a combination of in-person instruction and distance learning. Pursuant to SB 98, distance learning could be implemented either when an LEA or school determines it was necessary based on order or guidance from state public health office or local public health officer, or if a student who was medically fragile, would be put at risk by in-person instruction or was quarantining because of COVID-19.

On March 5, 2021, the Governor signed Assembly Bill 86 (“AB 86”), providing \$6.6 billion in State funding to LEAs for COVID-19 relief, including \$2.0 billion of in-person instruction grants to accelerate the safe return to in-person instruction and \$4.6 billion of expanded learning opportunity grants for summer school, tutoring, professional development, access to school meals, mental health services, and other supports in order to address the pandemic’s impact on learning. The \$2.0 billion in-person instruction grants were distributed to LEAs in proportion to their local control funding formula entitlement. In order to receive full in-person instruction grants, LEAs were required to offer in-person instruction to students by April 1, with grants decreasing by 1% for each day after April 1 that the LEA did not provide in-person instruction in accordance with grant requirements.

The District remained closed for the remainder of the 2019-20 schools year in accordance with guidance from the Ventura County Office of Education and the Ventura County Public Health Department and the Governor, and implemented distance learning for all students. When the 2020-21 school year began on August 31, 2020, District students participated in distance learning. By Spring 2021 students were able to return to campuses for in-person instruction. As an alternative, families of students who wished to remain in a virtual setting were provided with an option to do so. Instruction in the 2021-22 and 2022-23 school years has been in-person, with detailed, written COVID-19 safety protocols, and

with an option to enroll in an independent study program. On its website at <https://rioschools.org/covid-19/>, the District provides its Prevention Program handbook. The information presented on the District's website is not incorporated herein by any reference.

The District has received emergency federal funding of approximately \$15,096,301 million under the CARES Act and ARPA from the Elementary and Secondary School Emergency Relief ("ESSER") Fund to address costs which may have resulted from the COVID-19 response, as well as an additional \$453,848 in one-time funds allocated from CARES Act moneys received by the State and other State sources. The District additionally received approximately \$6,192,236 million in AB 86 funding, and \$88,925 in SB 117 funding. The funds were used for outdoor classrooms, personal protective equipment (PPE), improving air quality, and providing supplemental education for learning loss recovery.

The District cannot make any representation whether the COVID-19 pandemic, including its variants, may spread further within California (notwithstanding the general availability of vaccines and booster shots to fight the disease), or that additional limits may be placed on businesses and citizens by the local, State, and federal governments. Further, due to its evolving nature, the District cannot predict the extent or duration of COVID-19 or what impact this outbreak, and responses by federal, State or local authorities thereto may have on assessed value of real property within the District or the District's financial condition and operations. The economic consequences of the COVID-19 pandemic could have a material impact on the State's financial position and budget, and as a result the District could see a corresponding decline in revenues from the State and local property taxes. See section on Appendix A – "The District – General and Financial Information" herein. Notwithstanding the adverse impacts that this outbreak may have on the financial condition of the State and the District, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are *not* payable from the general fund of the District.

BOND INSURANCE

Bond Insurance Policies

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its separate Municipal Bond Insurance Policies for the Bonds (the "Policies"). The Policies guarantee the scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the accreted value) and interest on the Bonds when due as set forth in the forms of the Policies included as an exhibit to this Official Statement.

The Policies are not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policies), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2023 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$476.6 million, \$196.7 million and \$279.9 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance."

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g., general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

RISKS RELATING TO BOND INSURANCE

In the event of default of the payment of principal or accreted value of or interest on the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policies issued by BAM for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policies do not insure against redemption premium, if any. The payment of principal and accreted value of and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the Bond Owner as a voidable preference under applicable bankruptcy law is covered by the Policies, however, such payments will be made by BAM at such time and in such amounts as would have been due absent such prepayment by the District unless BAM chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and accreted value of and interest does not obligate acceleration of the obligations of BAM without appropriate consent. BAM may direct and must consent to any remedies and BAM's consent may be required in connection with amendments to any applicable bond documents.

In the event BAM is unable to make payment of principal and accreted value of and interest as such payments become due under the Policies, the Bonds are payable solely from *ad valorem* property taxes, as further described herein. In the event BAM becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of BAM and its claim paying ability. BAM's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of BAM and of the ratings on the Bonds insured by BAM will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. For a description of the rating on the Bonds, see "RATINGS" herein.

The obligations of BAM are general obligations of BAM and in an event of default by BAM, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

LEGAL MATTERS

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Parker & Covert LLP, Sacramento, California, Bond Counsel for the District. The opinion of Bond Counsel with respect to the Bonds will be delivered in substantially the forms attached hereto as Appendix D. Certain legal matters will also be passed upon for the District by Parker & Covert LLP, as Disclosure Counsel. Certain matters will be passed on for the Underwriter by Nixon Peabody LLP, Los Angeles, California.

TAX MATTERS

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon the analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the interest on the Bonds is excludable from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, with respect to certain corporations, interest on the Bonds is included in determining adjusted financial statement income in order to compute alternative minimum tax for tax years beginning after December 31, 2022. In the opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income taxes. Complete copies of the proposed forms of Opinions of Bond Counsel are set forth in Appendix D.

The Internal Revenue Code of 1986, as amended, (the "Code") imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds.

The District has made certain representations and has covenanted to comply with certain restrictions designed to assure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in federal gross income, possibly from the date of issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after that date of issuance of the Bonds may adversely affect the tax status of interest on the Bonds.

Although Bond Counsel expects to render an opinion that interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect a Beneficial Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the beneficial owner or the

beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

In addition, no assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to be subject, directly or indirectly, to federal and/or state income taxation, or otherwise prevent Beneficial Owners of the Bonds from realizing the full current benefit of the tax status of such interest. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal and/or state tax legislation. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the Internal Revenue Service ("IRS"), including but not limited to regulation, ruling, or selection of the Bonds for audit examination, or the course or result of any IRS examination of the Bonds, or obligations that present similar tax issues, will not affect the market price or liquidity of the Bonds.

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 creditor's 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.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") not later than nine months after the end of the District's fiscal year (which currently ends on June 30), commencing with the report for the 2022-23 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Report and event notices will be filed by the District with the MSRB through its EMMA website. The specific nature of the information to be contained in the Annual Report and in the event notices is described in Appendix E – "Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2 12(b)(5) (the "Rule").

As of the date of this Official Statement, and except as stated herein, all required filings in the past five years have been made in connection with prior undertaking under the Rule. With respect to certain outstanding bond issues of the Community Facilities District No. 1 of the District, in the previous five years, the District (i) failed to file its audited financial statements for fiscal years 2017-18, 2018-19, 2019-20, and 2020-21 by the date required by certain of the outstanding undertakings entered into in connection with such Community Facilities District bonds and (ii) the District's 2016-17 audited financial statements, as well as certain operating data for fiscal year 2016-17, while timely filed, were not properly linked to all required CUSIP numbers of the outstanding Community Facilities District bonds. The District believes it has established processes to ensure it will make required filings on a timely basis in the future.

The District has engaged Isom Advisors, a Division of Urban Futures, Inc., to assist it in carrying out its continuing disclosure obligations for the District's general obligation bonds and certificates of participation. The District has engaged DTA, Inc., its special tax consultant, to serve as dissemination agent in connection with continuing disclosure obligations for the outstanding Community Facilities District bonds.

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 that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* property taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the Bonds.

RATINGS

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") is expected to assign its municipal bond insured rating of "AA" to the Bonds based upon the issuance by BAM of the Policies at the time of delivery of the Bonds. S&P has assigned its underlying rating of "A+" to the Bonds. Such ratings reflect only the views of S&P, and an explanation of the significance of such ratings may be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it (which may include information and materials from the District which are not included in this Official Statement) and on investigations, studies and assumptions of its own.

There is no assurance the credit ratings given to the Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by Raymond James & Associates, Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Series G Bonds at a price of \$ _____, which equals the par amount of the Series G Bonds (\$ _____), plus net original issue premium (\$ _____), less underwriter's discount (\$ _____). The Underwriter has agreed to purchase the Series A Bonds at a price of \$ _____, which equals the par amount of the Series A Bonds (\$ _____) (consisting of \$ _____ Current Interest Bonds and \$ _____ Capital Appreciation Bonds), plus net original issue premium (\$ _____), less underwriter's discount (\$ _____). The purchase contracts relating to the Bonds provide that the Underwriter will purchase all of the Bonds (if any are purchased) and provide that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter. The Underwriter has requested the following statement be included in this Official Statement: In the past, the Underwriter has contributed funds towards the Rio Schools Foundation Casino Night Fundraiser.

ADDITIONAL INFORMATION

The discussions herein about the Paying Agent Agreements and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these documents mentioned are available from the Underwriter and following delivery of the Bonds will be on file at the offices of the Paying Agent in Los Angeles, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended 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 of any of the Bonds.

AUTHORIZATION

The execution and delivery of this Official Statement have been duly authorized by the District.

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
John D. Puglisi, Ph.D.
Superintendent

**APPENDIX A
THE DISTRICT
GENERAL AND FINANCIAL INFORMATION**

The information in this Appendix concerning the operations of the District and its 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 and accreted value of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem property tax, approved by the voters of the District pursuant to applicable laws and State Constitutional requirements, and required to be levied by the County on all taxable property in the District in an amount sufficient for the timely payment of principal and accreted value of and interest on the Bonds.

Introduction

The Rio Elementary School District (the “District”) is an elementary school district established in 1885. The District covers approximately 15.5 square miles in Ventura County (the “County”), including a portion of the City of Oxnard, and unincorporated County territory. The District provides K-8 public education to more than 5,359 students in five elementary schools, two middle schools, a K-8 Dual Immersion Spanish/English academy and a new K-8 STEAM school, which opened in the 2018-19 school year. Annual average daily attendance in the District was 96.07% for fiscal year 2020-21, and 93.00% for fiscal year 2021-22 and projected to be 93.00% for fiscal year 2022-23 and 96.00% for fiscal year 2023-24. The COVID-19 pandemic may have an impact on the District and is discussed further in section “Disclosure Relating to COVID-19” in the front part this Official Statement.

Governing Board

The District is governed by a five-member Board of Trustees (“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 members of the Board, their offices, and the expiration of their terms of office are shown below.

**RIO ELEMENTARY SCHOOL DISTRICT
Governing Board**

Name	Office	Term Expires (December)
Eleanor Torres	Board President	2024
Felix Eisenhower	Clerk	2026
Kristine Anderson	Trustee	2024
Alesia Martin	Trustee	2026
Rosa Balderrama	Trustee	2024

Superintendent and Administrative Personnel

The Superintendent of the District is appointed by and reports to the Board. The Superintendent is responsible for management of the District’s day-to-day operations and supervises the work of other District administrators.

John D. Puglisi, Ph.D., Superintendent. Dr. Puglisi joined the District in 2012. Prior to his appointment as Superintendent, Dr. Puglisi was Superintendent of the Mesa Union School District for

eight years and the Warner Unified School District for 18 months. Dr. Puglisi is now entering his 31st year in public education. He received a Bachelor of Fine Arts degree from West Virginia University, a Masters in Educational Leadership from San Jose State University and a Doctorate from the University of California at Santa Barbara.

Wael Saleh, Assistant Superintendent, Business Services. Wael Saleh joined the District in August of 2018. Prior to his appointment of Assistant Superintendent of Business Services, Mr. Saleh was the Chief Business Officer at Redwood City School District for five years and a Chief Business Office at Cabrillo Unified School District (Half Moon Bay) for four years. Mr. Saleh was the Controller at Burlingame School District for four years and held other positions there in the Business Department before taking the role of Controller.

Mr. Saleh has a Bachelor of Science in Business with a concentration in Accounting. Mr. Saleh has also earned his MBA and is a licensed CPA in the State of California.

Employees

The following table sets forth the District’s full-time equivalent employees in all categories for fiscal years 2018-19 through 2021-22, as well as the budgeted full-time equivalent employees for fiscal year 2022-23 as of the second interim reporting period. These employees, except management and some part-time employees, are represented by the two bargaining units as described below.

RIO ELEMENTARY SCHOOL DISTRICT District Employees

Year	Certificated	Classified	Total
2017-18	267.0	180.0	447.0
2018-19	273.6	191.0	464.6
2019-20	280.5	184.3	464.8
2020-21	278.5	183.8	462.3
2021-22	261.5	183.8	445.3
2022-23*	268.2	211.1	479.3

*Budgeted for fiscal year 2022-23 as of the second interim report.

Source: Rio Elementary School District.

Employee Relations

California law provides that employees of public school districts of the State are to be divided into appropriate bargaining units, which then are to be represented by an exclusive bargaining agent.

The certificated employees have assigned the Rio Teachers Association (“RTA”) as their exclusive bargaining agent. RTA and the District are currently in negotiations for a three-year contract to update the collective bargaining agreement that will expire on June 30, 2023.

The classified employees have assigned the California School Employees’ Association (“CSEA”) as their exclusive bargaining agent. An agreement for the 2022-23 fiscal year was completed, including a 9% salary increase retroactive to July 1, 2022. The District expects to receive CSEA’s initial bargaining proposal and to begin the process of negotiating a new three-year contract that will be set to expire on October 30, 2026.

Retirement System

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 be construed as a representation by either the District or the Underwriter.

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System ("STRS") and classified employees are members of the Public Employees' Retirement System ("PERS").

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teacher's Retirement Law. STRS is funded through a combination of investment earnings and statutorily set contributions from employee plan members, the District and the State. Both active plan members and the District are required to contribute at a statutorily established rate.

Historically, employee, employer, and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the statutory contributions were significantly less than the actuarially required amounts. As a result, and due in part to investment losses, the STRS defined benefit program showed an estimated unfunded actuarial obligation of approximately \$89.7 billion as of June 30, 2021 (the date of the last actuarial valuation). Compared to the previous valuation, the unfunded actuarial obligation decreased in part due to greater than expected investment returns, salary increases less than assumed, additional state contributions, and contributions to pay down the unfunded actuarial obligation under the STRS Board's valuation policy.

In June 2014, the Governor signed into law Assembly Bill 1469 ("AB 1469"), which represented a legislative effort to address the unfunded liabilities with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 by requiring increased State, employer, and member contributions to the Teachers' Retirement Fund in order to eliminate such unfunded actuarial obligation by June 30, 2046.

Pursuant to AB 1469, starting July 1, 2014, the employee contribution rates increased over a three-year phase-in period. Effective July 1, 2016, STRS members hired prior to January 1, 2013 contribute a fixed percentage of 10.250% of pay. For STRS members hired after January 1, 2013, a base rate ("Normal Cost Rate") is calculated equal to one-half of the normal cost rate of benefits, rounded to the nearest quarter of one percent. This Normal Cost Rate will not be adjusted if the increase or decrease in such rate is less than 1% of creditable compensation since the last adjustment. For fiscal year 2022-23, STRS members hired after January 1, 2013 will continue to contribute 10.205% of pay.

Pursuant to AB 1469, K-14 school districts' contribution rates increased over a seven-year phase-in period through fiscal year 2020-21. For fiscal year 2021-22 and each fiscal year thereafter, the Teachers' Retirement Board shall increase or decrease the percentages paid by school districts from the percentage paid during the prior fiscal year to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Teachers' Retirement Board based upon a recommendation from its actuary. The effective employer contribution rate was 16.92% in fiscal year 2021-22 and is 18.81% for fiscal year 2022-23. See "2022-23 Adopted State Budget" herein.

The State's contribution to STRS reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the Teachers' Retirement Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect its contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect on July 1, 1990. For fiscal year 2022-23, the State's contribution rate is 7.828%. 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 Maintenance Account (the "SBMA"), 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. As a result, the total State contribution for the Defined Benefit Program for fiscal year 2022-23 is 10.328%.

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The District is part of the School Employer Pool, a "cost-sharing" pool for school employers within PERS. With the enactment of the California Public Employees' Pension Reform Act of 2013 ("PEPRA") (see "California Public Employees' Pension Reform Act of 2013" herein), a member who joined PERS (a) prior to January 1, 2013 but was hired by a different PERS employer on or after January 1, 2013 following a break in service of more than six months, (b) for the first time on or after January 1, 2013 and has no prior membership in another California public retirement system, or (c) for the first time on or after January 1, 2013, and who was a member of another California public retirement system, but who is not subject to reciprocity upon joining PERS is considered a PEPRA member. PERS members who are not PEPRA members are considered Classic members. PEPRA members are required to contribute at least 50% of the total normal cost rate of their pension benefit. PEPRA contains a provision that provides when the total normal cost rate changes by more than 1% of payroll, the member contribution rate must be adjusted to half of the new normal cost rate. For fiscal year 2022-23, the total normal cost rate for PEPRA school members changed by more than 1% of payroll since the last member rate adjustment. As a result, for the 2022-23 fiscal year, PEPRA members will contribute 8.0% of their salaries, up from 7.0% in the prior fiscal year. Active plan members enrolled in PERS as Classic members are required by statute to contribute 7.0% of their salaries.

The District is required to contribute an actuarially determined rate, which is 25.37% of eligible salary expenditures in fiscal year 2022-23. One actuarial valuation is performed for those employers participating in the pool, and the same contribution rate applies to each participant.

Similar to STRS, PERS has experienced an unfunded liability in recent years. The PERS unfunded accrual liability was approximately \$23.99 billion as of June 30, 2021 (the date of the last actuarial valuation). From June 30, 2020 to June 30, 2021 the funded ratio for the School Employer Pool increased by 9.7%. This was primarily due to investment return in 2020-21 being greater than expected, offset partially by the reduction in discount rate from 7.00% to 6.80%.

Among other things, to address the unfunded liability issue, the PERS Board of Administration (the "PERS Board"), in April 2013, approved changes to the PERS amortization and smoothing policy in order to reduce volatility in employer contribution rates. Additionally, in April 2014, the PERS Board established new contribution rates, reflecting changes in actuarial and demographic assumptions, that were implemented for school districts in fiscal year 2016-17. Further, in November 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS discount rate in years of good investment returns, help pay down unfunded liability, and to provide greater predictability and less volatility in contribution rates for employers. The PERS Board, in December 2016 voted to lower its discount rate from 7.5% to 7.0% by fiscal year 2020-21. Subsequently, since the preliminary returns

on investment as of July 12, 2021 exceeded the prior 7.0% discount rate, pursuant to the PERS Funding Risk Mitigation Policy, the discount rate was automatically reduced by 0.2% to 6.8%. The goal for the new rates is to eliminate the unfunded liability in approximately 30 years.

District Contributions. The District’s retirement contributions for fiscal year 2022-23 as of the second interim reporting period, are as follows:

**RIO ELEMENTARY SCHOOL DISTRICT
Retirement Contributions for Fiscal Year 2022-23**

	Actual Number of Employees Covered	Total Employer Contributions	District’s Fiscal Year 2021-22 Covered Payroll	Employer Contribution as a Percentage of Covered Payroll
STRS	378	\$5,258,929	\$28,622,316	19.10%
PERS	490	2,996,708	11,289,228	25.37

Source: Rio Elementary School District.

For the 2023-24 Fiscal Year the District has budgeted \$5,924,805 for STRS (reflecting a contribution rate of 19.10% of annual payroll) and \$3,587,810 for PERS (reflecting a contribution rate of 25.37% of annual payroll).

State Pension Trusts. Both STRS and PERS issue a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from both 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; (ii) PERS: 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 from their most recently released reports.

**FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Plan)
(Dollar Amounts in Millions)⁽¹⁾**

Plan	Accrued Liability	Value of Trust Assets	Unfunded Liability
Public Employees Retirement Fund (PERS) School Plan	\$110,507 ⁽²⁾	\$86,519 ⁽³⁾	\$23,988
State Teachers’ Retirement Fund (STRS) Defined Benefit Program	332,082 ⁽⁴⁾	242,363 ⁽⁵⁾	89,719

⁽¹⁾ Amounts may not add due to rounding.

⁽²⁾ June 30, 2021 Valuation Date.

⁽³⁾ Reflects market value of assets as of June 30, 2021.

⁽⁴⁾ June 30, 2021 Valuation Date.

⁽⁵⁾ Reflects actuarial value of assets as of June 30, 2021.

Source: CalPERS Schools Pool Actuarial Valuation as of June 30, 2021; STRS Defined Benefit Program Actuarial Valuation dated June 30, 2021.

Unlike PERS, STRS contribution rates for participant employers, employees and the State are set by statute and do not vary from year-to-year based on actuarial valuations. Moreover, the employee and employer contributions rates prior to Fiscal Year 2014-15 had been long fixed at 8% and 8.25% of salaries. In recent years, the combined employer, employee and State contributions to STRS have been significantly less than actuarially required amounts. As a result, and due in part to investment losses, the unfunded liability of STRS has increased significantly. However, AB 1469, as discussed above, in an effort to address the unfunded liabilities of the STRS pension plan, requires increased contributions in order to eliminate the unfunded actuarial obligation of the Defined Benefit Program by June 30, 2046. Employee contributions and eligibility for retirement vary depending on whether such employee was hired on or after January 1, 2013.

California Public Employees' Pension Reform Act of 2013. PEPRAs was signed in to law by the Governor on September 12, 2012. PEPRAs impacts to the STRS and PERS program included (i) an increase in the retirement age for public employees depending on job function, (ii) a cap on the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) a requirement for public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits, and (iv) a requirement for final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months. PEPRAs provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date. Existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRAs through collective bargaining.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRAs, as a result of negotiations with its employee bargaining units, and/or as a result of any legislative or administrative changes that may be adopted in the future regarding employer contributions to PERS and STRS. The District cannot predict whether any projected savings by PERS' and STRS' actuaries will be realized by the District. The District can provide no assurances that the District's required contributions to PERS will not increase in the future.

The general market decline caused by the COVID-19 pandemic has resulted in losses for the investments held in the PERS and STRS portfolios. Such investment losses may result in increases in the District's required contributions to PERS and STRS in future years. The District cannot predict the amount of such increase, if any. See "Disclosure Relating to COVID-19" in the front part this Official Statement.

Other Post-Employment Benefit Obligations

The District's Board administers a single-employer defined benefit plan that is used to provide post-employment healthcare benefits other than pensions ("OPEB") for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. The District provides OPEB to all employees who retire from the District on or after attaining age 55 with at least 15 years of service for certificated and management employees hired prior to July 1, 1997, and classified employees hired prior to July 1, 1998. Twenty years of service are required for all other employees. As of June 30, 2022, 94 retirees meet those eligibility requirements and currently receive benefit payments. The District contributes from 50% to 100% of the amount of premiums incurred by retirees and their dependents depending on employment classification, hire date, and years of service at retirement; the retiree contributes the remainder. Expenditures for post-employment benefits are recognized on a pay-as-you-go basis as premiums are paid. The following expenditure amounts were recognized for retirees' health care benefits: \$1,247,498 for the 2020-2021 fiscal year and \$1,400,683 for

the 2021-22 fiscal year. The District has budgeted \$1,343,247 for the 2022-2023 fiscal year as of the second interim report.

The District hired DFA, LLC of Laguna Niguel, California, to conduct an actuarial study updated as of November 8, 2021. As of June 30, 2021, the District's total OPEB liability is \$33,064,653. The District is on a "pay as you go" basis, and as a result, its fiduciary net position is \$0.

For additional information related to the District's post-employment healthcare benefits plan, see Notes 1 and 11 of the audited financial statements attached as Appendix B hereto.

Public Entity Risk Pools and Joint Powers Authorities; Insurance

The District is a member of the Ventura County Schools Self-Funding Authority ("VCSSFA") and the Self-Insured Schools of California ("SISC") public entity risk pools. The District pays an annual premium to VCSSFA for its workers' compensation and property liability coverage, and to SISC for its health benefits. The relationships between the District and the pools are such that the pools are not component units of the District for financial reporting purposes.

During the year ended June 30, 2022, the District made payments of \$1,439,553, and \$7,876,476, to VCSSFA and SISC, respectively, for services received.

The District's property damage coverage is in the amount of 250,000,000, subject to a deductible of \$5,000. VCSSFA is self-insured for the first \$1,000,000 of general liability insurance and excess reinsurance will provide general liability insurance up to \$55,000,000. Excess liability coverage is provided by multiple commercial carriers, to reach the limits noted.

Cyber Security

Cybersecurity Awareness Training. In addition to continuous communication about safe practices regarding ever evolving phishing campaigns and malware, training is done via <https://redherring.scoe.net>. The training is based on simulated phishing and malware campaigns and targeting the users most in need of additional training and resources.

Teachers, students and parents are also guided to Common Sense Media resources to support developing appropriate and current digital citizenship skills and practices that, in addition to safety, also address the media literacy needs promoted by the online environments and media. The main goal for this work is to comply with the annually signed District acceptable use policy (AUP).

Strong Authentication Measures. Google Credential Provision for both Windows and Chrome OS devices along with the 2-factor authentication options are in place for staff and students.

Network Security. The District has a Cisco Firepower 4112 firewall, Sophos antivirus, intrusion detection and prevention system, and a secure Wi-Fi network authentication protocol. Communication, such as email and chat, are monitored as well as restricted to the approved list of safe audiences, groups and domains.

Content Filtering. The District uses Securly content filtering to ensure that students and staff have access only to the safe and appropriate web content and tools relevant to learning and teaching. The system also alerts staff about harmful or alarming content being discussed or searched by the students.

Data Encryption. District data is encrypted both at rest and in transit. Even if data is intercepted, it would be unusable to the unauthorized party.

Use of Secure Platforms. For online teaching and learning, the District opts for secure platforms that comply with privacy and data security standards. To support this, the District has deployed Clever and Google for single sign-on (SSO) for safe and easy access.

Regular Audits and Risk Assessments. In addition to the daily monitoring activity, in 2022, the District collaborated with the Ventura County Office of Education and KYND, to conduct a cybersecurity audit. Following the audit, the District resolved the detected weaknesses in the system as well as verified that the implemented security measures are working effectively.

Network. After observing an incident, Rio Technology Services (RTS) troubleshoots it, and reports the incident to the relevant, operational equipment and infrastructure partners (Cisco Meraki) as well as the ISP (Spectrum, VCEdNet/VCOE).

DISTRICT FINANCIAL INFORMATION

District Financial Statements

The District's Audited Financial Statements with supplemental information for the fiscal year ended June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the report dated March 1, 2023 of Eide Bailly LLP (the "Auditor") are included in this Official Statement as Appendix B. The financial statements should be read in their entirety. The information set forth herein does not purport to be a summary of the District's financial statements.

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.

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to section 41010 of the California Education Code, is to be followed by all California school districts.

The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund, which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30. All governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes measurable and available for the current period; and expenditures are recognized in the period in which the liability is incurred, although debt service expenditures are recorded only when payment is due. For more information on the District's accounting method, see Appendix B – "Audited Financial Statements of the District for Fiscal Year Ended June 30, 2022, Note 1 – "Summary of Significant Accounting Policies."

District Budget

The District is required by provisions of the California Education Code to maintain each year a balanced budget in which the sum of expenditures plus the ending fund balance for each year cannot exceed the revenues plus the carry-over fund balance from the previous year. The California State Department of Education imposes a uniform budgeting format for each school district in the State. The budget is subject to review and approval by the County Superintendent of Schools. The County Superintendent examines the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identifies technical corrections necessary to bring the budget into compliance, determines if the budget allows the district to meet its current obligations and determines if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. The County Superintendent will approve, conditionally approve, or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The District has never had an adopted budget disapproved by the County Superintendent.

Pursuant to State law, the District adopted on June 29, 2022, a fiscal line-item budget setting forth revenues and expenditures so that appropriations during Fiscal Year 2022-23 will not exceed the sum of revenues plus beginning fund balance.

Interim Reports on Financial and Budgetary Status

Every school district is required to file two interim certifications with the County Superintendent (the first on December 15 for the period ended October 31 and the second by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certifications and issues either a positive, negative, or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or certificates of participation without approval by the County Superintendent in that fiscal year or in the next succeeding year.

The District was assigned a qualified certification for the First and Second Interim reports for fiscal year 2017-18. Since the 2017-18 fiscal year, the District's interim reports have been certified as positive.

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Comparative Financial Statements

The following table shows the District's Statement of General Fund Revenues, Expenditures and Changes in Fund Balance for Fiscal Years 2018-19 through 2022-23.

RIO ELEMENTARY SCHOOL DISTRICT Summary of General Fund Revenues, Expenditures and Changes in Fund Balances for Fiscal Years 2018-19 through 2021-22 (Audited) and Fiscal Year 2022-23 (Second Interim Report)

	Audited 2018-19	Audited 2019-20	Audited 2020-21	Audited 2021-22	Second Interim 2022-23
REVENUES					
Local Control Funding Formula	\$52,056,823	\$53,568,619	\$53,226,651	\$55,944,898	\$61,632,406
Federal Revenue	2,827,358	2,552,240	8,583,991	6,903,820	7,081,414
Other State Revenue	7,607,155	6,614,875	9,528,513	10,330,501	21,807,477
Other Local Revenue	3,168,380	3,554,360	4,548,995	4,293,220	5,435,154
Total Revenues	<u>\$65,659,716</u>	<u>\$66,290,094</u>	<u>\$75,888,150</u>	<u>\$77,472,439</u>	<u>\$95,956,451</u>
EXPENDITURES					
Certificated Salaries	--	--	--	--	\$32,199,255
Classified Salaries	--	--	--	--	13,767,943
Employee Benefits	--	--	--	--	21,132,672
Books and Supplies	--	--	--	--	6,266,069
Services & Other Operating Expenditures	--	--	--	--	14,155,460
Capital Outlay	--	--	--	--	739,535
Instruction	\$42,458,725	\$44,262,461	\$46,704,943	\$49,809,882	--
Instruction-Related Activities:					
Supervision of Instruction	1,419,317	1,533,934	1,516,486	1,592,485	--
Instructional library, media & technology	1,197,414	1,237,410	1,166,651	1,305,376	--
School Site Administration	4,165,485	3,985,763	4,231,417	4,468,117	--
Pupil Services:					
Home-to-school transportation	1,610,158	1,186,266	994,873	1,222,493	--
Food services	79,932	11,801	209,828	32,885	--
All other pupil services	2,890,851	3,141,269	3,694,733	4,023,399	--
Administration:					
Data processing	850,000	718,308	711,260	605,068	--
All other administration	3,368,360	3,747,918	4,261,865	4,619,825	--
Plant Services	5,109,128	5,592,849	5,880,480	6,709,608	--
Facility acquisition and construction	318,424	127,877	11,333	--	--
Ancillary services	35,916	34,809	48,246	47,506	--
Community services	--	--	--	--	--
Enterprise services	481	--	--	--	--
Other outgo	2,421,404	1,771,030	1,546,912	2,349,596	1,933,316
Direct Support/Indirect Costs	--	--	--	--	(178,609)
Debt Service:					
Principal	300,000	--	--	16,862	--
Interest and other	246,360	--	--	2,089	--
Total Expenditures	<u>\$66,471,955</u>	<u>\$67,351,695</u>	<u>\$70,979,027</u>	<u>\$76,835,191</u>	<u>\$90,069,641</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	\$(812,239)	\$(1,061,601)	\$4,909,123	\$637,248	\$5,886,810
Other Financing Sources (Uses):					
Transfers In	\$399,450	--	--	--	--
Transfers Out	(77,624)	\$(63,187)	\$(29,970)	--	--
Other Sources	--	--	--	--	\$108,138
Net financing Sources (Uses)	<u>\$321,826</u>	<u>\$(63,187)</u>	<u>\$(29,970)</u>	<u>--</u>	<u>\$108,138</u>
Net Change in Fund Balances	<u>\$(490,413)</u>	<u>\$(1,124,788)</u>	<u>\$4,879,153</u>	<u>\$637,248</u>	<u>\$5,994,948</u>
Fund Balances - Beginning	<u>\$5,524,489</u>	<u>\$5,034,076</u>	<u>\$3,940,982⁽¹⁾</u>	<u>\$8,820,135</u>	<u>\$9,456,947</u>
Fund Balances - Ending	<u>\$5,034,076</u>	<u>\$3,909,288</u>	<u>\$8,820,135</u>	<u>\$9,457,383</u>	<u>\$15,451,895</u>

⁽¹⁾ The variance in the ending balance for fiscal year 2019-20 and beginning balance fiscal year 2020-21 is due to implementation of GASB 84, moving the Associated Student Body funds into the General Fund. See Note 18 of the audited financial statement at Appendix B.

Source: Rio Elementary School District, Audited Financial Statements for Fiscal Years 2018-19 through 2021-22 and Second Interim Report for Fiscal Year 2022-23.

Cap on School District Reserves

State regulations require school districts to budget a reserve for economic uncertainties. The recommended minimum amounts vary from 1% to 5% of total expenditures and other financing uses, depending on the district's ADA. SB 858, adopted in June 2014, modified the law as it relates to ending fund balances for school districts. First, beginning in 2015–16, a school district that proposes to adopt or revise a budget that includes an ending fund balance that is two to three times higher (depending on whether a school district's ADA exceeds 400,000 students) than the State's minimum recommended reserve for economic uncertainties must substantiate the need for the higher balance. Second, in a year immediately following a deposit into the Public School System Stabilization Account (Proposition 98 Rainy Day Fund) established in the State General Fund (see "Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Propositions 98 and 111 – Minimum Funding Guarantee," below), a school district's adopted or revised budget may not contain an ending fund balance higher than two to three times higher (depending on whether a school district's ADA exceeds 400,000 students) than the State's minimum recommended reserve for economic uncertainties. A county superintendent could waive the prohibition, pursuant to specified conditions, for up to two consecutive years within a three-year period.

The requirements relating to ending fund balances for school districts established by SB 858 were further modified by SB 751, adopted in October 2017. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total of General Fund revenues appropriated for school district and allocated local tax proceeds for that fiscal year, a school district budget that is adopted or revised must not contain a combined assigned or unassigned ending General Fund balance that is in excess of 10% of such funds. Similar to SB 858, under certain circumstances, a county superintendent may grant an exemption from the ending fund balance requirements of SB 751. SB 751 does not apply to basic aid school districts (i.e., funded only with local property taxes and no general purpose state aid) and small school districts (ADA of fewer than 2,501 students).

If the cap is triggered, unless exempted, a school district would be required to increase expenditures in order to bring its ending fund balance down to the maximum level. The Public School System Stabilization Account appears to be intended to provide a substitute for local reserves in the event of a future economic downturn. However, there is no linkage between the sizes of the State and local reserves. The District is unable to predict what the effect on its budget will be following implementation of these rules.

The Budget includes 2020-21, 2021-22, and 2022-23 payments of approximately \$3.1 billion, \$4 billion, and \$2.2 billion, respectively, into the Public School System Stabilization Account, for a balance of more than \$9.5 billion at the end of 2022-23. (See "2022-23 Adopted State Budget.") Under SB751, there is a cap of 10% on school district reserves in fiscal years immediately succeeding those in which the balance in the Public School System Stabilization Account is equal to or greater than three percent of the total K-12 share of the Proposition 98 guaranteed minimum funding. The balance of \$7.1 billion in 2021-22 triggered school district reserve caps beginning in 2022-23. The 2023-24 proposed state budget and May revision continues to project reserve caps being in place. See "Proposed 2023-24 State Budget" and "May Revision to Proposed 2023-24 State Budget" herein.

Sources of Funding for Operations

Funding for the District's operations is provided by a mix of (1) local property taxes; (2) State apportionments of general purpose and restricted purpose funds; (3) federal government grants; (4) development impact fees; (5) lottery funds; and (6) miscellaneous other revenues.

Property Taxes. Under current law, local agencies are not permitted to levy directly any property tax (except *ad valorem* taxes to pay debt service on voter-approved bonds and voter-approved non-*ad-valorem* property taxes for limited purposes). Instead, general purpose *ad valorem* property taxes are automatically levied by each county at the maximum 1% property tax rate permitted by Proposition 13, and property tax revenue is distributed by the county among all the local government taxing agencies (including school districts) within the county according to a statutory formula. See “District Financial Information – Property Taxes,” below.

State Funding. Local Control Funding Formula. Beginning in Fiscal Year 2013-14, the bulk of apportionments of State funding to school districts for general purposes have been allocated pursuant to a system referred to as the “Local Control Funding Formula” (“LCFF”). Under LCFF, revenue limits and most State-mandated categorical programs were eliminated. Instead, a locally-controlled system has been implemented whereby school districts receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. Now, apportionment to school districts are made on the basis of uniform, target base rates per unit of ADA for each of four grade spans, subject to several adjustments, as described below. The annual State general purpose apportionment received by a school district represents the difference between such district’s total general purpose allocation and its share of the general purpose local property tax distributed to it by the county. Basic aid school districts, which have property tax revenues which exceed their entitlement under the LCFF are entitled to keep such excess local property tax revenues.

The LCFF includes the following components:

- A base grant for each local education agency per unit of average daily attendance, which varies with respect to different grade spans. The base grant funding by grade span for fiscal year 2022-23 is set forth in the table below. The base rates for grades K-3 and 9-12 are increased (see table below), to cover the costs of class size reduction in the early grades and to support college and career readiness programs in high schools. These target base rates are to be updated each year for cost-of-living adjustments (“COLAs”).

Grade Span	2021-22 Base Grant per ADA	Base Grant Adjustment	2022-23 COLA (6.56%) ⁽²⁾	Grade Span Adjustments ⁽¹⁾	2022-23 Base Grant/ Adjusted Base Grant per ADA
TK/K-3	\$8,093	\$542	\$531	\$953	\$10,119
4-6	8,215	550	539	n/a	9,304
7-8	8,458	567	555	n/a	9,580
9-12	9,802	657	643	289	11,391

(1) K-3 adjustment is 10.4% for class size reduction; 9-12 adjustment is 2.6% for career technical education.
(2) In addition to statutory COLA, Assembly Bill 181 (Chapter 52, Statutes of 2022) authorized LCFF base grant adjustments effective fiscal year 2022–23.

Source: California Department of Education – Funding Rates and Information, Fiscal Year 2022-23

- The LCFF provides a supplemental grant to school districts based on the three-year average of enrollment of students of limited English proficiency (“EL”), students from low-income families that are eligible for free or reduced priced meals (“FRPM”), and foster youth. Students who are in more than one category are counted only once. Under the formula, each qualifying student generates an additional 20% of the student’s adjusted grade-span base grant multiplied by the unduplicated percentage of EL, FRPM, and foster youth pupils.

- School districts whose qualifying student populations (i.e., EL, FRPM, and foster youth pupils) exceed 55% of their total enrollment will receive an additional “concentration” grant equal to 65% of the applicable adjusted base rate multiplied by the percentage of such district’s qualifying student enrollment above the 55% threshold.

- Funds for two existing categorical programs — the Targeted Instructional Improvement Block Grant and the Home-to-School Transportation program — are treated as add-ons to the LCFF. Districts that received funding from these programs in 2012–13 will continue to receive that same amount of funding in addition to what the LCFF provides each year.

- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and was phased in over a multi-year period. School districts received annual funding increases based on the difference between their respective prior-year funding level and the target LCFF allocation at full implementation. In each year, every school district had the same proportion of its gap closed. The 2018-19 State Budget fully funded the LCFF gap for school districts two years earlier than originally scheduled, allowing the school districts to reach their LCFF target level.

The LCFF includes a “hold harmless” provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments. The LCFF also includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts are required to develop and adopt local control and accountability plans (“LCAP”), which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the school districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the 2013-14 State budget created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

To alleviate the impact of the COVID-19 pandemic, SB 117 provided that, for school districts that complied with State requirements, only attendance during full school months from July 1, 2019, to and including February 29, 2020, was reported for apportionment purposes for fiscal year 2019-20. The State budget for fiscal year 2020-21 provided that average daily attendance for fiscal year 2020-21 was based on the 2019-20 year. While the State budget for fiscal year 2021-22 did not include an extension of the average daily attendance hold-harmless provision, school districts with enrollment declines in fiscal year 2021-22 retained the ability to receive their apportionment based on the higher of their fiscal year 2019-20 or fiscal year 2020-21 average daily attendance as provided under LCFF. Additionally, the 2022-23 State budget amends the LCFF calculation to consider the greater of a school district’s current year, prior year, or the average of three prior years’ average daily attendance (see “The District – General and Financial Information - State Budget Process - 2022-23 Adopted State Budget” herein). This formula change helps school districts with significant declining enrollment better serve remaining students.

The District is providing in-person instruction for the 2022-23 school year with an option for parents to enroll students in an independent study program. The District is unable to predict the cost of

implementing the State’s guidelines to reopen school campuses, whether new proposals will be enacted or in what form they may take, or whether any new requirements related to reducing the spread of COVID-19 will materially impact the District’s finances or operations.

There are no charter entities within the District boundaries.

The following table shows a breakdown of the District’s fiscal years 2018-19 through 2021-2022, and budgeted for fiscal year 2022-23 ADA by grade span, total enrollment, and the percentage of students classified as English learners, low-income, of foster youth (“EL/LI”). However, as a result of the ongoing outbreak of COVID-19, District enrollment and ADA may be affected. See “Disclosure Relating to COVID-19” above.

**RIO ELEMENTARY SCHOOL DISTRICT
ADA by Grade Span, Total Enrollment, and EL/LI Enrollment
Fiscal Years 2018-19 through 2022-23**

Fiscal Year	Average Daily Attendance ⁽¹⁾				Total District Enrollment	% EL/LI ⁽²⁾ Enrollment
	(By Grade Span)			Total District		
	K-3	4-6	7-8			
2018-19	2,232.72	1,688.04	1,111.72	5,032.48	5,219	78.45
2019-20	2,201.75	1,732.75	1,154.74	5,089.24	5,274	76.47
2020-21	2,132.31	1,697.00	1,172.61	5,001.92	5,202	77.59
2021-22	2,028.77	1,570.31	1,101.11	4,700.19	5,116	
2022-23 ⁽³⁾						

⁽¹⁾ Except for fiscal year 2022-23, ADA is as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. For fiscal year 2019-20, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020.

⁽²⁾ Beginning in fiscal year 2015-16, the percentage has been calculated on the basis of the average of the current fiscal year and the prior two fiscal years.

⁽³⁾ Budgeted for fiscal year 2022-23 as of the second interim report.

Source: Rio Elementary School District

Restricted Purpose Revenue. Other State revenues allocated to school districts are restricted by the Legislature to particular uses (categorical programs). The LCFF eliminates approximately three-quarters of categorical programs. Under the new system, several categorical programs remain outside the LCFF, including special education, after school safety and education programs, nutrition, and State preschool.

Propositions 30 and 55. School districts in California have faced numerous challenges over the past several years due to financial difficulties at the State level. This has resulted in budget cuts and payment deferrals to school districts. On November 6, 2012, the Governor placed a measure on the ballot known as “Proposition 30” or the “November Tax Initiative,” which asked California voters to increase State sales tax and raise income taxes on certain high income individuals, as well as taxes on gross receipts of retailers and certain excise taxes, in order to generate additional revenues at the State level. The moneys raised were applied to address State budget shortfalls and help fund educational programs. In particular, revenues generated pursuant to Proposition 30 increased school and community college district funding and paid expenses owed from previous years. The California Children’s Education and Health Care Protection Act of 2016, also known as Proposition 55, is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends through 2030 the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30. The tax revenues allocated to education as part of the minimum guarantee are deposited into the Education

Protection Account (“EPA”), recalculated and distributed quarterly to K-14 school districts (89 percent to K-12 school districts and 11 percent to community college districts) as a continuing appropriation not subject to budget adoption. The funds are distributed in the same manner as existing unrestricted per-student funding. The Proposition 30 tax revenue is included in the Proposition 98 calculation, raising the guarantee by billions each year. Proposition 55 did not extend the sales tax rate increase enacted under Proposition 30.

Lottery. Other State revenues include the California State Lottery (the “Lottery”), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research.

Federal Sources. The federal government provides funding for several District programs, including special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Education for Economic Security, and the free and reduced lunch program.

Local Sources. In addition to property taxes, the District may receive additional local revenues from items such as leases and rentals, interest earnings, transportation fees, interagency services, and other local sources.

Long-Term Debt

A schedule of changes in long-term debt of the District, other than OPEB and pension, for the year ended June 30, 2022 is shown below:

	Balance at July 1, 2021	Additions	Deductions	Balance at June 30, 2022	Due in One Year
General obligation bonds	\$89,515,116	\$15,269,980	\$(2,484,148)	\$102,300,948	\$1,972,089
Unamortized premium	5,489,564	166,939	(291,091)	5,365,412	--
2016 Certificates of participation	1,860,000	--	(1,065,000)	795,000	--
Unamortized premium	319,860	--	(183,145)	136,715	--
Leases	314,613	--	(80,262)	234,351	74,424
Compensated absences	551,861	47,056	--	598,917	--
Supplemental retirement	60,000	2,000	--	62,000	--
Retirement incentive	100,000	--	(100,000)	--	--
Total	<u>\$98,211,014</u>	<u>\$15,485,975</u>	<u>\$(4,203,646)</u>	<u>\$109,493,343</u>	<u>\$2,046,513</u>

Source: Rio Elementary School District, Annual Financial Report, June 30, 2022

As of June 30, 2022, accrued vacation balance with benefits amounted to approximately \$598,917.

General Obligation Bonds

On May 2, 2007, the District issued its 2007 General Obligation Refunding Bonds in the amount of \$16,396,187, to refund portions of general obligation bonds authorized by the voters at an election held on November 4, 1997 (the “1997 Authorization”), namely, the 1997 General Obligation Bonds, Series A, B, and C (the “2007 Refunding Bonds”). On May 17, 2016, the District issued its 2016 General Obligation Refunding Bonds in the amount of \$9,880,000 (the “2016 Refunding Bonds”) to refund portions of the 2007 Refunding Bonds.

On November 4, 2014, at least 55% of the votes cast by District voters approved and authorized the District to issue \$38,500,000 of general obligation bonds (the “2014 Authorization”) to provide funding for improvements to school facilities. Pursuant to the 2014 Authorization, on June 4, 2015, the District issued its Election of 2014, Series A Bonds in the amount of \$20,000,000. On May 17, 2016, the District issued its Election of 2014, Series B Bonds in the amount of \$18,500,000. The Series B Bonds were the second and final series of bonds issued pursuant to the Election of 2014 Authorization. The 2014 Authorization combined debt service schedule is set forth in the table to follow.

Pursuant to the 2018 Authorization (see “The Bonds – Authority for Issuance”), on March 13, 2019, the District issued its Election of 2018, Series A Bonds in the amount of \$23,000,000 and its Election of 2018, Series B Bonds in the amount of \$1,510,000. On April 15, 2020, the District issued its Election of 2018, Series C Bonds in the amount of \$13,922,236.05 and its Election of 2018, Series D Bonds in the amount of \$3,087,423.40. The District issued its 2020 General Obligation Refunding Bonds on September 3, 2020 in the amount of \$20,425,000 to refund the District’s Election of 2014, Series A Bonds maturing on August 1, 2040, and its Election of 2018, Series A Bonds maturing on August 1, 2046 (the “2020 Refunding Bonds”). On March 10, 2022, the District issued its Election of 2018, Series D Bonds in the amount of \$13,818,453.55 and its Election of 2018, Series D Bonds in the amount of \$1,000,000. Upon the issuance of the Series G Bonds, the District’s 2018 Authorization debt service and its total combined debt service with respect to its general obligation bonds (assuming no optional redemptions) is as set forth in the tables to follow.

The Series A Bonds will be the first series of bonds issued pursuant to the 2022 Authorization (see “The Bonds – Authority for Issuance”). Upon the issuance of the Series A Bonds, the District’s 2022 Authorization debt service and its total combined debt service with respect to its general obligation bonds (assuming no optional redemptions) is as set forth in the tables to follow.

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**RIO ELEMENTARY SCHOOL DISTRICT
2014 AUTHORIZATION GENERAL OBLIGATION BONDS DEBT SERVICE SCHEDULES**

Bond Year Ending August 1	2014 Series A Bonds	2014 Series B Bonds	2020 Refunding Bonds ⁽¹⁾	Total Annual Debt Service
2023	\$612,837.50	\$788,100.00	\$280,685.06	\$1,681,622.56
2024	648,037.50	825,850.00	280,015.16	1,753,902.66
2025	688,237.50	852,400.00	279,189.86	1,819,827.36
2026	727,087.50	891,600.00	278,207.06	1,896,894.56
2027	769,587.50	922,100.00	276,920.80	1,968,608.30
2028	810,437.50	960,600.00	280,477.06	2,051,514.56
2029	853,900.00	1,001,600.00	278,691.76	2,134,191.76
2030	900,062.50	1,043,200.00	276,796.46	2,220,058.96
2031	948,612.50	1,082,600.00	279,791.16	2,311,003.66
2032	999,218.75	1,129,800.00	277,579.70	2,406,598.45
2033	1,052,287.50	1,174,400.00	280,253.26	2,506,940.76
2034	1,106,787.50	1,221,400.00	277,705.66	2,605,893.16
2035	1,163,287.50	1,267,050.00	280,038.06	2,710,375.56
2036	286,600.00	1,320,750.00	1,122,134.30	2,729,484.30
2037	286,600.00	1,372,200.00	1,177,438.10	2,836,238.10
2038	286,600.00	1,426,400.00	1,235,705.10	2,948,705.10
2039	286,600.00	1,483,800.00	1,296,808.00	3,067,208.00
2040	286,600.00	1,542,400.00	1,362,312.00	3,191,312.00
2041	1,861,600.00	1,602,000.00	--	3,463,600.00
2042	1,938,600.00	1,667,400.00	--	3,606,000.00
2043	2,015,000.00	1,733,200.00	--	3,748,200.00
2044	2,095,600.00	1,804,200.00	--	3,899,800.00
2045	--	3,510,000.00	--	3,510,000.00
TOTAL	\$20,624,181.25	\$30,623,050.00	\$9,820,748.56	\$61,067,979.81

⁽¹⁾ The 2020 Refunding Bonds refunded Election of 2014, Series A Bonds maturing on August 1, 2040 and Election of 2018, Series A Bonds maturing on August 1, 2046. This column shows the portion of the 2020 Refunding Bonds attributable to the 2014 Authorization.

**RIO ELEMENTARY SCHOOL DISTRICT
2018 AUTHORIZATION GENERAL OBLIGATION BONDS DEBT SERVICE SCHEDULES**

Bond Year Ending August 1	2018 Series A Bonds	2018 Series C Bonds	2018 Series D Bonds	2020 Refunding Bonds ⁽¹⁾	2018 Series E Bonds	2018 Series F Bonds	2018 Series G Bonds	Total Annual Debt Service
2023	\$1,200,650.00	\$282,000.00	--	\$473,438.40	\$80,100.00	\$26,809.50	--	\$2,062,997.90
2024	922,650.00	282,000.00	\$335,000.00	472,609.00	113,599.20	41,809.50	--	2,167,667.70
2025	454,650.00	282,000.00	895,199.40	471,587.20	106,754.40	51,427.00	--	2,261,618.00
2026	454,650.00	282,000.00	995,000.00	470,370.40	113,090.65	50,789.50	--	2,365,900.55
2027	489,650.00	282,000.00	581,501.80	473,777.90	170,100.00	475,152.00	--	2,472,181.70
2028	533,250.00	282,000.00	605,000.00	471,921.66	265,100.00	423,677.00	--	2,580,948.66
2029	580,050.00	972,000.00	--	469,730.60	600,100.00	77,115.00	--	2,698,995.60
2030	629,850.00	1,017,000.00	--	472,404.56	700,100.00	--	--	2,819,354.56
2031	682,450.00	1,062,000.00	--	469,852.36	735,100.00	--	--	2,949,402.36
2032	732,650.00	1,112,000.00	--	472,160.16	765,100.00	--	--	3,081,910.16
2033	790,450.00	1,162,000.00	--	469,226.80	795,100.00	--	--	3,216,776.80
2034	850,450.00	1,217,000.00	--	471,148.46	825,100.00	--	--	3,363,698.46
2035	912,450.00	1,272,000.00	--	472,813.96	860,100.00	--	--	3,517,363.96
2036	976,250.00	1,327,000.00	--	469,213.30	900,100.00	--	--	3,672,563.30
2037	1,041,650.00	1,387,000.00	--	470,267.00	940,100.00	--	--	3,839,017.00
2038	1,113,450.00	1,452,000.00	--	471,193.40	975,100.00	--	--	4,011,743.40
2039	1,186,250.00	1,517,000.00	--	471,992.50	1,015,100.00	--	--	4,190,342.50
2040	230,750.00	1,582,000.00	--	1,407,205.30	1,160,100.00	--	--	4,380,055.30
2041	230,750.00	1,657,000.00	--	1,480,947.70	1,210,100.00	--	--	4,578,797.70
2042	230,750.00	1,727,000.00	--	1,556,733.30	1,270,100.00	--	--	4,784,583.30
2043	230,750.00	1,807,000.00	--	1,634,421.30	1,330,100.00	--	--	5,002,271.30
2044	230,750.00	1,887,000.00	--	1,716,710.90	1,390,100.00	--	--	5,224,560.90
2045	230,750.00	1,971,750.00	--	1,810,293.00	1,450,100.00	--	--	5,462,893.00
2046	230,750.00	2,063,250.00	--	1,899,722.70	1,515,100.00	--	--	5,708,822.70
2047	2,430,750.00	330,750.00	--	--	3,200,100.00	--	--	5,961,600.00
2048	2,535,750.00	--	--	--	2,750,100.00	--	--	5,285,850.00
2049	--	--	--	--	--	--	--	--
TOTAL	\$20,133,200.00	\$28,214,750.00	\$3,411,701.20	\$19,519,741.86	\$25,235,744.25	\$1,146,779.50	\$97,661,916.81	

⁽¹⁾ The 2020 Refunding Bonds refunded Election of 2014, Series A Bonds maturing on August 1, 2040 and its Election of 2018, Series A Bonds maturing on August 1, 2046. This column shows the portion of the 2020 Refunding Bonds attributable to the 2018 Authorization.

**RIO ELEMENTARY SCHOOL DISTRICT
2022 AUTHORIZATION GENERAL OBLIGATION BONDS DEBT SERVICE SCHEDULE**

Bond Year Ending August 1	2022 Authorization Bonds
2023	\$
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	
2046	
2047	
2048	
2049	
2050	
2051	
2052	
2053	
TOTAL	\$

**RIO ELEMENTARY SCHOOL DISTRICT
COMBINED GENERAL OBLIGATION BONDS DEBT SERVICE SCHEDULES**

Bond Year Ending August 1	1997 Authorization Bonds	2014 Authorization Bonds	2018 Authorization Bonds	2022 Authorization Bonds	Combined Debt Service
2023	\$1,179,000.00	\$1,681,622.56	\$2,062,997.90		\$4,923,620.46
2024	1,174,750.00	1,753,902.66	2,167,667.70		5,096,320.36
2025	1,013,500.00	1,819,827.36	2,261,618.00		5,094,945.36
2026	1,013,000.00	1,896,894.56	2,365,900.55		5,275,795.11
2027	1,015,500.00	1,968,608.30	2,472,181.70		5,456,290.00
2028	1,010,750.00	2,051,514.56	2,580,948.66		5,643,213.22
2029	609,000.00	2,134,191.76	2,698,995.60		5,442,187.36
2030	--	2,220,058.96	2,819,354.56		5,039,413.52
2031	--	2,311,003.66	2,949,402.36		5,260,406.02
2032	--	2,406,598.45	3,081,910.16		5,488,508.61
2033	--	2,506,940.76	3,216,776.80		5,723,717.56
2034	--	2,605,893.16	3,363,698.46		5,969,591.62
2035	--	2,710,375.56	3,517,363.96		6,227,739.52
2036	--	2,729,484.30	3,672,563.30		6,402,047.60
2037	--	2,836,238.10	3,839,017.00		6,675,255.10
2038	--	2,948,705.10	4,011,743.40		6,960,448.50
2039	--	3,067,208.00	4,190,342.50		7,257,550.50
2040	--	3,191,312.00	4,380,055.30		7,571,367.30
2041	--	3,463,600.00	4,578,797.70		8,042,397.70
2042	--	3,606,000.00	4,784,583.30		8,390,583.30
2043	--	3,748,200.00	5,002,271.30		8,750,471.30
2044	--	3,899,800.00	5,224,560.90		9,124,360.90
2045	--	3,510,000.00	5,462,893.00		8,972,893.00
2046	--	--	5,708,822.70		5,708,822.70
2047	--	--	5,961,600.00		5,961,600.00
2048	--	--	5,285,850.00		5,285,850.00
2049	--	--	--		
2050	--	--	--		
2051	--	--	--		
2052	--	--	--		
2053	--	--	--		
TOTAL	\$7,015,500.00	\$61,067,979.81	\$97,661,916.81		\$165,745,396.62

2016 Certificates of Participation

Shown below are the remaining lease payments for the District’s 2016 Certificates of Participation.

<u>Date</u> <u>(March 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2030	\$175,000.00	38,800.00	213,800.00
2031	390,000.00	31,800.00	421,800.00
2032	405,000.00	16,200.00	421,200.00
TOTAL	\$970,000.00	\$86,800.00	\$1,056,800.00

Developer Fees

The District maintains a Capital Facilities Fund, separate and apart from the General Fund, to account for developer fees collected by the District. The District’s developer fees can be utilized for any capital purpose related to growth.

**RIO ELEMENTARY SCHOOL DISTRICT
District Developer Fees**

<u>Fiscal Year</u>	<u>Developer Fees Collected</u>
2016-17	\$1,587,882.00
2017-18	462,074.00
2018-19	2,514,334.08
2019-20	1,107,984.25
2020-21	2,277,711.85
2021-22	2,450,459.83
2022-23	86,127.15

As of June 30, 2022, a fund balance of \$5,009,586 existed in the District’s Capital Facilities Fund.

Property Taxes

General. See “Security and Sources of Payment of the Bonds” above for a general description of how property is assessed and how *ad valorem* property taxes are levied and collected.

Alternative Method of Tax Apportionment –Teeter Plan. The Board of Supervisors of the County adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in section 4701, *et seq.* of the California Revenue and Taxation Code, “to accomplish a simplification of the tax levying and tax apportioning process and an increased flexibility in the use of available cash resources.” This alternative method is used for distribution of the District’s share of general purpose *ad valorem* property tax revenues. The Teeter Plan currently applies to the *ad valorem* property taxes levied to pay debt service on the Bonds.

The County is responsible for determining the amount of the *ad valorem* property tax levy on each parcel in the District that is entered onto the secured real property tax roll. Upon completion of the secured real property tax roll, the County auditor determines the total amount of taxes and assessments actually extended on the roll for each fund for which a tax levy has been included, and apportions 100% of the tax and assessment levies to that fund's credit. Such monies may thereafter be drawn against by the taxing agency in the same manner as if the amount credited had been collected.

Under the Teeter Plan, the County establishes the Tax Loss Reserve Fund. The County determines which monies in the County treasury (including those credited to the Tax Loss Reserve Fund) shall be available to be drawn on to the extent of the amount of uncollected taxes credited to each fund for which a levy has been included. When amounts are received on the secured tax roll for the current year, or for redemption of tax defaulted property, Teeter Plan monies are distributed to the apportioned tax resources accounts. The Tax Loss Reserve Fund is used exclusively to cover lost income occurring as a result of tax defaulted property. Monies in this fund are derived from several sources. While amounts collected as costs are distributed to the County's general fund, delinquent penalty collections are distributed to the Tax Loss Reserve Fund.

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors shall receive a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. In the event that the Teeter Plan were terminated, receipt of revenue of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

Property tax delinquencies may be impacted by economic and other factors beyond the District's control or the control of the County, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other pandemic or natural or manmade disaster.

There can be no assurance that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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 for the payment thereof. (See "Security and Sources of Payment for the Bonds.") Articles XIII A, XIII B, XIII C, and XIII D of the State 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 materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIII A and all applicable laws.

Article XIII A of the California Constitution

Basic Property Tax Levy. Article XIII A of the State Constitution limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness approved by two-thirds of the voters on or after July 1, 1978, for the acquisition or improvement of real property, and (iii) bonded indebtedness approved by 55% of the voters of 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. As described under "The Bonds – Authority for Issuance," the District received authorization by the requisite percent of voters to issue the Bonds.

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

Article XIII A permits reduction of the full cash value base in the event of a decline in property value caused by damage, destruction, or other factors. The full cash value base is not increased upon reconstruction of property damaged or destroyed in a disaster, if the fair market value of the property as reconstructed is comparable to its fair market value before the disaster. If the full cash value has been reduced owing to a decline in market value, the full cash value is restored to the full cash value base as quickly as the market price increases (without regard to the 2% limit on increases that otherwise applies).

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

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 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.

Article XIII B of the California Constitution

Under Article XIII B of the California Constitution, state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain monies that are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys that are excluded from the definition of “appropriations subject to limitation,” such as appropriations for voter-approved debt service, appropriations required to comply with certain mandates of the courts or the federal government, and appropriations for qualified capital outlay projects (as defined by the Legislature).

The appropriations limit for each agency in each year is based on the agency’s limit for the prior year, adjusted annually for changes in the cost of living and changes in population, and adjusted where applicable for transfer to or from another governmental entity of financial responsibility for providing services. With respect to school districts, “change in cost of living” is defined as the percentage change in California per capita income from the preceding year and “change in population” means the percentage change in average daily attendance for the preceding year.

The appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate “proceeds of taxes” received by an agency over such two-year period above the combined appropriations limit for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years. Under current statutory law, a school district that receives any proceeds of taxes in excess of the allowable limit need only notify the State Director of Finance and the District’s appropriations limit is increased and the State’s limit is correspondingly decreased by the amount of the excess.

Under Article XIII B, 50% of all revenues received by the State in a fiscal year and in the immediately following fiscal year in excess of the amount permitted to be appropriated by the State during that fiscal year and the immediately following fiscal year shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the California Constitution.

Article XIII C and Article XIII D of the California Constitution

Articles XIII C and XIII D of the California Constitution, adopted by Proposition 218 on November 5, 1996, impose certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property related fees and charges. The District does not impose any such taxes, assessments, fees or charges; and, with the exception of *ad valorem* property taxes levied and collected by the County under Article XIII A of the California Constitution and allocated to the District, no such taxes, assessments, fees or charges are imposed on behalf of the District. Accordingly, while the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Article XIII C also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. The initiative power is, however, limited by the United States Constitution’s prohibition against state or local laws “impairing the obligation of contracts.” The District’s general obligation bonds represent a contract between the District and the bondholder secured by the collection of *ad valorem* property taxes. While not free from doubt, it is likely that, once issued, the taxes needed to pay debt service on general obligation bonds would not be subject to reduction

or repeal. Legislation adopted in 1997 provides that Article XIIC shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of, or consents to, any initiative measure that would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

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

Propositions 98 and 111 -- Minimum Funding Guarantee

Proposition 98, a constitutional and statutory amendment adopted by California voters in 1988 and amended by Proposition 111 in 1990, guarantees a minimum level of funding for public education from kindergarten through community college (K-14).

Proposition 98 guarantees a level of funding based on the greater of two amounts determined under three different methods of calculation. The first amount is based on a percentage of General Fund revenues. This amount is defined under "Test 1" as the amount produced by applying the same percentage of General Fund revenues appropriated to K-14 education in 1986-87, or about 40%. The second amount is determined under one of two methods, "Test 2" or "Test 3," the choice of which is determined based on the relative growth of per capita income and General Fund revenues.

In years of high or normal growth of General Fund revenues, Test 2 applies. Test 2 is designed to maintain prior-year service levels. The amount determined under Test 2 is the amount required to ensure that K-14 schools receive from State funds and local tax revenues the same amount received in the prior year, adjusted for changes in enrollment and for increases in per capita personal income. Test 3 is operative in years in which General Fund revenue growth per capita is more than 0.5% below growth in per capita personal income. The amount determined under Test 3 is the prior-year total level of funding from State and local sources, adjusted for enrollment growth and for growth in General Fund revenues per capita, plus 0.5% of the prior year level. If Test 3 is used in any year, the difference between the amount determined under Test 3 and Test 2 will become a credit (called the "maintenance factor") to be paid to K-14 schools in future years when State General Fund growth exceeds personal income growth.

The State's estimate of the total guaranteed amount varies through the stages of the annual budgeting process, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as various factors change. The guaranteed amount will increase as enrollment and per capita personal income grow. If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount may be suspended for one year at a time by enactment of an urgency statute. In subsequent years in which State General Fund revenues are growing faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount.

In the last few decades, the State's response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. In 1992-93, 1993-94, 2004-05, and 2005-06 the State required counties, cities, and special districts to shift property tax revenues to school districts, thereby relieving the State General Fund of some of the burden of the Proposition 98 guarantee. Proposition 1A, adopted by the voters in November 2004, prohibits the State from shifting property taxes from other local governments to school or community college districts without a two-thirds vote of both houses of the

State Legislature. Proposition 22, approved by the voters in November 2010, eliminated the State's authority to shift property taxes temporarily during a severe financial hardship of the State that had been permitted by Proposition 1A. Legislation enacted in June 2011 (and upheld by the California Supreme Court in December 2011) dissolved every redevelopment agency in the State effective February 1, 2012, which may make more property tax revenues available to school districts.

The State has also sought to avoid or delay paying settle-up amounts when State revenues have lagged. The State has also sought to avoid increases in the base guaranteed amount through several devices: by treating any excess appropriations as advances (or loans) against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily or permanently deferring year-end apportionments of Proposition 98 funds from one fiscal year to the next to reduce the ending Fiscal Year's base; by suspending Proposition 98, as the State did in 2010-11; and by proposing to amend the Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The California Teachers' Association, the State Superintendent and others sued the State or the Governor in 1995, 2005, 2009, and 2011 to force them to fund the full settle-up amounts. While legislation adopted to implement the settlements of these suits requires the State to pay down the obligation in annual installments, the repayments have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

Proposition 2, approved at the November 4, 2014, statewide election, among other things, revises the operation of Proposition 98 in some years. The measure creates a new State budget stabilization fund known as the "Public School System Stabilization Account." In years where capital gains tax revenues exceed 8% of total General Fund revenues, if a number of conditions are satisfied (including that Test 1 is operative, all maintenance factor obligations have been satisfied, and the Proposition 98 funding level is higher than the previous year), that part of the "excess" capital gains tax revenues accruing to the Proposition 98 guarantee, instead of being appropriated, would be deposited in the Public School System Stabilization Account, provided that the amount spent on schools and community colleges grows along with the number of students and the cost of living. The State would spend money out of the reserve in order to maintain spending on schools and community colleges in budgetary years in which such spending would otherwise decline from the prior year's level (adjusted for student population and cost of living). Proposition 2 thus changes when the State would otherwise be required to spend money on schools and community colleges but not the total amount of State spending for schools and community colleges over the long run. (See "Cap on School District Reserves.")

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, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property. Prior to 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 school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate projected to be levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for a high school or elementary school district, such as the 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 State 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. See "Appendix A – The District – General and Financial Information – Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Article XIII A of the California Constitution" herein.

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 schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third 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 does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also 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 schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (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 projected 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, was expected to be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

The District makes no representations concerning the extent to which its property tax apportionments may be offset by the future receipt of pass-through tax increment revenues, or any other surplus property tax revenues pursuant to the Dissolution Act.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and the Propositions discussed in this Official Statement were each adopted as measures that qualified for the ballot under 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.

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STATE BUDGET PROCESS

The State Constitution requires the Governor to propose a budget to the State Legislature no later than January 10 of each year and requires the Legislature to adopt a final budget no later than June 15. The latter deadline was frequently missed when passage of the budget required a two-thirds majority of each house of the Legislature. The State's voters approved an amendment to the State Constitution in November 2010 that lowered the vote requirement to a simple majority of each house of the State Legislature. The lower vote requirement also applies to the budget trailer bills that specifically appropriate funds. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. A two-thirds vote of each house of the State Legislature is still required to override any veto by the Governor. School district budgets must be adopted by the district's governing board by July 1 and then revised within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget.

Possible Delays in Apportionments. If the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district's State funding may be treated differently. In 2002, a California Court of Appeal held in *White v. Davis* (also referred to as *Jarvis v. Connell*) that the State Controller cannot disburse State funds after the beginning of the fiscal year until the adoption of the budget bill or an emergency appropriation, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State constitution, such as appropriations for salaries of elected State officers, or (iii) required by federal law, such as payments to State workers (but at no more than minimum wage). The court specifically held that pre-budget disbursements of Proposition 98 funding for school districts are invalid. In 2003, the California Supreme Court upheld the decision of the Court of Appeal. During the 2003-04 State budget impasse, the State Controller nonetheless treated revenue limit (*i.e.*, general purpose) apportionments to school districts as continuous legislative appropriations under statute. The State Controller did not disburse certain categorical and other funds to school districts until the 2003-04 Budget Act was enacted.

Additional Delays in Apportionments. During the Great Recession (2007-2009), the Legislature authorized intra-year and inter-year deferrals of certain payments otherwise payable at earlier dates in the fiscal year to K-12 schools. The use of this cash-flow management device by the Legislature required some school districts to increase the size or frequency of their tax and revenue note borrowings.

2022-23 Adopted State Budget

On June 30, 2022, the Governor signed the 2022-23 State budget (the "2022-23 State Budget") into law. In addition to the ongoing COVID-19 pandemic that has tested California's hospitals, health systems, schools and economy, Californians have been faced with increasing prices due to global inflation. Nevertheless, the 2022-23 State Budget provides over \$17 billion in relief to millions of Californians to help offset rising costs, and reflects an accelerated minimum wage increase, effective January 1, 2023. The final budget agreement is historic and reflects an overall state budget of \$300 billion with education spending higher than it has ever been. The majority of the increase in education spending goes to the Local Control Funding Formula (LCFF) and block grants that reflect a continued commitment to local control.

An ongoing theme for state budgets has been budget resiliency and preparing for an uncertain future. The 2022-23 State Budget set aside \$37.2 billion in budgetary reserves (\$23.3 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies; \$9.5 billion in the Public School System Stabilization Account; \$900 million in the Safety Net Reserve; and \$3.5 billion in the state's operating reserve), prepaying billions of dollars in state debts and making supplemental deposits into reserve funds. Continuing the previous year's policy of prioritizing one-time spending over

ongoing spending, the 2022-23 State Budget allocates 93 percent of the discretionary surplus for one-time purposes. In consideration of the record high inflationary conditions facing the country, the 2022-23 State Budget includes an added inflation adjustment beginning in 2023-24 to reflect that services are likely to cost more than currently estimated. The 2022-23 State Budget is projected to be structurally balanced in 2025-26, the last year in the multi-year forecast.

Other general highlights of the 2022-23 State Budget are as follows:

Broad-Based Relief. To further address rising prices from inflation and return tax proceeds to Californians, a central component of the 2022-23 State Budget is an over \$17 billion broad-based relief package. Included in this package is a refund of up to \$1,050 that will benefit millions of Californians based on income level and the size of household, as well as funding for rental assistance, payments for outstanding utility arrearages resulting from the pandemic, funding for fees related to child care and healthcare subsidies, and relief for small businesses including grants and a one-year suspension of state sales tax on diesel.

Climate Change. As a result of climate change, in recent years California has experienced extreme heat events, severe drought, and worsening wildfires. The 2022-23 State Budget funds climate actions across program areas to support the state's climate goals in transportation, housing, health, schools, and job training

- Drought. The 2022-23 State Budget allocates \$1.2 billion to immediate drought support, including efforts to encourage conservation. Funding is also provided for long-term water resilience (\$1.5 billion), and \$75 million is available to support grants to farming and related businesses negatively impacted by the drought.
- Energy. The 2022-23 State Budget allocates \$4.3 billion for development of a strategic reserve, protection to ratepayers, and accelerated deployment of clean energy projects.
- Wildfires. The 2022-23 State Budget includes \$1.2 billion in additional actions to continue building forest and wildfire resilience statewide, and additional funds for CAL FIRE staffing to expand the State's wildfire response capacity.

Health Care Equity. The 2022-23 State Budget will make California the first state to realize the goal of universal access to health coverage for all income-eligible Californians by closing a key gap in Medi-Cal coverage for individuals ages 26 to 49. If the federal government does not extend the federal health insurance premium subsidies, the 2022-23 State Budget proposes \$304 million to re-instate state-supported Covered California premium subsidies for the middle class.

Infrastructure and Environmental Issues. The 2022-23 State Budget includes a multi-year commitment of \$47 billion in funds for infrastructure such as to accelerate the transition to zero-emission vehicles, modernize the State's transportation system, promote energy innovation and reliability, advance the State's housing goals, reduce wildfire risk to communities, and to support drought resiliency and response. Additional funding is available to build more housing for homeless individuals, for greater access to broadband connectivity, for school facilities and libraries, and for university facilities.

Public Health and Safety. The 2022-23 State Budget includes \$1.1 billion for school testing for COVID-19, increasing vaccination rates, and protecting public health at the border. Additionally, the 2022-23 State Budget includes funding to bolster local law enforcement response to organized retail theft crime, and to assist local prosecutors in holding perpetrators accountable.

The 2022-23 State Budget includes total funding of \$128.6 billion for K-12 education, reflecting \$22,893 per pupil (\$78.6 billion General Fund and \$50 billion other funds). In addition to this funding, the 2022-23 State Budget includes \$5.1 billion General Fund for K-12 school facilities, including new preschool and transitional kindergarten facilities.

Additional education-related highlights from the Governor’s 2022-23 State Budget include the following:

- Proposition 98 Rainy Day Fund. For 2022-23, a payment of \$2.2 billion from the 2022-23 State Budget will be deposited into the Public School System Stabilization Account. By the end of 2022-23, the balance in the Public School System Stabilization Account will be more than \$9.5 billion. The balance of \$7.1 billion in 2021-22 triggers school district reserve caps beginning in 2022-23. (See “Cap on School District Reserves.”)
- LCFF. The 2022-23 State Budget includes \$4.32 billion ongoing Proposition 98 General Fund to increase LCFF base funding by an additional 6.28 percent. Additionally, the 2022-23 State Budget includes an LCFF cost-of-living adjustment of 6.56 percent—the largest cost-of-living adjustment in the history of LCFF. (See “Sources of Funding for Operations – State Funding – Local Control Funding Formula.”)
- Declining Enrollment and Attendance Protections. To allow school districts to adjust to enrollment-related funding declines and minimize the impacts of a single-year drop in enrollment, the 2022-23 State Budget amends the LCFF calculation to consider the greater of a school district’s current year, prior year, or the average of three prior years’ average daily attendance. The 2022-23 State Budget also provides school districts, county offices of education, and charter schools that offered independent study to all students, in accordance with State standards, an average daily attendance hold harmless option for the 2022-23 school year. This enrollment and average daily attendance protection has an estimated ongoing cost of \$2.8 billion.
- K-12 School Facilities. The 2022-23 State Budget allocates the remaining \$1.4 billion Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51), approved by voters in November 2016, bond funds to support school construction projects. Further, the 2022-23 State Budget provides \$1.3 billion one-time General Fund with 2021-22 funds, approximately \$2.1 billion one-time General Fund in 2023-24 and \$875 million one-time General Fund in 2024-25 to support new construction and modernization projects through the School Facility Program. The 2022-23 State Budget also includes \$100 million one-time General Fund with 2021-22 funds and \$550 million in 2023-24 to support the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program.
- School Fiscal Stability. To support the fiscal stability of all local educational agencies, including those with a declining student population, the 2022-23 State Budget allows school districts to use the greater of current year or prior year average daily attendance or an average of the three prior years’ average daily attendance to calculate LCFF funding. Further, to minimize reductions in LCFF funding that would otherwise occur due to increased absences in 2021-22, the 2022-23 State Budget enables all classroom-based local educational agencies that can demonstrate they provided independent study offerings to students in fiscal year 2021-22 to be funded at the greater of their current year average daily attendance or their current year enrollment adjusted for pre-COVID-19 absence rates in the 2021-22 fiscal year.

- Arts, Music, and Instructional Materials Discretionary Block Grant. The 2022-23 State Budget provides \$3.6 billion one-time Proposition 98 General Fund to local educational agencies to be spent on a variety of purposes, including arts and music programs, obtaining standards-aligned professional development, acquiring instructional materials, developing diverse book collections, operational costs, and expenses related to the COVID-19 pandemic.
- Learning Recovery Emergency Block Grant. The 2022-23 State Budget establishes the Learning Recovery Emergency Fund. The Fund sets aside \$7.9 billion one-time Proposition 98 General Fund to support the Learning Recovery Emergency Block Grant. to support local educational agencies in establishing learning recovery initiatives through the 2027–28 school year.
- Workforce Preparation, Retention, and Training. To continue to expand the State’s educator preparation and training infrastructure, the 2022-23 State Budget provides approximately \$48.1 million General Fund to support educator preparation, retention, and training initiatives.
- STEM Instruction. To support educators in providing effective and engaging Science, Technology, Engineering, and Mathematics (STEM) instruction, the 2022-23 State Budget includes \$85 million one-time Proposition 98 General Fund to create Pre-K through 12 grade educator resources and professional learning to implement standards and frameworks for students’ future success in STEM.
- Transitional Kindergarten. The 2022-23 State Budget provides \$614 million ongoing Proposition 98 General Fund to, beginning in the 2022-23 school year, to support the first year of expanded eligibility for transitional kindergarten. Additionally, the 2022-23 State Budget provides \$383 million Proposition 98 General Fund to add one additional certificated or classified staff person to every transitional kindergarten class.
- Expanded Learning Opportunities. The 2022-23 State Budget allocates an additional \$3 billion ongoing Proposition 98 General Fund to the Expanded Learning Opportunities Program, increasing total ongoing program funding to \$4 billion.
- Special Education. The 2022-23 State Budget reflects \$500 million ongoing Proposition 98 General Fund for the special education funding formula, along with other funding to improve instruction and services for students with disabilities.
- School Nutrition. The 2022-23 State Budget includes \$596 million Proposition 98 General Fund to fund universal access to subsidized school meals. Additionally, the 2022-23 State Budget includes \$600 million one-time Proposition 98 General Fund, available over three years, for school kitchen infrastructure upgrades and equipment and food service employee training.

Proposed 2023-24 State Budget

On January 10, 2022, Governor Newsom released his proposed state budget for the 2023-24 fiscal year (the “Proposed 2023-24 State Budget”) to the State Legislature. The Proposed 2023-24 State Budget continues to focus on resiliency, protecting existing investments, and one-time funding. The Proposed 2023-24 State Budget forecasts General Fund revenues will be \$29.5 billion lower than the 2022-23 State Budget projections. The Governor anticipates an estimated budget gap of \$22.5 billion in the 2023-24

fiscal year. This gap is attributable in part to lower revenues as a result of declines in withholding and capital gains taxes.

Budget resiliency is reflected in the \$35.6 billion in total budgetary reserves proposed for fiscal year 2023-24. Specifically, the Proposed 2023-24 State Budget reflects \$22.4 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies, \$8.5 billion in the Public School System Stabilization Account, \$900 million in the Safety Net Reserve, and \$3.8 billion the State's operating reserve. The Budget Stabilization Account is now at its constitutional maximum (10 percent of General Fund revenues) requiring a total of \$951 million to be dedicated for infrastructure investments in 2023-24.

The Proposed 2023-24 State Budget accelerates the paydown of State's portion of retirement liabilities as required by Proposition 2, with \$1.9 billion in additional payments in 2023-24 and nearly \$5.3 billion projected to be paid over the next three years.

Given the multiple uncertainties regarding the overall economic and revenue outlook, the Governor's Proposed 2023-24 State Budget reflects a balanced plan of funding delays, reductions and pullbacks, fund shifts, trigger reductions, and limited revenue generation and borrowing to address the budget shortfalls. The Governor's Proposed 2023-24 State Budget does not propose to draw from the State's reserve accounts to close the budget gap.

Specifically, with respect to K-12 education, the Proposed 2023-24 State Budget provides \$108.8 billion Proposition 98 funding for K-12 schools and community colleges. This represents a decrease of approximately \$1.5 billion relative to the 2022-23 State Budget. The guaranteed minimum funding continues to be in Test 1 for all years 2021-22 through 2023-24. (See "Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Propositions 98 and 111 – Minimum Funding Guarantee" herein.) The Test 1 percentage is "rebenched" from 38.3 percent to 38.6 percent to accommodate enrollment increases for the implementation of Universal Transitional Kindergarten (UTK).

The Proposed 2023-24 State Budget includes total funding of \$128.5 billion (\$78.7 billion General Fund and \$49.8 billion other funds) for all K-12 education programs. K-12 per-pupil funding in the Proposed 2023-24 State Budget totals \$17,519 Proposition 98 General Fund—its highest level ever—and \$23,723 per pupil when accounting for all funding sources. Other key education highlights of the Proposed 2023-24 State Budget include the following:

- Proposition 98 Rainy Day Fund. By the end of 2023-24 the balance in the Proposition 98 Rainy Day Fund (Public School System Stabilization Account) will be more than \$8.5 billion. As stated above under "2022-23 Adopted State Budget," the balance continues to trigger school district reserve caps in 2023-24. (See "Cap on School District Reserves.")
- LCFF. The Proposed 2023-24 State Budget includes a LCFF cost-of-living adjustment of 8.13 percent, resulting in \$4.2 billion in additional discretionary funds for local educational agencies. Additionally, for the state to fund this cost-of-living adjustment, the Proposed 2023-24 State Budget provides about \$613 million in one-time funding in 2022-23 and about \$1.4 billion in one-time funding for 2023-24.
- LCFF Equity Multiplier and Accountability Improvements. To accelerate learning gains and close opportunity gaps, the Proposed 2023-24 State Budget includes \$300 million ongoing Proposition 98 General Fund to establish an equity multiplier as an add-on to the LCFF, allocated to local educational agencies based on school-site eligibility. The Proposed 2023-24 State Budget states that there will be changes to the accountability and

continuous improvement system through the Local Control and Accountability Plan (LCAP) and Differentiated Assistance (DA) based on research and data evaluation.

- Universal Transitional Kindergarten. The Proposed 2023-24 State Budget revises estimates for the first-year investment from \$614 million to approximately \$604 million to expand access to all children turning five-years-old between September 2 and February 2. Additionally, the Proposed 2023-24 State Budget revises the first-year investment to add one additional certificated or classified staff person to every transitional kindergarten class from \$383 million to approximately \$337 million.
- Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (FDK). The Proposed 2023-24 State Budget delays the 2023-24 planned \$550 million FDK Program investment to 2024-25. The FDK program supports the construction of new school facilities or retrofitting existing school facilities for the purpose of providing transitional kindergarten, full-day kindergarten, or preschool classrooms.
- Workforce Preparation, Training, and Recruiting. The Proposed 2023-24 State Budget refers to the multi-year investments made to address the educator shortages in the 2021-22 Adopted State Budget and 2022-23 Adopted State Budget.
- Arts and Cultural Enrichment. The Proposed 2023-24 State Budget provides approximately \$941 million from the General Fund for Proposition 28 (Arts and Music in Schools—Funding Guarantee and Accountability Act). As a result, the Proposed 2023-24 State Budget reduces \$1.2 billion from the Arts, Music, and Instructional Materials Discretionary Block Grant that was included in the 2022-23 Adopted State Budget, to help cover LCFF costs.

May Revision to Proposed 2023-24 State Budget

On May 12, 2023, Governor Newsom released his revised proposal for the state budget for the 2023-24 fiscal year (the “May Revision”). Since the release of the Governor’s Proposed 2023-24 State Budget, revenue has continued to be less than expected, resulting in an increase to the General Fund revenue shortfall, after transfers and adjustments, of approximately \$9.3 billion. As of the May Revision, the State’s total overall budget deficit for 2023-24 fiscal year now stands at approximately \$31.5 billion. Extended tax filing deadlines for state and federal income taxes as a result of severe winter storms, has led to delays in receipt of tax revenue and contributed to such overall budget deficit for 2023-24 fiscal year. Additionally, the May Revision acknowledges that uncertainty and increased risks from the recent federal debt limit fight in Congress, higher interest rates, and banking failures, could lead to further downward revisions to revenue projections.

The May Revision includes various mechanisms to address the additional \$9.3 billion budget shortfall, including spending reductions totaling \$6.7 billion mostly reflecting reverting unused funds to the General Fund, trigger reductions of \$3.9 billion (unchanged from the Proposed 2023-24 State Budget), delayed spending across the multi-year without reducing the total amount of funding for the same period, shifting spending commitment from the General Fund to other funds, anticipated new revenue and borrowing, and a \$450 million withdrawal from the Safety Net Reserve.

The May Revision also includes \$37.2 billion in reserves, reflecting the withdrawal from the Safety Net Reserve described above. For the 2023-24 fiscal year, the reserves include \$22.3 billion in the Budget Stabilization Account, \$10.7 billion in the Public School System Stabilization Account, the

remaining \$450 million in the Safety Net Reserve, and maintains \$3.8 billion in the State's operating reserves. The balance in the Public School System Stabilization Account continues to trigger school district reserve caps in 2023-24. (See "Cap on School District Reserves.")

The May Revision includes total funding of \$127 billion (\$79.1 billion General Fund and \$48.1 billion other funds) for K-12 education programs. As in the Proposed 2023-24 State Budget, the guaranteed minimum funding under Proposition 98 continues to be in Test 1 for all years 2021-22 through 2023-24, but the May Revision updates the Test 1 percentage from 38.6 percent to 38.5 percent relating to expansion of transitional kindergarten. Proposition 98 guaranteed minimum funding is decreased in the May Revision by \$2 billion below the level estimated in the Proposed 2023-24 State Budget, resulting in \$110.6 billion in 2021-22, \$106.8 billion in 2022-23, and \$106.8 billion in 2023-24. The LCFF, the primary mechanism for distribution of such Proposition 98 funds, will include an increase to 8.22 percent of cost-of-living adjustment at the May Revision compared to the Proposed 2023-24 State Budget percentage.

Other key education highlights of the May Revision include the following:

- LCFF Equity Multiplier and Accountability Improvements. To accelerate learning gains and close opportunity gaps, the Proposed 2023-24 State Budget included \$300 million ongoing Proposition 98 General Fund to establish an equity multiplier as an add-on to the LCFF. The May Revision reflects clarifying statutory changes to the add-on.
- Literacy. The May Revision requires LEAs to screen students in kindergarten to second grade for risk of reading difficulties by the 2025-26 school year, and includes \$1 million one-time Proposition 98 General Fund to determine a list of screen instruments.
- Universal Transitional Kindergarten. At the May Revision revises downward the first-year investment from \$604 million to approximately \$357 million to expand access to all children turning five-years-old between September 2 and February 2, as a result of reduced enrollment projections. Additionally, the May Revision revises downward the first-year investment to add one additional certificated or classified staff person to every transitional kindergarten class from \$337 million to approximately \$283 million.
- Preschool Program. The May Revision includes funding to continue to waive family fees for preschool through September 30, 2023 and to provide federal funds for employee stipends to the State Preschool Program.
- Expanded Learning Opportunities. Commencing in 2023-24, LEAs will be required to offer expanded learning opportunities to all EL/LI students in elementary grades. The May Revision includes proposed statutory changes so that LEAs do not incur penalties greater than their entitlement under this program, as well as additional time to expend the funds in order to plan and implement the program.
- Nutrition. The May Revision includes an additional \$110 million one-time Proposition 98 General Fund and \$191 million ongoing to fully fund the Universal School Meals program through the 2023-24 fiscal year.
- Arts, Music, and Instructional Materials Discretionary Block Grant. At the May revision, the Arts, Music, and Instructional Materials Discretionary Block Grant is reduced to \$1.8 billion Proposition 98 General Fund from \$2.3 billion at the Proposed 2023-24 State Budget to help cover LCFF costs.

- Learning Recovery Emergency Block Grant. The May Revision proposes to decrease this grant to \$5.4 billion in one-time Proposition 98 General Fund.

The District cannot predict and does not make any representations concerning school district funding that will be included in the final adopted State budget for the 2023-24 fiscal year.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory regulations have been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto.

Additional Information for State Finances

The full text of proposed and adopted State budgets may be found at the internet website of the California Department of Finance, www.dof.ca.gov, under the heading "California Budget." The Legislative Analyst's Office's ("LAO") budget overviews and other analyses may be found at www.lao.ca.gov under the headings "The Budget" and "Publications." In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, www.treasurer.ca.gov or through the Municipal Securities Rulemaking Board's EMMA website at emma.msrb.org.

Periodic reports on revenues and/or expenditures during the Fiscal Year are issued by the Governor's Office, the State Controller's Office and the LAO. The Department of Finance issues a monthly Bulletin, which reports the most recent revenue receipts as reported by state departments, comparing them to Budget projections. The Governor's Office also formally updates its budget projections three times during each Fiscal Year, in January, May and at budget enactment. These bulletins and other reports are available on the internet.

The information referred to above is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Future State Budgets

The District cannot predict what actions will be taken in the future by the Legislature and the Governor to deal with 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 schools as budgeted.

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APPENDIX B
AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2022

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**APPENDIX C
GENERAL INFORMATION ABOUT VENTURA COUNTY**

The following information concerning the County of Ventura (the "County") is included only for the purpose of supplying general information regarding the area of the Rio Elementary School District (the "District"). The Notes are not a debt of the County, the State of California (the "State") or any of its political subdivisions, and neither the County, the State nor any of its political subdivisions is liable therefor. This Appendix includes information that is generally as of dates and for periods before the economic impacts of the COVID-19 (as defined in the front part of this Official Statement) pandemic and the measures instituted in response thereto. Although the State and local public health emergencies are terminated, the COVID-19 pandemic is ongoing. As result the spread or mutation of the virus (notwithstanding the general availability of vaccines and boosters to combat the virus), the duration and severity of future outbreaks, and the economic and other actions that may be taken by governmental authorities to contain the spread of COVID-19 or to treat its impact are uncertain.

Population

The following table lists population figures for the County and the State for calendar years 2019 through 2023.

**COUNTY OF VENTURA
Population Estimates
Calendar Years 2019 through 2023**

County/City	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023
<u>California</u>					
Incorporated Total	33,087,981	33,138,914	32,802,530	32,610,066	32,512,953
Balance of State Total	6,517,380	6,510,024	6,483,980	6,468,608	6,427,278
State Total	39,605,361	39,648,938	39,286,510	39,078,674	38,940,231
<u>Ventura County</u>					
Camarillo	69,689	69,964	70,612	69,925	69,309
Fillmore	15,671	15,558	16,709	16,454	16,899
Moorpark	36,627	36,264	35,900	35,380	35,151
Ojai	7,498	7,450	7,655	7,568	7,493
Oxnard	205,777	205,950	200,689	199,839	197,477
Port Hueneme	23,554	23,707	22,178	21,552	21,356
San Buenaventura	106,616	105,878	109,363	107,505	107,341
Santa Paula	30,547	30,386	30,934	31,145	31,423
Simi Valley	125,509	124,953	126,039	124,333	124,174
Thousand Oaks	127,495	126,384	126,059	124,439	122,967
Balance of County	95,276	94,725	93,490	93,393	92,063
Incorporated	748,983	746,494	746,138	738,140	733,590
County Total	844,259	841,219	839,628	831,533	825,653

Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State – January 1, 2011-2020, Sacramento, California, May 2021, and January 1, 2011-2023, Sacramento, California, May 2023.

Industry and Employment

The table below provides information about employment rates and employment by industry type for the County for calendar years 2018 through 2022. Unemployment rates are not available for the District.

**OXNARD-THOUSAND OAKS-VENTURA METROPOLITAN STATISTICAL AREA
(Ventura County)
Civilian Labor Force, Employment and Unemployment
Calendar Years 2018 through 2022
Annual Averages**

	2018	2019	2020	2021	2022
Civilian Labor Force	423,100	422,300	410,900	407,500	413,600
Civilian Employment	406,900	406,900	375,000	382,200	398,400
Civilian Unemployment	16,200	15,400	35,900	25,200	15,200
Civilian Unemployment Rate	3.8%	3.6%	8.7%	6.2%	3.7%
Total, All Industries	332,800	336,800	315,300	322,600	336,700
Total Farm	24,300	24,700	25,000	23,500	25,200
Total Nonfarm	308,500	312,100	290,300	299,000	311,500
Total Private	261,700	265,000	245,600	254,600	265,400
Goods Producing	43,900	44,600	43,500	44,500	45,900
Mining, Logging and Construction	17,700	18,000	17,700	18,000	18,700
Mining and Logging	900	900	900	900	1000
Construction	16,800	17,100	16,800	17,100	17,700
Manufacturing	26,200	26,600	25,800	26,500	27,200
Durable Goods	19,500	19,400	18,400	18,300	18,900
Nondurable Goods	6,700	7,200	7,400	8,200	8,300
Service Providing	264,600	267,500	246,800	254,500	265,700
Private Service Providing	217,800	220,400	202,100	210,100	219,500
Trade, Transportation & Utilities	58,100	57,100	53,000	55,700	57,500
Wholesale Trade	12,500	12,500	12,000	12,300	12,500
Retail Trade	39,200	38,300	34,900	36,400	36,700
Information	5,400	5,200	4,000	3,900	4,000
Financial Activities	16,400	15,900	15,700	15,600	15,200
Professional & Business Services	42,900	44,400	42,600	43,600	44,400
Educational & Health Services	47,700	49,600	48,300	49,600	51,800
Leisure & Hospitality	37,800	38,500	30,200	32,800	37,100
Other Services	9,500	9,700	8,300	8,900	9,600
Government	46,900	47,100	44,700	44,500	46,100
Federal Government	7,300	7,400	7,800	7,600	7,400
State Government	3,000	3,100	3,000	2,700	2,800
Local Government	36,600	36,600	34,000	34,100	35,900

NOTES: The unemployment rate is calculated using unrounded data. Data may not add due to rounding.

Source: State of California Employment Development Department; Industry Employment & Labor Force – by Annual Average, dated April 21, 2023, March 2022 Benchmark.

Largest Employers

The following tables list the largest manufacturing and non-manufacturing employers within the County (in alphabetical order by company name):

COUNTY OF VENTURA Largest Employers

Employer Name	Location	Employer Size	Industry
Adventist Health Simi Valley	Simi Valley	500 – 999	Hospitals
Amgen Inc	Thousand Oaks	5,000 – 9,999	Biological Specimens-Manufacturers
Baxter Healthcare	Westlake Village	1,000 – 4,999	Physicians & Surgeons Equip & Supls-Mfrs
Community Memorial Health Syst	Ventura	1,000 – 4,999	Health Care Management
Haas Automation Inc	Oxnard	500 – 999	Machinery-Manufacturers
Harbor Freight Tools	Camarillo	1,000 – 4,999	Tools-New & Used
J M Smucker Co	Oxnard	500 – 999	Food Products & Manufacturers
Kaiser Permanente Ventura 888	Ventura	500 – 999	Medical Centers
Los Robles Regional Med Ctr	Thousand Oaks	1,000 – 4,999	Hospitals
Moorpark College	Moorpark	500 – 999	Junior-Community College-Tech Institutes
Nancy Reagan Breast Ctr	Simi Valley	500 – 999	Diagnostic Imaging Centers
National Guard	Port Hueneme	1,000 – 4,999	Government Offices-State
Naval Air Warfare Ctr Weapons	Point Mugu NAWC	5,000 – 9,999	Federal Government-National Security
Ojai Valley Inn	Ojai	500 – 999	Golf Courses
Oxnard College	Oxnard	500 – 999	Junior-Community College-Tech Institutes
Pentair Aquatic Systems	Moorpark	500 – 999	Swimming Pool Equipment & Supls-Retail
Port Hueneme Div Naval	Port Hueneme CBC	500 – 999	Military Bases
Procter & Gamble Paper Prods	Oxnard	500 – 999	Sanitary Paper Products (mfrs)
Rancho Simi Recreation Park Dist	Simi Valley	500 – 999	Swimming Pools-Public
Simi Valley City	Simi Valley	500 – 999	City Hall
Simi Valley City Manager	Simi Valley	500 – 999	City Government-Executive Offices
St John's Regional Medical Ctr	Oxnard	1,000 – 4,999	Hospitals
Ventura County Medical Ctr	Ventura	500 – 999	Hospitals
Ventura County Office of Educ	Camarillo	500 – 999	School Districts
Ventura County Sherriff's Ofc	Ventura	1,000 – 4,999	County Govt-Correctional Institutions

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2023 2nd Edition.

Commercial Activity

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table.

**COUNTY OF VENTURA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(dollars in thousands)**

	Retail and Food Services		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2018	15,632	\$10,486,735,094	26,954	\$14,323,431,580
2019	15,822	10,696,199,003	27,755	14,800,283,956
2020	16,502	10,628,641,951	29,143	14,538,294,400
2021	14,810	12,591,767,497	26,596	17,330,637,189
2022	14,900	13,650,036,032	26,936	18,862,387,910

Source: California Department of Tax and Fee Administration, Taxable Sales in California (Sales & Use Tax), Counties by Type of Business (Taxable Table 3) (Updated April 27, 2023).

APPENDIX D
FORMS OF OPINIONS OF BOND COUNSEL

PARKER & COVERT LLP
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833

[CLOSING DATE]

Board of Trustees
Rio Elementary School District
1800 Solar Drive
Oxnard, CA 93036

Re: \$[PAR AMOUNT]
 Rio Elementary School District
 (Ventura County, California)
 General Obligation Bonds
 Election of 2018, Series G
 Final Opinion of Bond Counsel

Members of the Board of Trustees:

We have acted as bond counsel in connection with the issuance by the Rio Elementary School District (the "District") of \$[PAR AMOUNT] principal amount of Rio Elementary School District, General Obligation Bonds, Election of 2018, Series G (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to *ad valorem* taxation without limitation regarding rate or amount (except certain personal property that is taxable at limited rates) to pay the Bonds. Ventura County is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, interest on the Bonds is taken into account in determining the annual adjusted statement of income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in

order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from State of California personal income taxation.

The rights of the owners of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PARKER & COVERT LLP

PARKER & COVERT LLP
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833

[CLOSING DATE]

Board of Trustees
Rio Elementary School District
1800 Solar Drive
Oxnard, CA 93036

Re: \$[PAR AMOUNT]
 Rio Elementary School District
 (Ventura County, California)
 General Obligation Bonds
 Election of 2022, Series A
 Final Opinion of Bond Counsel

Members of the Board of Trustees:

We have acted as bond counsel in connection with the issuance by the Rio Elementary School District (the "District") of \$[PAR AMOUNT] principal amount of Rio Elementary School District, General Obligation Bonds, Election of 2022, Series A (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the District and are valid and binding general obligations of the District.

2. All taxable property in the territory of the District is subject to *ad valorem* taxation without limitation regarding rate or amount (except certain personal property that is taxable at limited rates) to pay the Bonds. Ventura County is required by law to include in its annual tax levy the principal and interest coming due on the Bonds to the extent that necessary funds are not provided from other sources.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, interest on the Bonds is taken into account in determining the annual adjusted statement of income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has covenanted to comply with all such requirements. Failure to comply with

certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. Interest on the Bonds is exempt from State of California personal income taxation.

The rights of the owners of the Bonds and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PARKER & COVERT LLP

APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F BOOK-ENTRY-ONLY SYSTEM

The information in this Appendix has been provided by the Depository Trust Company (“DTC”) for use in securities offering documents, and 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 either (a) payments of interest, principal or premium, if any, with respect to 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 Direct Participants, or DTC Indirect Participants will act in the manner described in this Official Statement.

The Depository Trust Company (“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 will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, 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 Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of the Bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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 will 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 such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the 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 the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this appendix 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.

APPENDIX G
VENTURA COUNTY INVESTMENT POLICY AND INVESTMENT RESULTS

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APPENDIX H
TABLE OF ACCRETED VALUES

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APPENDIX I
SPECIMEN MUNICIPAL BOND INSURANCE POLICIES

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This Preliminary Official Statement and the information contained herein are subject to completion and amendment. 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 prior to the registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED [DATE]

NEW ISSUE -- FULL BOOK-ENTRY

Standard & Poor's Underlying Rating: "A+"
See "Rating" herein

In the opinion of Parker & Covert LLP, Sacramento, California ("Bond Counsel"), based upon an analysis of existing statutes, regulations, rulings and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excludable from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax; however, with respect to certain corporations, interest on the Notes is included in determining adjusted financial statement income to compute alternative minimum tax for tax years beginning after December 31, 2022. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "Tax Matters" herein.

[\$AMOUNT] *
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
2023 GENERAL OBLIGATION BOND ANTICIPATION NOTES

<u>Dated</u>	<u>Maturity</u>	<u>Accretion Rate</u>	<u>Yield</u>	<u>Maturity Value</u>	<u>CUSIP[†]</u>
Date of Delivery	August 1, 2028	%	%	\$	767032

The Rio Elementary School District (the "District") is issuing its 2023 General Obligation Bond Anticipation Notes (the "Notes") pursuant to a Paying Agent Agreement dated as of June 1, 2012, between the District and U.S. Bank Trust Company, National Association, as Paying Agent (the "Paying Agent"). The Notes are being issued to finance the costs of acquiring and constructing facilities to serve the District and to pay costs of issuance.

The Notes are being issued in anticipation of the District's issuing general obligation bonds approved by the voters on November 8, 2022 (the "Bonds"). In order to provide for the timely payment of the Maturity Value of the Notes, the District will (i) sell and deliver the authorized Bonds at a time and in an amount not less than sufficient to provide for the payment of the Notes; or (ii) issue renewal bond anticipation notes at a time and in an amount sufficient for such purpose; or (iii) apply any other lawfully available funds of the District to pay or provide for payment of the Notes; or (iv) cause a tax to be levied to provide for payment of interest on the Notes, as authorized by the Education Code; or (v) any combination of the above. See "Security and Sources of Payment for the Notes."

The Notes will be issued as capital appreciation notes in denominations of \$5,000 of Maturity Value or integral multiples thereof. The Notes will increase in value by the accumulation of earned interest from the date of delivery, compounded on August 1, 2023, and on February 1 and August 1 of each year thereafter, payable only at maturity.

The Notes will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Notes. Individual purchases of the Notes will be made in book-entry form only. Purchasers will not receive physical delivery of the Notes purchased by them. See Appendix F – "Book-Entry-Only System."

The Maturity Value of the Notes will be paid at maturity by wire transfer to DTC, which in turn is required to remit such Maturity Value to the DTC Participants for subsequent disbursement to the owners of the Notes.

The Notes are not subject to redemption prior to maturity.

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.

The Notes are offered when, as and if issued, subject to the approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel and Disclosure Counsel to the District. Certain matters will also be passed upon for the Underwriter by Nixon Peabody LLP, Los Angeles, California, as Counsel to the Underwriter. It is anticipated that the Notes in book-entry form will be available for delivery through the facilities of DTC, on or about July __, 2023.

RAYMOND JAMES®

This Official Statement is dated June __, 2023

* Preliminary, subject to change

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP® data herein is provided by CUSIP Global Services (CGS), managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® numbers are provided for convenience of reference only. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. Neither the Underwriter, the District, Bond Counsel, nor Disclosure Counsel is responsible for the selection or correctness of the CUSIP® numbers set forth above

RIO ELEMENTARY SCHOOL DISTRICT
Ventura County, California

DISTRICT GOVERNING BOARD

Eleanor Torres, President
Felix Eisenhauer, Clerk,
Kristine Anderson, Trustee
Alesia Martin, Trustee
Rosa Balderrama, Trustee

DISTRICT ADMINISTRATION

John D. Puglisi, Ph.D., Superintendent
Wael Saleh, Assistant Superintendent, Business Services
Mayte Duenez, Director of Fiscal Services

BOND COUNSEL AND DISCLOSURE COUNSEL

Parker & Covert LLP
Sacramento, California

FINANCIAL ADVISOR

Isom Advisors, a Division of Urban Futures, Inc.
Walnut Creek, California

PAYING AGENT

U.S. Bank Trust Company, National Association
Los Angeles, California

DISTRICT CONSULTANT

Sage Realty Group
Westlake Village, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Notes by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources that are believed to be reliable, but, as to such other sources, it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any press release and in any oral statement made with the approval of an authorized officer of the District, 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.” 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.

Stabilization of and Changes to Offering Prices. The Underwriter may over allot or take other steps that stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Notes to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

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

Document Summaries. All summaries of documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Notes have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Notes have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Notes will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

District Website and Social Media. The District maintains an internet website and certain social media accounts. However, the information presented there is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Notes.

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OFFICIAL STATEMENT

§[AMOUNT] *
RIO ELEMENTARY SCHOOL DISTRICT
(Ventura County, California)
2023 GENERAL OBLIGATION BOND ANTICIPATION NOTES

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and attached appendices, is to set forth certain information concerning the issuance, sale, and delivery of the Rio Elementary School District, 2023 General Obligation Bond Anticipation Notes (the “Notes”). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the respective Paying Agent Agreements (as defined below).

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Notes to potential investors is made only by means of the entire Official Statement.

The District

The Rio Elementary School District (the “District”) is an elementary school district established in 1885. The District covers approximately 15.5 square miles in Ventura County (the “County”), including a portion of the City of Oxnard, and unincorporated County territory. The District provides K-8 public education to more than 5,359 students in five elementary schools, two middle schools, a K-8 Dual Immersion Spanish/English academy and a K-8 STEAM school, which opened in the 2018-19 school year. Annual average daily attendance in the District was 96.07% for fiscal year 2020-21, and 93.00% for fiscal year 2021-22 and projected to be 93.00% for fiscal year 2022-23 and 96.00% for fiscal year 2023-24. However, as a result of the ongoing COVID-19 pandemic, District enrollment and ADA may be affected. See “Disclosure Relating to COVID-19.”

The District is governed by a five-member Board of Trustees (the “Board”), each member of which is elected to a four-year term. Elections for positions to the Board are held every four years. The management and policies of the District are administered by a Superintendent, appointed by the Board, who is responsible for day-to-day District operations, as well as the supervision of the District’s other personnel. John D. Puglisi, Ph.D. is the District Superintendent. See Appendix A – “The District – General and Financial Information” herein. The District’s audited financial statements for the fiscal year ending June 30, 2022 are attached hereto as Appendix B, and should be read in their entirety.

Authority for Issuance of the Notes

The Notes are issued under the authority of the State of California Education Code (the “Education Code”) and a resolution adopted by the Board of Trustees on June __, 2023 (the “District Resolution”), and pursuant to a paying agent agreement dated as of June 1, 2023 (the “Paying Agent Agreement”), by and between the District and U.S. Bank Trust Company, National Association, as paying agent” (the “Paying Agent”). See “The Notes – Authority for Issuance” for additional information.

* Preliminary, subject to change

Purpose of Issue

The Notes are being issued for the purpose of providing interim financing for projects described in a general obligation bond measure (“Measure H”), approved by the voters at an election held on November 8, 2022, authorizing the issuance of the Bonds. See “The Notes – Purpose of Issue” herein.

Description of the Notes

The Notes will be issued as capital appreciation notes (“Capital Appreciation Notes”). The Notes are dated their date of delivery and mature on August 1, 2028 (the “Maturity Date”). The Notes are payable only at maturity and will not pay interest on a current basis. The maturity value of a Note is equal to its accreted value upon the maturity thereof (the “Maturity Value”). As of any date, the “Accreted Value” of a Note is the sum of its initial principal amount on the date of delivery thereof (the “Denominational Amount”) and the interest accreting thereon between the date of delivery and such date. Each Note accretes in value from its Denominational Amount on the date of delivery to its Maturity Value on the Maturity Date at the accretion rate per annum set forth on the cover page hereof, compounded semiannually on February 1 and August 1 of each year, commencing on August 1, 2023.

Form and Registration

The Notes will be issued in fully registered form only, without coupons, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Notes (the “Beneficial Owners”) under the book-entry-only system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Notes, but will instead receive credit balances on the books of their respective nominees. If use of the book-entry-only system is discontinued with respect to the Notes, the Notes will be registered in accordance with the Paying Agent Agreement, as described herein. See “The Notes – Form and Registration” and Appendix F – “Book-Entry-Only System” for additional information.

Redemption

The Notes are not subject to redemption prior to the Maturity Date, as described herein. See “The Notes – Redemption of the Notes.”

Security for the Notes

The Notes are payable from the proceeds of the Bonds issued for that purpose, from the proceeds of an additional issue of renewal bond anticipation notes, other obligations of the District, and from other District funds that are lawfully available for the purpose of repaying the Notes. The District has covenanted in the District Resolution to take all actions required to authorize, sell and issue Bonds, an additional series of renewal notes, or other obligations, in an aggregate principal amount which is sufficient to pay the Maturity Value of the Notes coming due and payable at maturity. See “Security and Sources of Payment for the Notes.”

COVID-19

In late 2019, an outbreak of a respiratory disease caused by a new strain of coronavirus (“COVID-19”) resulted in an ongoing global public health crisis. The federal and State governments both declared public health emergencies in 2019 and have taken action, along with local governments, to limit the spread of the outbreak and reduce the resulting economic impact. Nevertheless, as a result of the

COVID-19 pandemic, there have been adverse and volatile financial and economic impacts worldwide. In February 2023, the State prepared to enter the next phase of COVID-19 by lifting the state of emergency. Notwithstanding the progress made towards limiting infection rates of COVID-19, investors are cautioned that, at this time, the District cannot predict the outbreak's extent or duration or the impacts that the COVID-19 pandemic may have on its operations and finances, enrollment and ADA, property values in the District, and economic activity in the District and the State. Additionally, the District cannot predict how responses by federal, State or local authorities may impact the District's financial condition, the assessed value of real property in the District, or property tax collections within the District. For more disclosure regarding the COVID-19 emergency, see "Disclosure Relating to COVID-19." See also references to COVID-19 in "Appendix A –The District – General and Financial Information."

Offering and Delivery of the Notes

The Note are offered when, as and if issued and received by the purchasers, subject to approval as to their legality by Parker & Covert LLP, Sacramento, California, Bond Counsel. It is anticipated that the Notes will be available for delivery through the facilities of DTC on or about July __, 2023.

Tax Matters

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon an analysis of existing statutes, regulations, rulings, and court decisions and assuming, among other things, the accuracy of certain representations and compliance with certain covenants, interest on the Notes is excludable from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Notes is not an item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, with respect to certain corporations, interest on the Notes is included in determining adjusted financial statement income in order to compute alternative minimum tax for tax years beginning after December 31, 2022. In the further opinion of Bond Counsel, interest on the Notes is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of the Notes or the accrual or receipt of such interest. See "Tax Matters" and Appendix D for the form of Bond Counsel opinion.

Continuing Disclosure

To assist the Underwriter in complying with the Rule (as defined herein), the District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate is included in Appendix E hereto.

Professionals Involved in the Offering

Parker & Covert LLP, Sacramento, California, is serving as Bond Counsel and Disclosure Counsel to the District for the issuance of the Notes. Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California, is serving as financial advisor to the District in connection with the sale of the Notes. Certain matters are being passed upon for the Underwriter by Nixon Peabody LLP, Los Angeles, California, Bond Counsel, Disclosure Counsel, the Financial Advisor, and Underwriter's Counsel will receive compensation contingent upon the sale and delivery of the Notes. U.S. Bank Trust Company, National Association, Los Angeles, California, will serve as Paying Agent with respect to the Notes. Sage Realty Group provides consulting services to the District in the areas of facilities finance master planning, construction negotiations, funding eligibility and applications, enrollment projections, and other school facilities related matters.

Other Information

The Official Statement contains brief descriptions of the Notes, the Paying Agent Agreement, and other documents. Such descriptions are not comprehensive or definitive and are qualified in their entirety by reference to such documents. Copies of documents referred to herein and information concerning the Notes are available from the District, 1800 Solar Drive, Oxnard, California 93030. The District may impose a charge for copying, mailing and handling.

THE NOTES

Authority for Issuance

The Notes are being issued pursuant to the provisions of Section 15150 of the California Education Code and a Paying Agent Agreement dated as of June 1, 2023, between the District and U.S. Bank Trust Company, National Association, as Paying Agent (the “Paying Agent”).

The Notes are issued in anticipation of the issuance of up to \$72,000,000 of the Bonds that were authorized at the November 8, 2022, election, by an approving vote of at least 55% of the votes cast for Measure H (the “2022 Authorization”). The District has previously issued \$[SERIES A PAR AMOUNT] of the authorized Bonds (the “Series A Bonds”).

Purpose of the Notes

Pursuant to Section 15150 of the Education Code, proceeds of the Notes may be used to provide interim financing for any purpose for which proceeds of the Bonds have been approved. Pursuant to Measure H, proceeds of the Bonds may be used to acquire, construct, renovate, furnish, and equip school facilities, support facilities, equipment, and technology of the District, as set forth in more detail in the text of Measure H.

Form and Registration

The Notes will be issued in denominations of \$5,000 of value at maturity (“Maturity Value”) or any integral multiple thereof, in fully registered form and will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Notes. Purchases of Notes under the DTC system must be made by or through a DTC participant, and ownership interests in Notes or any transfer thereof will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Notes, beneficial owners will not receive physical certificates representing their ownership interests. See Appendix F – “Book-Entry Only System.”

Payment of the Notes

The Notes will not bear interest on a periodic basis; instead, the Notes will increase in value by the accumulation of earned interest from its initial principal amount to its Maturity Value. Interest accrues from the date of delivery, is compounded on August 1, 2023, and on each February 1 and August 1 thereafter, and is payable only upon maturity of the Notes. The Maturity Value of the Notes is payable in lawful money of the United States of America upon the surrender of the Notes at the principal corporate trust office of the Paying Agent at the maturity thereof.

The Underwriter has prepared the Table of Accreted Values in Appendix F, which shows the value (principal plus accrued interest) per \$5,000 of Maturity Value on each February 1 and August 1,

calculated by discounting the \$5,000 Maturity Value from _____, 20__ to each such date at a discount rate equal to the Accretion Rate stated on the cover page, assuming a year of 360 days comprising twelve 30-day months. The imputed value on any other date may be calculated on the basis of a straight-line interpolation between the values calculated for the February 1 and August 1 dates immediately preceding and following the date in question. The District takes no responsibility for the table. The District's obligation is only to pay the Maturity Value of the Notes at maturity. See "Tax Matters" for Bond Counsel's discussion of the federal tax treatment of accrued interest on the Notes.

As long as Cede & Co. is the registered owner of the Notes, the Maturity Value of the Notes is payable by wire transfer with same-day funds transferred by the Paying Agent to Cede & Co., as nominee for DTC. Subsequent disbursement of such payment to the DTC Participants (defined herein) will be the responsibility of DTC, and disbursement to the Beneficial Owners (defined herein) will be the responsibility of the DTC Participants, as more fully described hereinafter. See Appendix F – "Book-Entry-Only System."

Redemption of the Notes

The Notes are not subject to redemption prior to maturity.

Security for the Notes

To provide for the timely payment of the Maturity Value of the Notes, the District will (i) issue authorized Bonds the proceeds of which will be sufficient to provide for the payment of the Notes; or (ii) issue renewal bond anticipation notes or other obligations, the proceeds of which will be sufficient for such purpose; or (iii) apply any other lawfully available funds of the District, including State grants, to pay or provide for payment of the Notes; or (iv) cause a tax to be levied to provide for payment of interest accrued on the Notes, as authorized by Section 15150(d) of the Education Code; or (v) any combination of the above. Any tax levied to provide for payment of interest accrued on the Notes shall be levied as an *ad valorem* tax upon all property subject to taxation within the District, without limitation as to rate or amount (except certain personal property that is taxable at limited rates), and shall be in addition to other taxes levied upon property within the District.

If prior to the maturity date of the Notes, the Board of Trustees has not caused Bonds to be issued or otherwise authorized payment of the Notes from another source, the Superintendent or the Assistant Superintendent of Business Services of the District is required by the Education Code to cause to be issued renewal notes. Unless otherwise provided by the Education Code, no renewal notes may be issued by the District if the maturity thereof is beyond five years from the date of original issue of the Notes.

See "Security and Sources of Payment for the Notes" below, "Tax Base of the District" and Appendix A – "Property Taxes" for information on the security for the Bonds that are to be issued to provide for the payment of the Notes.

Discharge of the Notes

If the District pays and discharges any or all of the outstanding Notes in any one or more of the following ways:

- by paying or causing to be paid the Accreted Value at maturity of any Notes, as and when the same become due and payable;

- by irrevocably depositing with the Paying Agent or escrow agent, in trust, at or before the Maturity Date, money that, together with the available amounts then on deposit in the funds established under the Paying Agent Agreement, is fully sufficient to pay the Accreted Value at maturity of such Notes; or

- by irrevocably depositing with the Paying Agent, in trust, Federal Securities (as defined in the Paying Agent Agreement) in such amount as an independent accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds established under the Paying Agent Agreement, be fully sufficient to pay and discharge the indebtedness on such Notes (including all Accreted Value) at maturity;

then, notwithstanding that any of such Notes not have been surrendered for payment, the pledge of the Bond proceeds and other funds provided for in the Paying Agent Agreement with respect to such Notes, and all other pecuniary obligations of the District under the Paying Agent Agreement with respect to all such Notes, shall cease and terminate, and be completely discharged and satisfied, except only the obligation of the District to pay or cause to be paid to the owners of such Notes not so surrendered and paid all sums due thereon from amounts set aside for such purpose.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the Notes are as follows:

Sources:			
Principal Amount of Notes		\$	
Net Original Issue Premium			
	Total Sources:		\$
Uses:			
Deposit to Building Fund		\$	
Costs of Issuance ⁽¹⁾			
	Total Uses:		\$

(1) Includes the fees of the financial advisor, Underwriter's discount, costs of printing, Paying Agent, legal fees, rating agency fees, and miscellaneous other costs of issuance.

SECURITY AND SOURCES OF PAYMENT FOR THE NOTES

Pledge of General Obligation Bond Proceeds

The Notes are payable from the proceeds of Bonds issued for that purposes, from the proceeds of an additional issue of renewal bond anticipation notes, or other obligations of the District, and from other District funds that are lawfully available for the purpose of repaying the Notes.

The Notes are secured by a pledge of all funds deposited in the Note Repayment Fund, to be derived from the proceeds of the Bonds, an additional issue of renewal bond anticipation notes or other obligations, which the District has covenanted to issue.

Covenant to Issue General Obligation Bonds or Other Obligations

The District has covenanted that, in order to provide for the timely payment of the Accreted Value at maturity of the Notes, it will (i) issue and sell Bonds at a time and in an amount not less than sufficient to provide for the payment of the Notes; or (ii) issue renewal bond anticipation notes as permitted by law at a time and in an amount sufficient for such purpose; or (iii) apply any other lawfully

available funds of the District, including State grants, to pay or provide for payment of the Notes; or (iv) cause a tax to be levied to provide for payment of interest on the Notes, as authorized by Section 15150(d) of the Education Code; or (v) any combination of the above.

If prior to the Maturity Date of the Notes, the Board has not authorized the Bonds to be issued or otherwise authorized payment of the Notes from another source, the District shall, in accordance with Section 15150(b) of the Education Code and without further action of the Board, issue renewal bond anticipation notes.

Note Repayment Fund

Pursuant to the Paying Agent Agreement, the District has directed the Paying Agent to establish, hold, and maintain an interest and sinking fund for the Notes, designated the “Note Repayment Fund.” The Note Repayment Fund shall be maintained as a separate account, distinct from all other funds of the District. The District shall cause to be deposited in the Note Repayment Fund (i) the proceeds of any Bonds issued as described above, or (ii) the proceeds of any renewal notes, or (iii) the proceeds of any other obligations issued for the purpose of providing for repayment of the Accreted Value at maturity of the Notes, as described above. The Paying Agent shall use the amounts in the Note Repayment Fund to pay the Accreted Value at maturity on the Notes when due.

Limitations on Ability to Issue General Obligation Bonds or Renewal Bond Anticipation Notes

The Notes are payable from the proceeds of the sale of Bonds, renewal bond anticipation notes, or from other funds of the District lawfully available for the purpose of repaying the Notes. The ability of the District to issue Bonds or renewal notes depends on a variety of factors that the District cannot control, including the assessed value of property within the District at the time the Bonds or renewal notes are to be issued.

Bonding Capacity Limitations on the Bonds. As an elementary school district, the District may issue Bonds in an amount up to 1.25% of the assessed valuation of taxable property within the boundaries of the District. The District’s current gross bonding capacity is approximately \$94,397,443 and its net bonding capacity (taking into account currently outstanding bonds) is approximately \$_____. In addition, in accordance with the law that permitted approval of the bond measure by a 55% affirmative vote, Bonds approved by the District’s voters at the November 8, 2022, election may not be issued unless the District projects that repayment of all outstanding Bonds approved at that election will require a tax rate no greater than \$30.00 per \$100,000 of assessed value. On May 18, 2023, the District’s request for a waiver of the statutory bonding limit to 2.31% of the assessed valuation of taxable property within the boundaries of the District was granted by the State Board of Education. Based on this increased statutory bonding limit, currently, the District’s bonding capacity would be sufficient to permit issuance of Bonds to pay the Notes. However, the District can provide no assurance as to whether the District’s assessed valuation and bonding capacity will be sufficient on the date of maturity of the Notes to allow issuance of Bonds in the amount necessary to pay all the Notes.

Factors Affecting Assessed Valuation. Economic and other factors beyond the District’s control, such as a 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 State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District. See “Tax Base of the District – Risk in Decline of Property Values.”

Other Economic Factors Limiting Issuance of Bonds or Renewal Notes. Other factors that could affect the ability of the District to issue Bonds or renewal bond anticipation notes to repay the Notes include the condition of the market for California school district bonds at the time the Bonds or renewal notes are to be issued and the financial condition and credit rating of the District at that time. Adverse conditions in the market or the state of the District's financial health could make it difficult for the District to sell such obligations or to do so within the projected tax rate limitation with respect to the Bonds. The District can provide no assurance that it will be able to access the market when and as required to provide for payment of the Notes on the maturity date.

Limitation on Issuing Renewal Notes. If the District is unable, for reasons described above, or determines not to issue Bonds, it must cause renewal bond anticipation notes to be issued. Issuance of renewal bond anticipation notes is not subject to the bonding capacity limitations that apply to the Bonds. However, the maturity of any renewal notes may not be later than five years from the date of issue of the Notes.

TAX BASE OF THE DISTRICT

The information in this section describes ad valorem property taxation, assessed valuation, and other aspects of the District's tax base. The Notes are secured by a pledge of the proceeds of Bonds, renewal bond anticipation notes, or other lawfully available funds, and are not secured by a pledge of ad valorem property taxes.

Ad Valorem Property Taxes

The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* property taxes, without limitation as to rate or amount (except certain personal property that is taxable at limited rates), upon all property within the District subject to taxation by the District for the payment of debt service of general obligation bonds.

Senate Bill 222 was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 53515 to the California Government Code to provide that voter-approved general obligation bonds which are secured by *ad valorem* tax collections are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Such lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Proposition 19 was approved by voters at the statewide election held on November 3, 2020. Proposition 19 amends the State Constitution to permit eligible homeowners to transfer their tax assessment anywhere in the State, to increase the number of times that eligible homeowners may transfer their tax assessment in real property, and to require market value reassessments for inherited properties that are not used as the heir's principal residence. (See " – Risk of Decline in Property Values" herein and Appendix A – "The District – General and Financial Information – Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Article XIII A of the California Constitution.") The District cannot predict the impact Proposition 19 it might have on aggregate assessed value of taxable property located within the boundaries of the District.

Property Tax Collection Procedures

Taxes are levied by the County for each fiscal year on taxable real and personal property that is situated 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 that is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the “unsecured roll. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Tax Collector and Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property, which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the Consumer Price Index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners.

State law affords an appeal procedure to taxpayers who disagree with the assessed value of their taxable property. Taxpayers may informally request a reduction in assessment directly from the County Assessor, who may grant or refuse the request, and may appeal an assessment directly to the County Board of Equalization, which rules on appealed assessments whether or not settled by the County Assessor. The County Assessor is also authorized to reduce the assessed value of any taxable property upon a determination that the market value has declined below the then-current assessment, whether or not appealed by the taxpayer.

The District can make no predictions as to the changes in assessed values that might result from pending or future appeals by taxpayers. Any refund of paid taxes triggered by a successful assessment appeal will be debited by the County Treasurer against all taxing agencies who received tax revenues, including the District.

A portion of property tax revenue of the District is derived from utility property subject to assessment by the State Board of Equalization (“SBE”). State-assessed property, or “unitary property,” is property of a utility system with components located in many taxing jurisdictions assessed collectively as part of a “going concern” rather than as individual parcels of real or personal property. Unitary and certain other state-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

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

Property within the District has a total assessed valuation for fiscal year 2022-23 of \$7,551,795,414. Shown in the following table are the assessed valuations for the District since fiscal year 2018-19, each as of the date the equalized assessment roll is established (in or about August of each year).

RIO ELEMENTARY SCHOOL DISTRICT
Assessed Valuation
Fiscal Year 2018-19 through Fiscal Year 2022-23

Fiscal Year	Local Secured	Utility	Unsecured	Total
2018-19	\$5,606,686,422	\$58,738	\$236,994,000	\$5,843,739,160
2019-20	5,862,728,580	58,738	242,105,299	6,104,892,617
2020-21	6,063,600,197	60,191	234,573,418	6,298,233,806
2021-22	6,385,211,973	60,191	359,483,715	6,744,755,879
2022-23	7,148,743,351	60,191	402,991,872	7,551,795,414

Source: California Municipal Statistics, Inc.

Assessed valuations are subject to increase or decreases in each year for a variety of reasons, including, but not limited to, general economic conditions, supply and demand for real property, government regulations concerning land use, and natural disasters. A reduction of the assessed valuation of property in the District could necessitate an unanticipated increase in tax rates. See “—Typical Tax Rates” and “—Risk of Decline in Property Values” herein.

The land use of property in the District as of fiscal year 2022-23 is shown below, as measured by local secured assessed valuation and number of parcels.

**RIO ELEMENTARY SCHOOL DISTRICT
Secured Roll Assessed Valuation and Parcels by Land Use
Fiscal Year 2022-2023**

Non Residential:	2022-2023 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
Agricultural/Rural	\$213,110,794	2.98%	90	0.98%
Commercial/Office	1,506,188,083	21.07	265	2.89
Vacant Commercial	59,604,313	0.83	64	0.70
Industrial	1,265,941,122	17.71	213	2.32
Vacant Industrial	131,668,240	1.84	41	0.45
Recreational	19,232,435	0.27	5	0.05
Government/Social/Institutional	9,846,869	0.14	159	1.73
Miscellaneous	27,893,714	0.39	158	1.72
Subtotal Non-Residential	\$3,233,485,570	45.23%	995	10.85%
Residential:				
Single-Family Residence	\$1,952,827,588	27.32%	4,820	52.58%
Condominium	860,201,938	12.03	2,126	23.56
Mobile Home	15,644,546	0.22	796	8.68
Mobile Home Park	41,840,177	0.59	10	0.11
Hotel/Motel	79,585,267	1.11	9	0.10
2-4 Residential Units	73,625,129	1.03	204	2.23
5+Residential Units/Apartments	876,240,335	12.26	122	1.33
Vacant Residential	15,292,801	0.21	51	0.56
Subtotal Residential	\$3,915,257,781	54.77%	8,172	89.15%
Total	\$7,148,743,351	100.00%	9,167	100.00%

⁽¹⁾ Local Secured Assessed Valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

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The following table shows the 2022-23 assessed valuation of property in the District by jurisdiction.

**RIO ELEMENTARY SCHOOL DISTRICT
Assessed Valuation by Jurisdiction⁽¹⁾
Fiscal Year 2022-23**

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Camarillo	\$54,999,662	0.73%	\$16,442,106,909	0.33%
City of Oxnard	6,506,821,467	86.16	24,740,419,622	26.30
City of San Buenaventura	139,236	0.00	20,171,024,594	0.00
Unincorporated Ventura County	989,835,049	13.11	27,088,242,874	3.65
Total District	\$7,551,795,414	100.00%		
Ventura County	\$7,551,795,414	100.00%	\$163,165,747,693	4.63%

Source: California Municipal Statistics, Inc.

Set forth in the following table is the per parcel assessed valuation of single family homes in the District for fiscal year 2022-23.

**RIO ELEMENTARY SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2022-23**

	No. of Parcels	2022-23 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	4,820	\$1,846,779,870	\$383,149	\$384,588

2022-23 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$49,999	110	2.282%	2.282%	\$4,537,003	0.232%	0.232%
\$50,000 - \$99,999	271	5.622	7.905	18,833,376	0.964	1.197
\$100,000 - \$149,999	141	2.925	10.830	18,043,882	0.924	2.121
\$150,000 - \$199,999	210	4.357	15.187	36,867,841	1.888	4.009
\$200,000 - \$249,999	397	8.237	23.423	88,869,065	4.551	8.559
\$250,000 - \$299,999	407	8.444	31.867	111,906,852	5.731	14.290
\$300,000 - \$349,999	475	9.855	41.722	154,924,920	7.933	22.223
\$350,000 - \$399,999	397	8.237	49.959	148,265,158	7.592	29.816
\$400,000 - \$449,999	378	7.842	57.801	160,540,060	8.221	38.037
\$450,000 - \$499,999	410	8.506	66.307	194,758,729	9.973	48.010
\$500,000 - \$549,999	416	8.631	74.938	218,348,433	11.181	59.191
\$550,000 - \$599,999	386	8.008	82.946	221,684,047	11.352	70.543
\$600,000 - \$649,999	296	6.141	89.087	184,286,986	9.437	79.980
\$650,000 - \$699,999	199	4.129	93.216	134,168,231	6.870	86.850
\$700,000 - \$749,999	131	2.718	95.934	95,039,995	4.867	91.717
\$750,000 - \$799,999	91	1.888	97.822	70,075,915	3.588	95.305
\$800,000 - \$849,999	50	1.037	98.859	40,954,173	2.097	97.403
\$850,000 - \$899,999	31	0.643	99.502	26,969,017	1.381	98.784
\$900,000 - \$949,999	13	0.270	99.772	11,893,679	0.609	99.393
\$950,000 - \$999,999	2	0.041	99.813	1,988,135	0.102	99.494
\$1,000,000 and greater	9	0.187	100.000	9,872,091	0.506	100.000
Total	4,820	100.000%		\$1,952,827,588	100.000%	

⁽¹⁾ Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Source: California Municipal Statistics, Inc.

The following table shows the secured tax charges and delinquencies for the District for fiscal years 2017-18 through 2021-22.

**RIO ELEMENTARY SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2017-18 through 2021-22**

	Secured Tax Charge ⁽¹⁾	Amount Delinquent June 30	% Delinquent June 30
2017-18	\$10,544,298.49	\$79,544.87	0.75%
2018-19	11,076,604.63	80,797.42	0.73
2019-20	11,570,942.72	161,102.30	1.39
2020-21	11,967,543.83	89,319.42	0.75
2021-22	12,756,495.79	104,650.14	0.82

⁽¹⁾ 1% General Fund apportionment.

Source: California Municipal Statistics, Inc. and Ventura County Auditor-Controller

Risk of Decline in Property Values

In particular, California, including the District, is vulnerable in recent years to wildfires (with subsequent flooding or mudslides) and drought.

Drought. On July 8, 2021 the Governor declared a drought emergency in 50 of the State’s counties, including Ventura County. The declaration asked residents to voluntarily cut water consumption by 15% compared to the prior year. As of April 27, 2023, as a result of significant rain storms, the majority of counties in California are no longer in a drought, including Ventura County. It is not possible for the District to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the boundaries of the District or the extent to which the drought has had or may have in the future on the value of taxable property within the District.

Earthquake. The District is located in a seismically active region, including portions of the Simi Santa Rosa fault zone, running through the District and (2) the location of portions of the City of Oxnard (but not portions of the District) within a Tsunami hazard zone. The District makes no predictions or representations regarding the effects of such natural disasters on taxable property within the District, or the impacts of such natural disasters on the local and State economic conditions.

Wildfire. In recent years, portions of the State, including Ventura County and adjacent counties, have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. According to the California Fire Hazard Severity Zone Map, the District is surrounded by areas at risk of very high fire hazards. Property damage due to wildfire (or subsequent flooding or mudslides) could result in a significant decrease in the assessed value of property in the District. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

Climate Change. Long term shifts in the Earth’s temperature and weather patterns are generally referred to as “climate change.” It is expected that, among other things, climate change will result in sea level rise and an increase in the frequency of extreme weather events, including, but not limited to, wildfires, drought, and flooding. More frequent and intense extreme weather and climate-related events, as well as changes in average climate conditions, are expected to continue to damage infrastructure,

ecosystems, and social systems over the next 25 to 100 years. Sea level rise may particularly impact coastal areas and waterways throughout or in the vicinity of the District. The District cannot predict what impact climate change will have on property values in the District.

Proposition 19. Proposition 19, approved by voters of the State at the election held on November 3, 2020, is a State constitutional amendment that changes the manner of assessment of property when it is transferred between parents and children. Under prior law, reassessment was not triggered by such transfers, but Proposition 19 generally would result in a reassessment. The District cannot predict the impact Proposition 19 may have in the future on the value of taxable property within the District. See “Tax Base of the District – Assessed Valuations” and Appendix A – “The District – General and Financial Information – Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Article XIII A of the State Constitution.”

Other. Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, drought, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable, or religious purposes).

Typical Tax Rates

The rate of the annual *ad valorem* property tax levied by the County will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due. A reduction in the assessed valuation of taxable property in the District caused by economic factors beyond the District’s control, such as economic recession, outbreaks of disease, slower growth, or deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, a flood, a fire or wildfire, or other natural or man-made disaster, could necessitate an unanticipated increase in tax rates.

The table below shows the tax rates on the secured roll during the past five fiscal years for Tax Rate Area No. 3-335, which is entirely within the District.

**RIO ELEMENTARY SCHOOL DISTRICT
Typical Tax Rates per \$100 of Assessed Valuation
Fiscal Years 2018-19 through 2022-23
(TRA 3-335⁽¹⁾)**

	2018-19	2019-20	2020-21	2021-22	2022-23
General	1.000000	1.000000	1.000000	1.000000	1.000000
Rio School District	.043100	.063100	.075300	.068900	.057700
Oxnard High School District	.047500	.049100	.052700	.043500	.048500
Ventura Community College District	.015200	.014300	.015000	.014800	.014200
Metropolitan Water District	.003500	.003500	.003500	.003500	.003500
City of Oxnard	.062796	.060177	.070667	.048331	.029095
Total	1.172096	1.190177	1.217167	1.179031	1.152995

⁽¹⁾2022-23 assessed valuation of TRA 3-335 is \$913,498,972 which is 12.1% of the District’s total assessed valuation
Source: California Municipal Statistics, Inc.

Largest Property Owners

The following table shows the 20 largest owners of taxable property in the District as determined by secured assessed valuation in fiscal year 2022-23. The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

RIO ELEMENTARY SCHOOL DISTRICT Largest Local Secured Taxpayers Fiscal Year 2022-23

	Property Owner	Primary Land Use	2022-23 Assessed Valuation	% of Total ⁽¹⁾
1.	Amazon.com Services LLC	Industrial	\$324,597,398	4.54%
2.	Procter-Gamble Paper Products	Industrial	319,424,316	4.47
3.	SOCMI LLC	Shopping Center	141,047,874	1.97
4.	Serenade Apts Prop Owner LLC	Apartments	119,489,675	1.67
5.	Essex Arbors LP	Apartments	111,263,259	1.56
6.	Arctic Cold Oxnard LLC	Industrial	105,089,778	1.47
7.	Essex Tierra Vista LP	Apartments	100,858,035	1.41
8.	G-I IX Esplanade Property LP	Shopping Center	99,809,387	1.40
9.	2060 Zocolo LLC	Apartments	95,673,601	1.34
10.	Duesenberg Investment Co.	Office Building	80,618,813	1.13
11.	450 Forest Park Apts LLC	Apartments	80,361,550	1.12
12.	MC Gaelic Group	Auto Dealership	80,355,638	1.12
13.	Wagon Wheel Junction 15 LLC	Apartments	76,914,750	1.08
14.	Oxnard Town Square 13 LLC	Commercial	65,184,470	0.91
15.	Champion Vines LLC	Apartments	63,222,502	0.88
16.	DCH CA Investments Inc.	Auto Dealership	62,008,714	0.87
17.	Mosaic Apartments LLC	Apartments	54,361,425	0.76
18.	Clearwater at River Park LLC	Apartments	51,213,734	0.72
19.	Mission Produce Inc.	Industrial	49,467,042	0.69
20.	1701 Solar Drive LLC	Office Building	47,967,311	0.67
			<u>\$2,128,929,272</u>	<u>29.78%</u>

⁽¹⁾ 2022-23 Local Secured Assessed Valuation: \$7,148,743,351

Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Discussed and shown below is a statement of direct and overlapping bonded debt (the "Debt Report") prepared by California Municipal Statistics, Inc. 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. Self-

supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations are excluded from the Debt Report.

RIO ELEMENTARY SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of June 1, 2023

2022-23 Assessed Valuation: \$7,551,795,414

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 6/1/23</u>
Metropolitan Water District	17.800%	\$34,203
Ventura Community College District	4.630	11,312,789
Oxnard Union High School District	14.178	61,883,711
Rio School District	100.000	99,552,895⁽¹⁾
Rio School District Community Facilities District No. 1	100.000	63,015,000
City of Oxnard Community Facilities Districts	100.000	4,340,000
California Statewide Communities Development Authority Community Facilities District	100.000	15,625,000
City of Oxnard 1915 Act Bonds (Estimate)	73.580-86.200	6,328,278
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$262,091,876
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Ventura County General Fund Obligations	4.628%	\$13,398,986
Ventura County Superintendent of Schools Certificates of Participation	4.628	340,158
Oxnard Union High School District Certificates of Participation	14.178	8,266,940
Rio School District Certificates of Participation	100.000	970,000
City of Oxnard General Fund Obligations	26.300	17,874,662
Other City General Fund Obligations	Various	14,779
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$40,865,525
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$82,220,572
COMBINED TOTAL DEBT		\$311,177,973⁽²⁾

⁽¹⁾ Excludes issue to be sold.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

Direct Debt (\$99,552,895)	1.32%
Total Direct and Overlapping Tax and Assessment Debt	3.47%
Combined Direct Debt (\$100,522,895)	1.33%
Combined Total Debt	4.12%

Ratio to Redevelopment Incremental Valuation (\$1,482,814,536):

Total Overlapping Tax Increment Debt	0.55%
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Source: California Municipal Statistics, Inc.

DISCLOSURE RELATING TO COVID-19

In late 2019, an outbreak of a respiratory disease caused by a new strain of coronavirus (“COVID-19”) spread to other countries, including the United States, resulting in millions of confirmed cases and deaths. Governments around the world from the national to the local levels, including the State and the County, beginning around March of 2020, implemented various measure to limit the spread of the virus. Such measures included temporary closings of business, schools, and other non-essential entities, restrictions on large gatherings, and requirements to wear masks. As a result of the global outbreak of COVID-19, health and safety measures, and the general uncertainty about the disease, financial markets experienced significant volatility and supply chains were severely disrupted.

In December of 2020 the first vaccine for COVID-19 was authorized for emergency use in the United States. Over time, as more people became vaccinated or were infected, COVID-19 infection rates and deaths have declined. By the end of February 2023, the Governor terminated the COVID-19 State of Emergency. Although COVID-19 has not been eradicated, restrictions on businesses and other health and safety measures have been lifted.

Federal Response. On March 13, 2020, President Trump declared a national emergency, to contain and combat the spread of COVID-19 in the United States. As a result, as much as \$50 billion in financial resources was made available to assist those affected by the outbreak. Congress passed the Families First Coronavirus Response Act (“FFCRA”). FFCRA provided funds to all businesses with fewer than 500 employees in order to provide their employees with paid leave for their own health or to care for family members during the COVID-19 outbreak.

On March 27, 2020 President Trump signed the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) into law. The CARES Act appropriated over \$2 trillion to battle COVID-19 and its economic effects including: immediate cash relief for individual citizens, expanded unemployment insurance for workers, loan programs for small business (including \$349 billion for the Paycheck Protection Program), additional funds for state and local governments, support for hospitals and other medical providers, and various types of economic relief for impacted businesses and industries. The CARES Act designated approximately \$31 billion for K–12 and higher education assistance and more than \$4 billion for childcare and early education programs, including \$13.5 billion to be distributed to states based on their state-level Title I allocation, with states passing on ninety percent of the funds to school districts and charter schools using the Title I formula; \$3 billion for state governors to spend on K–12 or higher education in regions that have been hit hardest by COVID-19, \$8.8 billion for child nutrition programs, \$3.5 billion for child care and development block grants and \$750 million for Head Start early education programs. Later that same year, the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA”) was passed, which included \$900 billion financial relief, including \$54.3 billion for K-12 schools.

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (“ARPA”), a \$1.9 trillion stimulus bill to assist the country’s recovery from the economic and health effect of the COVID-19 pandemic and the ongoing recession. Among other things, ARPA funds are authorized for K-12 education programs (approximately \$125.4 billion), including to improve ventilation in school buildings, to purchase personal protective equipment, to hire support staff, and to counteract learning loss from students who missed school during the COVID-19 pandemic. Such funds were distributed to local educational agencies (“LEAs”) based on their relative share of Title I-A funding. As of May 11, 2023, the federal COVID-19 State of Emergency has ended.

State Response. On March 4, 2020, the Governor declared a State of Emergency in order to make additional resources available, formalize emergency actions underway across multiple State agencies and

departments, and assist the State in preparing for and slowing the spread of COVID-19. On March 13, 2020, Governor Newsom issued Executive Order N-26-20, closing schools, but allowing LEAs to continue to receive State funding, and encouraging the implementation of distance learning strategies. The State implemented various systems for monitoring COVID-19 outbreaks and restricting activities on a county-by-county basis, including in-person school attendance, in order to limit to spread of the disease. As stated above, the State of Emergency was lifted on February 28, 2023.

At the beginning of the outbreak of COVID-19, the Governor was forced to confront an over \$50 billion budget deficit for fiscal year 2020-21 budget as a result of the economic impacts of COVID-19. In contrast, in fiscal years 2021-22 and 2022-23, the State had budget surpluses in spite of the economic impacts of COVID-19. See Appendix A – “The District – General and Financial Information – State Budget Process – 2022-23 Adopted State Budget.”

Impacts on School Districts. On March 17, 2020, the Governor signed Senate Bill 117 (“SB 117”), which addressed economic impacts to school districts directly. Among other things, SB 117 provided that, for all school districts that comply with Executive Order N-26-20, attendance during only full school months from July 1, 2019, to February 29, 2020, inclusive, will be reported for apportionment purposes. SB 117 also held harmless school districts not meeting minimum instructional day and minute requirements, in order to prevent a loss of funding related to school closures due to the outbreak. SB 117 also held harmless grantees operating After School Education and Safety Programs that are prevented from operating such programs due to COVID-19, and credit such program grantees with the ADA that the grantee would have received had it been able to operate but for COVID-19. Additionally, SB 117 appropriated \$100 million for local educational agencies to purchase protective equipment and supplies and labor related to cleaning school sites as a result of COVID-19.

On June 28, 2020, the Governor signed Senate Bill 98 (“SB 98”), the education omnibus trailer bill to the 2020 Budget Act, into law, which provided distance learning standards for LEAs to implement in response to the COVID-19 pandemic during the 2020-21 school year. SB 98 outlined that instructional day and school day minute requirements must be met through either in-person instruction or a combination of in-person instruction and distance learning. Pursuant to SB 98, distance learning could be implemented either when an LEA or school determines it was necessary based on order or guidance from state public health office or local public health officer, or if a student who was medically fragile, would be put at risk by in-person instruction or was quarantining because of COVID-19.

On March 5, 2021, the Governor signed Assembly Bill 86 (“AB 86”), providing \$6.6 billion in State funding to LEAs for COVID-19 relief, including \$2.0 billion of in-person instruction grants to accelerate the safe return to in-person instruction and \$4.6 billion of expanded learning opportunity grants for summer school, tutoring, professional development, access to school meals, mental health services, and other supports in order to address the pandemic’s impact on learning. The \$2.0 billion in-person instruction grants were distributed to LEAs in proportion to their local control funding formula entitlement. In order to receive full in-person instruction grants, LEAs were required to offer in-person instruction to students by April 1, with grants decreasing by 1% for each day after April 1 that the LEA did not provide in-person instruction in accordance with grant requirements.

The District remained closed for the remainder of the 2019-20 schools year in accordance with guidance from the Ventura County Office of Education and the Ventura County Public Health Department and the Governor, and implemented distance learning for all students. When the 2020-21 school year began on August 31, 2020, District students participated in distance learning. By Spring 2021 students were able to return to campuses for in-person instruction. As an alternative, families of students who wished to remain in a virtual setting were provided with an option to do so. Instruction in the 2021-22 and 2022-23 school years has been in-person, with detailed, written COVID-19 safety protocols, and

with an option to enroll in an independent study program. On its website at <https://rioschools.org/covid-19/>, the District provides its Prevention Program handbook. The information presented on the District's website is not incorporated herein by any reference.

The District has received emergency federal funding of approximately \$15,096,301 million under the CARES Act and ARPA from the Elementary and Secondary School Emergency Relief ("ESSER") Fund to address costs which may have resulted from the COVID-19 response, as well as an additional \$453,848 in one-time funds allocated from CARES Act moneys received by the State and other State sources. The District additionally received approximately \$6,192,236 million in AB 86 funding, and \$88,925 in SB 117 funding. The funds were used for outdoor classrooms, personal protective equipment (PPE), improving air quality, and providing supplemental education for learning loss recovery.

The District cannot make any representation whether the COVID-19 pandemic, including its variants, may spread further within California (notwithstanding the general availability of vaccines and booster shots to fight the disease), or that additional limits may be placed on businesses and citizens by the local, State, and federal governments. Further, due to its evolving nature, the District cannot predict the extent or duration of COVID-19 or what impact this outbreak, and responses by federal, State or local authorities thereto may have on assessed value of real property within the District or the District's financial condition and operations. The economic consequences of the COVID-19 pandemic could have a material impact on the State's financial position and budget, and as a result the District could see a corresponding decline in revenues from the State and local property taxes. See section on Appendix A – "The District – General and Financial Information" herein.

LEGAL MATTERS

The proceedings in connection with the issuance of the Notes are subject to the approval as to their legality of Parker & Covert LLP, Sacramento, California, Bond Counsel for the District. The opinion of Bond Counsel with respect to the Notes will be delivered in substantially the forms attached hereto as Appendix D. Certain legal matters will also be passed upon for the District by Parker & Covert LLP, as Disclosure Counsel. Certain matters will be passed on for the Underwriter by Nixon Peabody LLP, Los Angeles, California.

TAX MATTERS

In the opinion of Parker & Covert LLP, Sacramento, California, Bond Counsel, based upon the analysis of existing statutes, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, the interest on the Notes is excludable from gross income for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Notes is not a specific item of tax preference for purposes of the alternative minimum tax imposed on individuals; however, with respect to certain corporations, interest on the Notes is included in determining adjusted financial statement income in order to compute alternative minimum tax for tax years beginning after December 31, 2022. In the opinion of Bond Counsel, interest on the Notes is exempt from State of California personal income taxes. A complete copy of the proposed form of Opinion of Bond Counsel is set forth in Appendix D.

The Internal Revenue Code of 1986, as amended, (the "Code") imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes.

The District has made certain representations and has covenanted to comply with certain restrictions designed to assure that interest on the Notes will not be included in federal gross income.

Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Notes being included in federal gross income, possibly from the date of issuance of the Notes. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after that date of issuance of the Notes may adversely affect the tax status of interest on the Notes.

Although Bond Counsel expects to render an opinion that interest on the Notes is excludable from gross income for federal income tax purposes and interest on the Notes is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect a Beneficial Owner's federal or state tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the beneficial owner or the beneficial owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

In addition, no assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Notes to be subject, directly or indirectly, to federal and/or state income taxation, or otherwise prevent Beneficial Owners of the Notes from realizing the full current benefit of the tax status of such interest. Prospective purchasers of the Notes should consult their own tax advisers regarding any pending or proposed federal and/or state tax legislation. Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the Internal Revenue Service ("IRS"), including but not limited to regulation, ruling, or selection of the Notes for audit examination, or the course or result of any IRS examination of the Notes, or obligations that present similar tax issues, will not affect the market price or liquidity of the Notes.

The rights of the Owners of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditor's 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.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and Beneficial Owners of the B Notes to provide certain financial information and operating data relating to the District (the "Annual Report") not later than nine months after the end of the District's fiscal year (which currently ends on June 30), commencing with the report for the 2022-23 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Report and event notices will be filed by the District with the MSRB through its EMMA website. The specific nature of the information to be contained in the Annual Report and in the event notices is described in Appendix E – "Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2 12(b)(5) (the "Rule").

As of the date of this Official Statement, and except as stated herein, all required filings in the past five years have been made in connection with prior undertaking under the Rule. With respect to certain outstanding bond issues of the Community Facilities District No. 1 of the District, in the previous five years, the District (i) failed to file its audited financial statements for fiscal years 2017-18, 2018-19, 2019-20, and 2020-21 by the date required by certain of the outstanding undertakings entered into in connection with such Community Facilities District bonds and (ii) the District's 2016-17 audited financial statements, as well as certain operating data for fiscal year 2016-17, while timely filed, were not properly linked to all required CUSIP numbers of the outstanding Community Facilities District bonds. The

District believes it has established processes to ensure it will make required filings on a timely basis in the future.

The District has engaged Isom Advisors, a Division of Urban Futures, Inc., to assist it in carrying out its continuing disclosure obligations for the District's general obligation bonds and bond anticipation notes. The District has engaged DTA, Inc., its special tax consultant, to serve as dissemination agent in connection with continuing disclosure obligations for the outstanding Community Facilities District bonds.

LITIGATION

No litigation is pending or threatened concerning the validity of the Notes, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Notes. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* property taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the Notes.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P") has assigned its rating of "A+" to the Notes. Such rating reflects only the views of S&P, and an explanation of the significance of such rating may be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it (which may include information and materials from the District which are not included in this Official Statement) and on investigations, studies and assumptions of its own.

There is no assurance the credit rating given to the Notes will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by S&P, if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes.

UNDERWRITING

The Notes are being purchased by Raymond James & Associates, Inc. (the "Underwriter"). The Underwriter has agreed to purchase the Notes at a price of \$_____, which equals initial denominational amount of the Notes (\$_____), plus net original issue premium (\$_____), less underwriter's discount (\$_____). The purchase contract relating to the Notes provides that the Underwriter will purchase all of the Notes (if any are purchased) and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel. The Underwriter may offer and sell Notes to certain dealers and others at prices lower than the offering prices stated on the cover page hereof. The offering prices may be changed by the Underwriter. The Underwriter has requested the following statement be included in this Official Statement: In the past, the Underwriter has contributed funds towards the Rio Schools Foundation Casino Night Fundraiser.

ADDITIONAL INFORMATION

The discussions herein about the Paying Agent Agreement and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to such documents. Copies of these

documents mentioned are available from the Underwriter and following delivery of the Notes will be on file at the offices of the Paying Agent in Los Angeles, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended 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 of any of the Notes.

AUTHORIZATION

The execution and delivery of this Official Statement have been duly authorized by the District.

RIO ELEMENTARY SCHOOL DISTRICT

By: _____
John D. Puglisi, Ph.D.
Superintendent

**APPENDIX A
THE DISTRICT
GENERAL AND FINANCIAL INFORMATION**

The information in this Appendix concerning the operations of the District and its 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 and accreted value of or interest on the Notes is payable from the general fund of the District. The Notes are an obligation of the District payable from the proceeds of the future sale of Bonds pursuant to the 2022 Authorization, renewal notes, or from other funds of the District lawfully available for the purpose of repaying the Notes.

Introduction

The Rio Elementary School District (the “District”) is an elementary school district established in 1885. The District covers approximately 15.5 square miles in Ventura County (the “County”), including a portion of the City of Oxnard, and unincorporated County territory. The District provides K-8 public education to more than 5,359 students in five elementary schools, two middle schools, a K-8 Dual Immersion Spanish/English academy and a new K-8 STEAM school, which opened in the 2018-19 school year. Annual average daily attendance in the District was 96.01% for fiscal year 2019-20, 96.07% for fiscal year 2020-21, 93.00% for fiscal year 2021-22, and projected to be 93.00% for fiscal year 2022-23 and 96.00% for fiscal year 2023-24. The COVID-19 pandemic may have an impact on the District and is discussed further in section “Disclosure Relating to COVID-19” in the front part this Official Statement.

Governing Board

The District is governed by a five-member Board of Trustees (“Board”), each member of which is elected to a four-year term. Elections for positions to the Board are held every four years. Current members of the Board, their offices, and the expiration of their terms of office are shown below.

**RIO ELEMENTARY SCHOOL DISTRICT
Governing Board**

Name	Office	Term Expires (December)
Eleanor Torres	Board President	2024
Felix Eisenhauer	Clerk	2026
Kristine Anderson	Trustee	2024
Alesia Martin	Trustee	2026
Rosa Balderrama	Trustee	2024

Superintendent and Administrative Personnel

The Superintendent of the District is appointed by and reports to the Board. The Superintendent is responsible for management of the District’s day-to-day operations and supervises the work of other District administrators.

John D. Puglisi, Ph.D., Superintendent. Dr. Puglisi joined the District in 2012. Prior to his appointment as Superintendent, Dr. Puglisi was Superintendent of the Mesa Union School District for eight years and the Warner Unified School District for 18 months. Dr. Puglisi is now entering his 31st year in public education. He received a Bachelor of Fine Arts degree from West Virginia University, a

Masters in Educational Leadership from San Jose State University and a Doctorate from the University of California at Santa Barbara.

Wael Saleh, Assistant Superintendent, Business Services. Wael Saleh joined the District in August of 2018. Prior to his appointment of Assistant Superintendent of Business Services, Mr. Saleh was the Chief Business Officer at Redwood City School District for five years and a Chief Business Office at Cabrillo Unified School District (Half Moon Bay) for four years. Mr. Saleh was the Controller at Burlingame School District for four years and held other positions there in the Business Department before taking the role of Controller.

Mr. Saleh has a Bachelor of Science in Business with a concentration in Accounting. Mr. Saleh has also earned his MBA and is a licensed CPA in the State of California.

Employees

The following table sets forth the District’s full-time equivalent employees in all categories for fiscal years 2018-19 through 2021-22, as well as the budgeted full-time equivalent employees for fiscal year 2022-23 as of the second interim reporting period. These employees, except management and some part-time employees, are represented by the two bargaining units as described below.

RIO ELEMENTARY SCHOOL DISTRICT District Employees

Year	Certificated	Classified	Total
2017-18	267.0	180.0	447.0
2018-19	273.6	191.0	464.6
2019-20	280.5	184.3	464.8
2020-21	278.5	183.8	462.3
2021-22	261.5	183.8	445.3
2022-23*	268.2	211.1	479.3

*Budgeted for fiscal year 2022-23 as of the second interim report.

Source: Rio Elementary School District.

Employee Relations

California law provides that employees of public school districts of the State are to be divided into appropriate bargaining units, which then are to be represented by an exclusive bargaining agent.

The certificated employees have assigned the Rio Teachers Association (“RTA”) as their exclusive bargaining agent. RTA and the District are currently in negotiations for a three-year contract to update the collective bargaining agreement that will expire on June 30, 2023.

The classified employees have assigned the California School Employees’ Association (“CSEA”) as their exclusive bargaining agent. An agreement for the 2022-23 fiscal year was completed, including a 9% salary increase retroactive to July 1, 2022. The District expects to receive CSEA’s initial bargaining proposal and to begin the process of negotiating a new three-year contract that will be set to expire on October 30, 2026.

Retirement System

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 be construed as a representation by either the District or the Underwriter.

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System ("STRS") and classified employees are members of the Public Employees' Retirement System ("PERS").

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teacher's Retirement Law. STRS is funded through a combination of investment earnings and statutorily set contributions from employee plan members, the District and the State. Both active plan members and the District are required to contribute at a statutorily established rate.

Historically, employee, employer, and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the statutory contributions were significantly less than the actuarially required amounts. As a result, and due in part to investment losses, the STRS defined benefit program showed an estimated unfunded actuarial obligation of approximately \$89.7 billion as of June 30, 2021 (the date of the last actuarial valuation). Compared to the previous valuation, the unfunded actuarial obligation decreased in part due to greater than expected investment returns, salary increases less than assumed, additional state contributions, and contributions to pay down the unfunded actuarial obligation under the STRS Board's valuation policy.

In June 2014, the Governor signed into law Assembly Bill 1469 ("AB 1469"), which represented a legislative effort to address the unfunded liabilities with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 by requiring increased State, employer, and member contributions to the Teachers' Retirement Fund in order to eliminate such unfunded actuarial obligation by June 30, 2046.

Pursuant to AB 1469, starting July 1, 2014, the employee contribution rates increased over a three-year phase-in period. Effective July 1, 2016, STRS members hired prior to January 1, 2013 contribute a fixed percentage of 10.250% of pay. For STRS members hired after January 1, 2013, a base rate ("Normal Cost Rate") is calculated equal to one-half of the normal cost rate of benefits, rounded to the nearest quarter of one percent. This Normal Cost Rate will not be adjusted if the increase or decrease in such rate is less than 1% of creditable compensation since the last adjustment. For fiscal year 2022-23, STRS members hired after January 1, 2013 will continue to contribute 10.205% of pay.

Pursuant to AB 1469, K-14 school districts' contribution rates increased over a seven-year phase-in period through fiscal year 2020-21. For fiscal year 2021-22 and each fiscal year thereafter, the Teachers' Retirement Board shall increase or decrease the percentages paid by school districts from the percentage paid during the prior fiscal year to reflect the contribution required to eliminate by June 30, 2046, the remaining unfunded actuarial obligation with respect to service credited to members before July 1, 2014, as determined by the Teachers' Retirement Board based upon a recommendation from its actuary. The effective employer contribution rate was 16.92% in fiscal year 2021-22 and is 18.81% for fiscal year 2022-23. See "2022-23 Adopted State Budget" herein.

The State's contribution to STRS reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the Teachers' Retirement Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect its contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect on July 1, 1990. For fiscal year 2022-23, the State's contribution rate is 7.828%. 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 Maintenance Account (the "SBMA"), 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. As a result, the total State contribution for the Defined Benefit Program for fiscal year 2022-23 is 10.328%.

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The District is part of the School Employer Pool, a "cost-sharing" pool for school employers within PERS. With the enactment of the California Public Employees' Pension Reform Act of 2013 ("PEPRA") (see "California Public Employees' Pension Reform Act of 2013" herein), a member who joined PERS (a) prior to January 1, 2013 but was hired by a different PERS employer on or after January 1, 2013 following a break in service of more than six months, (b) for the first time on or after January 1, 2013 and has no prior membership in another California public retirement system, or (c) for the first time on or after January 1, 2013, and who was a member of another California public retirement system, but who is not subject to reciprocity upon joining PERS is considered a PEPRA member. PERS members who are not PEPRA members are considered Classic members. PEPRA members are required to contribute at least 50% of the total normal cost rate of their pension benefit. PEPRA contains a provision that provides when the total normal cost rate changes by more than 1% of payroll, the member contribution rate must be adjusted to half of the new normal cost rate. For fiscal year 2022-23, the total normal cost rate for PEPRA school members changed by more than 1% of payroll since the last member rate adjustment. As a result, for the 2022-23 fiscal year, PEPRA members will contribute 8.0% of their salaries, up from 7.0% in the prior fiscal year. Active plan members enrolled in PERS as Classic members are required by statute to contribute 7.0% of their salaries.

The District is required to contribute an actuarially determined rate, which is 25.37% of eligible salary expenditures in fiscal year 2022-23. One actuarial valuation is performed for those employers participating in the pool, and the same contribution rate applies to each participant.

Similar to STRS, PERS has experienced an unfunded liability in recent years. The PERS unfunded accrual liability was approximately \$23.99 billion as of June 30, 2021 (the date of the last actuarial valuation). From June 30, 2020 to June 30, 2021 the funded ratio for the School Employer Pool increased by 9.7%. This was primarily due to investment return in 2020-21 being greater than expected, offset partially by the reduction in discount rate from 7.00% to 6.80%.

Among other things, to address the unfunded liability issue, the PERS Board of Administration (the "PERS Board"), in April 2013, approved changes to the PERS amortization and smoothing policy in order to reduce volatility in employer contribution rates. Additionally, in April 2014, the PERS Board established new contribution rates, reflecting changes in actuarial and demographic assumptions, that were implemented for school districts in fiscal year 2016-17. Further, in November 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS discount rate in years of good investment returns, help pay down unfunded liability, and to provide greater predictability and less volatility in contribution rates for employers. The PERS Board, in December 2016 voted to lower its discount rate from 7.5% to 7.0% by fiscal year 2020-21. Subsequently, since the preliminary returns

on investment as of July 12, 2021 exceeded the prior 7.0% discount rate, pursuant to the PERS Funding Risk Mitigation Policy, the discount rate was automatically reduced by 0.2% to 6.8%. The goal for the new rates is to eliminate the unfunded liability in approximately 30 years.

District Contributions. The District’s retirement contributions for fiscal year 2022-23 as of the second interim reporting period, are as follows:

**RIO ELEMENTARY SCHOOL DISTRICT
Retirement Contributions for Fiscal Year 2021-22**

	Actual Number of Employees Covered	Total Employer Contributions	District’s Fiscal Year 2021-22 Covered Payroll	Employer Contribution as a Percentage of Covered Payroll
STRS	378	\$5,258,929	\$28,622,316	19.10%
PERS	490	2,996,708	11,289,228	25.37

Source: Rio Elementary School District

For the 2022-23 Fiscal Year the District has budgeted \$5,924,805 for STRS (reflecting a contribution rate of 19.10% of annual payroll) and \$3,587,810 for PERS (reflecting a contribution rate of 25.37% of annual payroll).

State Pension Trusts. Both STRS and PERS issue a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from both 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; (ii) PERS: 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 from their most recently released reports.

**FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Plan)
(Dollar Amounts in Millions)⁽¹⁾**

Plan	Accrued Liability	Value of Trust Assets	Unfunded Liability
Public Employees Retirement Fund (PERS) School Plan	\$110,507 ⁽²⁾	\$86,519 ⁽³⁾	\$23,988
State Teachers’ Retirement Fund (STRS) Defined Benefit Program	332,082 ⁽⁴⁾	242,363 ⁽⁵⁾	89,719

⁽¹⁾ Amounts may not add due to rounding.

⁽²⁾ June 30, 2021 Valuation Date.

⁽³⁾ Reflects market value of assets as of June 30, 2021.

⁽⁴⁾ June 30, 2021 Valuation Date.

⁽⁵⁾ Reflects actuarial value of assets as of June 30, 2021.

Source: CalPERS Schools Pool Actuarial Valuation as of June 30, 2021; STRS Defined Benefit Program Actuarial Valuation dated June 30, 2021.

Unlike PERS, STRS contribution rates for participant employers, employees and the State are set by statute and do not vary from year-to-year based on actuarial valuations. Moreover, the employee and employer contributions rates prior to Fiscal Year 2014-15 had been long fixed at 8% and 8.25% of salaries. In recent years, the combined employer, employee and State contributions to STRS have been significantly less than actuarially required amounts. As a result, and due in part to investment losses, the unfunded liability of STRS has increased significantly. However, AB 1469, as discussed above, in an effort to address the unfunded liabilities of the STRS pension plan, requires increased contributions in order to eliminate the unfunded actuarial obligation of the Defined Benefit Program by June 30, 2046. Employee contributions and eligibility for retirement vary depending on whether such employee was hired on or after January 1, 2013.

California Public Employees' Pension Reform Act of 2013. PEPRAs was signed into law by the Governor on September 12, 2012. PEPRAs impacts to the STRS and PERS program included (i) an increase in the retirement age for public employees depending on job function, (ii) a cap on the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) a requirement for public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits, and (iv) a requirement for final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months. PEPRAs provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date. Existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRAs through collective bargaining.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRAs, as a result of negotiations with its employee bargaining units, and/or as a result of any legislative or administrative changes that may be adopted in the future regarding employer contributions to PERS and STRS. The District cannot predict whether any projected savings by PERS' and STRS' actuaries will be realized by the District. The District can provide no assurances that the District's required contributions to PERS will not increase in the future.

The general market decline caused by the COVID-19 pandemic has resulted in losses for the investments held in the PERS and STRS portfolios. Such investment losses may result in increases in the District's required contributions to PERS and STRS in future years. The District cannot predict the amount of such increase, if any. See "Disclosure Relating to COVID-19" in the front part of this Official Statement.

Other Post-Employment Benefit Obligations

The District's Board administers a single-employer defined benefit plan that is used to provide post-employment healthcare benefits other than pensions ("OPEB") for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB Statement No. 75. The District provides OPEB to all employees who retire from the District on or after attaining age 55 with at least 15 years of service for certificated and management employees hired prior to July 1, 1997, and classified employees hired prior to July 1, 1998. Twenty years of service are required for all other employees. As of June 30, 2022, 94 retirees meet those eligibility requirements and currently receive benefit payments. The District contributes from 50% to 100% of the amount of premiums incurred by retirees and their dependents depending on employment classification, hire date, and years of service at retirement; the retiree contributes the remainder. Expenditures for post-employment benefits are recognized on a pay-as-you-go basis as premiums are paid. The following expenditure amounts were recognized for retirees' health care benefits: \$1,247,498 for the 2020-2021 fiscal year and \$1,400,683 for

the 2021-22 fiscal year. The District has budgeted \$1,343,247 for the 2022-2023 fiscal year as of the second interim report.

The District hired DFA, LLC of Laguna Niguel, California, to conduct an actuarial study updated as of November 8, 2021. As of June 30, 2021, the District's total OPEB liability is \$33,064,653. The District is on a "pay as you go" basis, and as a result, its fiduciary net position is \$0.

For additional information related to the District's post-employment healthcare benefits plan, see Notes 1 and 11 of the audited financial statements attached as Appendix B hereto.

Public Entity Risk Pools and Joint Powers Authorities; Insurance

The District is a member of the Ventura County Schools Self-Funding Authority ("VCSSFA") and the Self-Insured Schools of California ("SISC") public entity risk pools. The District pays an annual premium to VCSSFA for its workers' compensation and property liability coverage, and to SISC for its health benefits. The relationships between the District and the pools are such that the pools are not component units of the District for financial reporting purposes.

During the year ended June 30, 2022, the District made payments of \$1,439,553, and \$7,876,476, to VCSSFA and SISC, respectively, for services received.

The District's property damage coverage is in the amount of 250,000,000, subject to a deductible of \$5,000. VCSSFA is self-insured for the first \$1,000,000 of general liability insurance and excess reinsurance will provide general liability insurance up to \$55,000,000. Excess liability coverage is provided by multiple commercial carriers, to reach the limits noted.

Cyber Security

Cybersecurity Awareness Training. In addition to continuous communication about safe practices regarding ever evolving phishing campaigns and malware, training is done via <https://redherring.sdcoe.net>. The training is based on simulated phishing and malware campaigns and targeting the users most in need of additional training and resources.

Teachers, students and parents are also guided to Common Sense Media resources to support developing appropriate and current digital citizenship skills and practices that, in addition to safety, also address the media literacy needs promoted by the online environments and media. The main goal for this work is to comply with the annually signed District acceptable use policy (AUP).

Strong Authentication Measures. Google Credential Provision for both Windows and Chrome OS devices along with the 2-factor authentication options are in place for staff and students.

Network Security. The District has a Cisco Firepower 4112 firewall, Sophos antivirus, intrusion detection and prevention system, and a secure Wi-Fi network authentication protocol. Communication, such as email and chat, are monitored as well as restricted to the approved list of safe audiences, groups and domains.

Content Filtering. The District uses Securly content filtering to ensure that students and staff have access only to the safe and appropriate web content and tools relevant to learning and teaching. The system also alerts staff about harmful or alarming content being discussed or searched by the students.

Data Encryption. District data is encrypted both at rest and in transit. Even if data is intercepted, it would be unusable to the unauthorized party.

Use of Secure Platforms. For online teaching and learning, the District opts for secure platforms that comply with privacy and data security standards. To support this, the District has deployed Clever and Google for single sign-on (SSO) for safe and easy access.

Regular Audits and Risk Assessments. In addition to the daily monitoring activity, in 2022, the District collaborated with the Ventura County Office of Education and KYND, to conduct a cybersecurity audit. Following the audit, the District resolved the detected weaknesses in the system as well as verified that the implemented security measures are working effectively.

Network. After observing an incident, Rio Technology Services (RTS) troubleshoots it, and reports the incident to the relevant, operational equipment and infrastructure partners (Cisco Meraki) as well as the ISP (Spectrum, VCEdNet/VCOE).

DISTRICT FINANCIAL INFORMATION

District Financial Statements

The District's Audited Financial Statements with supplemental information for the fiscal year ended June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the report dated March 1, 2023 of Eide Bailly LLP (the "Auditor") are included in this Official Statement as Appendix B. The financial statements should be read in their entirety. The information set forth herein does not purport to be a summary of the District's financial statements.

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.

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to section 41010 of the California Education Code, is to be followed by all California school districts.

The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund, which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30. All governmental funds are accounted for using the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes measurable and available for the current period; and expenditures are recognized in the period in which the liability is incurred, although debt service expenditures are recorded only when payment is due. For more information on the District's accounting method, see Appendix B – "Audited Financial Statements of the District for Fiscal Year Ended June 30, 2022, Note 1 – "Summary of Significant Accounting Policies."

District Budget

The District is required by provisions of the California Education Code to maintain each year a balanced budget in which the sum of expenditures plus the ending fund balance for each year cannot exceed the revenues plus the carry-over fund balance from the previous year. The California State Department of Education imposes a uniform budgeting format for each school district in the State. The budget is subject to review and approval by the County Superintendent of Schools. The County Superintendent examines the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identifies technical corrections necessary to bring the budget into compliance, determines if the budget allows the district to meet its current obligations and determines if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. The County Superintendent will approve, conditionally approve, or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The District has never had an adopted budget disapproved by the County Superintendent.

Pursuant to State law, the District adopted on June 29, 2022, a fiscal line-item budget setting forth revenues and expenditures so that appropriations during Fiscal Year 2022-23 will not exceed the sum of revenues plus beginning fund balance.

Interim Reports on Financial and Budgetary Status

Every school district is required to file two interim certifications with the County Superintendent (the first on December 15 for the period ended October 31 and the second by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certifications and issues either a positive, negative, or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or certificates of participation without approval by the County Superintendent in that fiscal year or in the next succeeding year.

The District was assigned a qualified certification for the First and Second Interim reports for fiscal year 2017-18. Since the 2017-18 fiscal year, the District's interim reports have been certified as positive.

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Comparative Financial Statements

The following table shows the District's Statement of General Fund Revenues, Expenditures and Changes in Fund Balance for Fiscal Years 2018-19 through 2022-23.

RIO ELEMENTARY SCHOOL DISTRICT Summary of General Fund Revenues, Expenditures and Changes in Fund Balances for Fiscal Years 2018-19 through 2021-22 (Audited) and Fiscal Year 2022-23 (Second Interim Report)

	Audited 2018-19	Audited 2019-20	Audited 2020-21	Audited 2021-22	Second Interim 2022-23
REVENUES					
Local Control Funding Formula	\$52,056,823	\$53,568,619	\$53,226,651	\$55,944,898	\$61,632,406
Federal Revenue	2,827,358	2,552,240	8,583,991	6,903,820	7,081,414
Other State Revenue	7,607,155	6,614,875	9,528,513	10,330,501	21,807,477
Other Local Revenue	3,168,380	3,554,360	4,548,995	4,293,220	5,435,154
Total Revenues	<u>\$65,659,716</u>	<u>\$66,290,094</u>	<u>\$75,888,150</u>	<u>\$77,472,439</u>	<u>\$95,956,451</u>
EXPENDITURES					
Certificated Salaries	--	--	--	--	\$32,199,255
Classified Salaries	--	--	--	--	13,767,943
Employee Benefits	--	--	--	--	21,132,672
Books and Supplies	--	--	--	--	6,266,069
Services & Other Operating Expenditures	--	--	--	--	14,155,460
Capital Outlay	--	--	--	--	739,535
Instruction	\$42,458,725	\$44,262,461	\$46,704,943	\$49,809,882	--
Instruction-Related Activities:					
Supervision of Instruction	1,419,317	1,533,934	1,516,486	1,592,485	--
Instructional library, media & technology	1,197,414	1,237,410	1,166,651	1,305,376	--
School Site Administration	4,165,485	3,985,763	4,231,417	4,468,117	--
Pupil Services:					
Home-to-school transportation	1,610,158	1,186,266	994,873	1,222,493	--
Food services	79,932	11,801	209,828	32,885	--
All other pupil services	2,890,851	3,141,269	3,694,733	4,023,399	--
Administration:					
Data processing	850,000	718,308	711,260	605,068	--
All other administration	3,368,360	3,747,918	4,261,865	4,619,825	--
Plant Services	5,109,128	5,592,849	5,880,480	6,709,608	--
Facility acquisition and construction	318,424	127,877	11,333	--	--
Ancillary services	35,916	34,809	48,246	47,506	--
Community services	--	--	--	--	--
Enterprise services	481	--	--	--	--
Other outgo	2,421,404	1,771,030	1,546,912	2,349,596	1,933,316
Direct Support/Indirect Costs	--	--	--	--	(178,609)
Debt Service:					
Principal	300,000	--	--	16,862	--
Interest and other	246,360	--	--	2,089	--
Total Expenditures	<u>\$66,471,955</u>	<u>\$67,351,695</u>	<u>\$70,979,027</u>	<u>\$76,835,191</u>	<u>\$90,069,641</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	\$(812,239)	\$(1,061,601)	\$4,909,123	\$637,248	\$5,886,810
Other Financing Sources (Uses):					
Transfers In	\$399,450	--	--	--	--
Transfers Out	(77,624)	\$(63,187)	\$(29,970)	--	--
Other Sources	--	--	--	--	\$108,138
Net financing Sources (Uses)	<u>\$321,826</u>	<u>\$(63,187)</u>	<u>\$(29,970)</u>	<u>--</u>	<u>\$108,138</u>
Net Change in Fund Balances	\$(490,413)	\$(1,124,788)	\$4,879,153	\$637,248	\$5,994,948
Fund Balances - Beginning	<u>\$5,524,489</u>	<u>\$5,034,076</u>	<u>\$3,940,982⁽¹⁾</u>	<u>\$8,820,135</u>	<u>\$9,456,947</u>
Fund Balances - Ending	<u>\$5,034,076</u>	<u>\$3,909,288</u>	<u>\$8,820,135</u>	<u>\$9,457,383</u>	<u>\$15,451,895</u>

⁽¹⁾ The variance in the ending balance for fiscal year 2019-20 and beginning balance fiscal year 2020-21 is due to implementation of GASB 84, moving the Associated Student Body funds into the General Fund. See Note 18 of the audited financial statement for year ended June 30, 2021.

Source: Rio Elementary School District, Audited Financial Statements for Fiscal Years 2018-19 through 2021-22 and Second Interim Report for Fiscal Year 2022-23.

Cap on School District Reserves

State regulations require school districts to budget a reserve for economic uncertainties. The recommended minimum amounts vary from 1% to 5% of total expenditures and other financing uses, depending on the district's ADA. SB 858, adopted in June 2014, modified the law as it relates to ending fund balances for school districts. First, beginning in 2015–16, a school district that proposes to adopt or revise a budget that includes an ending fund balance that is two to three times higher (depending on whether a school district's ADA exceeds 400,000 students) than the State's minimum recommended reserve for economic uncertainties must substantiate the need for the higher balance. Second, in a year immediately following a deposit into the Public School System Stabilization Account (Proposition 98 Rainy Day Fund) established in the State General Fund (see "Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Propositions 98 and 111 – Minimum Funding Guarantee," below), a school district's adopted or revised budget may not contain an ending fund balance higher than two to three times higher (depending on whether a school district's ADA exceeds 400,000 students) than the State's minimum recommended reserve for economic uncertainties. A county superintendent could waive the prohibition, pursuant to specified conditions, for up to two consecutive years within a three-year period.

The requirements relating to ending fund balances for school districts established by SB 858 were further modified by SB 751, adopted in October 2017. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total of General Fund revenues appropriated for school district and allocated local tax proceeds for that fiscal year, a school district budget that is adopted or revised must not contain a combined assigned or unassigned ending General Fund balance that is in excess of 10% of such funds. Similar to SB 858, under certain circumstances, a county superintendent may grant an exemption from the ending fund balance requirements of SB 751. SB 751 does not apply to basic aid school districts (i.e., funded only with local property taxes and no general purpose state aid) and small school districts (ADA of fewer than 2,501 students).

If the cap is triggered, unless exempted, a school district would be required to increase expenditures in order to bring its ending fund balance down to the maximum level. The Public School System Stabilization Account appears to be intended to provide a substitute for local reserves in the event of a future economic downturn. However, there is no linkage between the sizes of the State and local reserves. The District is unable to predict what the effect on its budget will be following implementation of these rules.

The Budget includes 2020-21, 2021-22, and 2022-23 payments of approximately \$3.1 billion, \$4 billion, and \$2.2 billion, respectively, into the Public School System Stabilization Account, for a balance of more than \$9.5 billion at the end of 2022-23. (See "2022-23 Adopted State Budget.") Under SB751, there is a cap of 10% on school district reserves in fiscal years immediately succeeding those in which the balance in the Public School System Stabilization Account is equal to or greater than three percent of the total K-12 share of the Proposition 98 guaranteed minimum funding. The balance of \$7.1 billion in 2021-22 triggered school district reserve caps beginning in 2022-23. The 2023-24 proposed state budget continues to project reserve caps being in place. See "Proposed 2023-24 State Budget" and "May Revision to Proposed 2023-24 State Budget" herein.

Sources of Funding for Operations

Funding for the District's operations is provided by a mix of (1) local property taxes; (2) State apportionments of general purpose and restricted purpose funds; (3) federal government grants; (4) development impact fees; (5) lottery funds; and (6) miscellaneous other revenues.

Property Taxes. Under current law, local agencies are not permitted to levy directly any property tax (except *ad valorem* taxes to pay debt service on voter-approved bonds and voter-approved non-*ad-valorem* property taxes for limited purposes). Instead, general purpose *ad valorem* property taxes are automatically levied by each county at the maximum 1% property tax rate permitted by Proposition 13, and property tax revenue is distributed by the county among all the local government taxing agencies (including school districts) within the county according to a statutory formula. See “District Financial Information – Property Taxes,” below.

State Funding. Local Control Funding Formula. Beginning in Fiscal Year 2013-14, the bulk of apportionments of State funding to school districts for general purposes have been allocated pursuant to a system referred to as the “Local Control Funding Formula” (“LCFF”). Under LCFF, revenue limits and most State-mandated categorical programs were eliminated. Instead, a locally-controlled system has been implemented whereby school districts receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. Now, apportionment to school districts are made on the basis of uniform, target base rates per unit of ADA for each of four grade spans, subject to several adjustments, as described below. The annual State general purpose apportionment received by a school district represents the difference between such district’s total general purpose allocation and its share of the general purpose local property tax distributed to it by the county. Basic aid school districts, which have property tax revenues which exceed their entitlement under the LCFF are entitled to keep such excess local property tax revenues.

The LCFF includes the following components:

- A base grant for each local education agency per unit of average daily attendance, which varies with respect to different grade spans. The base grant funding by grade span for fiscal year 2022-23 is set forth in the table below. The base rates for grades K-3 and 9-12 are increased (see table below), to cover the costs of class size reduction in the early grades and to support college and career readiness programs in high schools. These target base rates are to be updated each year for cost-of-living adjustments (“COLAs”).

Grade Span	2021-22 Base Grant per ADA	Base Grant Adjustment	2022-23 COLA (6.56%) ⁽²⁾	Grade Span Adjustments ⁽¹⁾	2022-23 Base Grant/ Adjusted Base Grant per ADA
TK/K-3	\$8,093	\$542	\$531	\$953	\$10,119
4-6	8,215	550	539	n/a	9,304
7-8	8,458	567	555	n/a	9,580
9-12	9,802	657	643	289	11,391

(1) K-3 adjustment is 10.4% for class size reduction; 9-12 adjustment is 2.6% for career technical education.

(2) In addition to statutory COLA, Assembly Bill 181 (Chapter 52, Statutes of 2022) authorized LCFF base grant adjustments effective fiscal year 2022–23.

Source: California Department of Education – Funding Rates and Information, Fiscal Year 2022-23

- The LCFF provides a supplemental grant to school districts based on the three-year average of enrollment of students of limited English proficiency (“EL”), students from low-income families that are eligible for free or reduced priced meals (“FRPM”), and foster youth. Students who are in more than one category are counted only once. Under the formula, each qualifying student generates an additional 20% of the student’s adjusted grade-span base grant multiplied by the unduplicated percentage of EL, FRPM, and foster youth pupils.

- School districts whose qualifying student populations (i.e., EL, FRPM, and foster youth pupils) exceed 55% of their total enrollment will receive an additional “concentration” grant equal to 65% of the applicable adjusted base rate multiplied by the percentage of such district’s qualifying student enrollment above the 55% threshold.

- Funds for two existing categorical programs — the Targeted Instructional Improvement Block Grant and the Home-to-School Transportation program — are treated as add-ons to the LCFF. Districts that received funding from these programs in 2012–13 will continue to receive that same amount of funding in addition to what the LCFF provides each year.

- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and was phased in over a multi-year period. School districts received annual funding increases based on the difference between their respective prior-year funding level and the target LCFF allocation at full implementation. In each year, every school district had the same proportion of its gap closed. The 2018-19 State Budget fully funded the LCFF gap for school districts two years earlier than originally scheduled, allowing the school districts to reach their LCFF target level.

The LCFF includes a “hold harmless” provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments. The LCFF also includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts are required to develop and adopt local control and accountability plans (“LCAP”), which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the school districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the 2013-14 State budget created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

To alleviate the impact of the COVID-19 pandemic, SB 117 provided that, for school districts that complied with State requirements, only attendance during full school months from July 1, 2019, to and including February 29, 2020, was reported for apportionment purposes for fiscal year 2019-20. The State budget for fiscal year 2020-21 provided that average daily attendance for fiscal year 2020-21 was based on the 2019-20 year. While the State budget for fiscal year 2021-22 did not include an extension of the average daily attendance hold-harmless provision, school districts with enrollment declines in fiscal year 2021-22 retained the ability to receive their apportionment based on the higher of their fiscal year 2019-20 or fiscal year 2020-21 average daily attendance as provided under LCFF. Additionally, the 2022-23 State budget amends the LCFF calculation to consider the greater of a school district’s current year, prior year, or the average of three prior years’ average daily attendance (see “The District – General and Financial Information - State Budget Process - 2022-23 Adopted State Budget” herein). This formula change helps school districts with significant declining enrollment better serve remaining students.

The District is providing in-person instruction for the 2022-23 school year with an option for parents to enroll students in an independent study program. The District is unable to predict the cost of

implementing the State’s guidelines to reopen school campuses, whether new proposals will be enacted or in what form they may take, or whether any new requirements related to reducing the spread of COVID-19 will materially impact the District’s finances or operations.

There are no charter entities within the District boundaries.

The following table shows a breakdown of the District’s fiscal years 2018-19 through 2021-2022, and budgeted for fiscal year 2022-23 ADA by grade span, total enrollment, and the percentage of students classified as English learners, low-income, of foster youth (“EL/LI”). However, as a result of the ongoing outbreak of COVID-19, District enrollment and ADA may be affected. See “Disclosure Relating to COVID-19” in the front part this Official Statement.

**RIO ELEMENTARY SCHOOL DISTRICT
ADA by Grade Span, Total Enrollment, and EL/LI Enrollment
Fiscal Years 2018-19 through 2022-23**

Fiscal Year	Average Daily Attendance ⁽¹⁾				Total District Enrollment	% EL/LI ⁽²⁾ Enrollment
	(By Grade Span)					
	K-3	4-6	7-8	Total District		
2018-19	2,232.72	1,688.04	1,111.72	5,032.48	5,219	78.45
2019-20	2,201.75	1,732.75	1,154.74	5,089.24	5,274	76.47
2020-21	2,132.31	1,697.00	1,172.61	5,001.92	5,202	77.59
2021-22	2,028.77	1,570.31	1,101.11	4,700.19	5,116	
2022-23 ⁽³⁾						

⁽¹⁾ Except for fiscal year 2022-23, ADA is as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. For fiscal year 2019-20, due to the outbreak of COVID-19, P-2 ADA only reflects full school months from July 1, 2019 through February 29, 2020.

⁽²⁾ Beginning in fiscal year 2015-16, the percentage has been calculated on the basis of the average of the current fiscal year and the prior two fiscal years.

⁽³⁾ Budget for fiscal year 2022-23 as of the second interim report.

Source: Rio Elementary School District

Restricted Purpose Revenue. Other State revenues allocated to school districts are restricted by the Legislature to particular uses (categorical programs). The LCFF eliminates approximately three-quarters of categorical programs. Under the new system, several categorical programs remain outside the LCFF, including special education, after school safety and education programs, nutrition, and State preschool.

Propositions 30 and 55. School districts in California have faced numerous challenges over the past several years due to financial difficulties at the State level. This has resulted in budget cuts and payment deferrals to school districts. On November 6, 2012, the Governor placed a measure on the ballot known as “Proposition 30” or the “November Tax Initiative,” which asked California voters to increase State sales tax and raise income taxes on certain high income individuals, as well as taxes on gross receipts of retailers and certain excise taxes, in order to generate additional revenues at the State level. The moneys raised were applied to address State budget shortfalls and help fund educational programs. In particular, revenues generated pursuant to Proposition 30 increased school and community college district funding and paid expenses owed from previous years. The California Children’s Education and Health Care Protection Act of 2016, also known as Proposition 55, is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends through 2030 the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30. The tax revenues allocated to education as part of the minimum guarantee are deposited into the Education

Protection Account (“EPA”), recalculated and distributed quarterly to K-14 school districts (89 percent to K-12 school districts and 11 percent to community college districts) as a continuing appropriation not subject to budget adoption. The funds are distributed in the same manner as existing unrestricted per-student funding. The Proposition 30 tax revenue is included in the Proposition 98 calculation, raising the guarantee by billions each year. Proposition 55 did not extend the sales tax rate increase enacted under Proposition 30.

Lottery. Other State revenues include the California State Lottery (the “Lottery”), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research.

Federal Sources. The federal government provides funding for several District programs, including special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Education for Economic Security, and the free and reduced lunch program.

Local Sources. In addition to property taxes, the District may receive additional local revenues from items such as leases and rentals, interest earnings, transportation fees, interagency services, and other local sources.

Long-Term Debt

A schedule of changes in long-term debt of the District, other than OPEB and pension, for the year ended June 30, 2022 is shown below:

	Balance at July 1, 2021	Additions	Deductions	Balance at June 30, 2022	Due in One Year
General obligation bonds	\$89,515,116	\$15,269,980	\$(2,484,148)	\$102,300,948	\$1,972,089
Unamortized premium	5,489,564	166,939	(291,091)	5,365,412	--
2016 Certificates of participation	1,860,000	--	(1,065,000)	795,000	--
Unamortized premium	319,860	--	(183,145)	136,715	--
Leases	314,613	--	(80,262)	234,351	74,424
Compensated absences	551,861	47,056	--	598,917	--
Supplemental retirement	60,000	2,000	--	62,000	--
Retirement incentive	100,000	--	(100,000)	--	--
Total	<u>\$98,211,014</u>	<u>\$15,485,975</u>	<u>\$(4,203,646)</u>	<u>\$109,493,343</u>	<u>\$2,046,513</u>

Source: Rio Elementary School District, Annual Financial Report, June 30, 2022

As of June 30, 2022, accrued vacation balance with benefits amounted to approximately \$598,917.

General Obligation Bonds

Voters of the District authorized general obligation bonds on November 4, 2014 (the “2014 Authorization”) and November 6, 2018 (the “2018 Authorization”). The District has voter-approved general obligation bonds outstanding pursuant to both the 2014 Authorization and the 2018 Authorization, including refunding bonds.

The Notes are payable from the proceeds of Bonds issued pursuant to the 2022 Authorization, renewal bond anticipation notes, or other lawfully available sources of funding as described herein. The

Series A Bonds will be the first series of Bonds issued pursuant to the 2022 Authorization (see “The Notes – Authority for Issuance” in the front part this Official Statement).

The District’s debt service from its 2016 Refunding Bonds (refunding general obligation bonds originally authorized by the voters at an election held on November 4, 1997 (the “1997 Authorization”)), and general obligation bonds issued pursuant to the 2014 Authorization, 2018 Authorization, and 2022 Authorization, assuming no optional redemptions, is as set forth in the table to below.

**RIO ELEMENTARY SCHOOL DISTRICT
COMBINED GENERAL OBLIGATION BONDS DEBT SERVICE SCHEDULES**

Bond Year Ending August 1	1997 Authorization Bonds	2014 Authorization Bonds	2018 Authorization Bonds	2022 Authorization Bonds	Combined Debt Service
2023	\$1,179,000.00	\$1,681,622.56	\$2,062,997.90		\$4,923,620.46
2024	1,174,750.00	1,753,902.66	2,167,667.70		5,096,320.36
2025	1,013,500.00	1,819,827.36	2,261,618.00		5,094,945.36
2026	1,013,000.00	1,896,894.56	2,365,900.55		5,275,795.11
2027	1,015,500.00	1,968,608.30	2,472,181.70		5,456,290.00
2028	1,010,750.00	2,051,514.56	2,580,948.66		5,643,213.22
2029	609,000.00	2,134,191.76	2,698,995.60		5,442,187.36
2030	--	2,220,058.96	2,819,354.56		5,039,413.52
2031	--	2,311,003.66	2,949,402.36		5,260,406.02
2032	--	2,406,598.45	3,081,910.16		5,488,508.61
2033	--	2,506,940.76	3,216,776.80		5,723,717.56
2034	--	2,605,893.16	3,363,698.46		5,969,591.62
2035	--	2,710,375.56	3,517,363.96		6,227,739.52
2036	--	2,729,484.30	3,672,563.30		6,402,047.60
2037	--	2,836,238.10	3,839,017.00		6,675,255.10
2038	--	2,948,705.10	4,011,743.40		6,960,448.50
2039	--	3,067,208.00	4,190,342.50		7,257,550.50
2040	--	3,191,312.00	4,380,055.30		7,571,367.30
2041	--	3,463,600.00	4,578,797.70		8,042,397.70
2042	--	3,606,000.00	4,784,583.30		8,390,583.30
2043	--	3,748,200.00	5,002,271.30		8,750,471.30
2044	--	3,899,800.00	5,224,560.90		9,124,360.90
2045	--	3,510,000.00	5,462,893.00		8,972,893.00
2046	--	--	5,708,822.70		5,708,822.70
2047	--	--	5,961,600.00		5,961,600.00
2048	--	--	5,285,850.00		5,285,850.00
2049	--	--	--		
2050	--	--	--		
2051	--	--	--		
2052	--	--	--		
2053	--	--	--		
TOTAL	\$7,015,500.00	\$61,067,979.81	\$97,661,916.81		\$165,745,396.62

2016 Certificates of Participation

Shown below are the remaining lease payments for the District’s 2016 Certificates of Participation, payable from the District’s General Fund or other lawfully available sources.

<u>Date</u> <u>(March 1)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2030	\$175,000.00	38,800.00	213,800.00
2031	390,000.00	31,800.00	421,800.00
2032	405,000.00	16,200.00	421,200.00
TOTAL	\$970,000.00	\$86,800.00	\$1,056,800.00

Developer Fees

The District maintains a Capital Facilities Fund, separate and apart from the General Fund, to account for developer fees collected by the District. The District’s developer fees can be utilized for any capital purpose related to growth.

**RIO ELEMENTARY SCHOOL DISTRICT
District Developer Fees**

<u>Fiscal Year</u>	<u>Developer Fees Collected</u>
2016-17	\$1,587,882.00
2017-18	462,074.00
2018-19	2,514,334.08
2019-20	1,107,984.25
2020-21	2,277,711.85
2021-22	2,450,459.83
2022-23	86,127.15

As of June 30, 2022, a fund balance of \$5,009,586 existed in the District’s Capital Facilities Fund.

Property Taxes

General. See “Security and Sources of Payment for the Notes” in the front part this Official Statement for a general description of how property is assessed and how *ad valorem* property taxes are levied and collected.

Alternative Method of Tax Apportionment –Teeter Plan. The Board of Supervisors of the County adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), as provided for in section 4701, *et seq.* of the California Revenue and Taxation Code, “to accomplish a simplification of the tax levying and tax apportioning process and an increased flexibility in the use of available cash resources.” This alternative method is used for distribution of the District’s share of general purpose *ad valorem* property tax revenues. The Teeter Plan currently applies to the *ad valorem* property taxes levied to pay debt service on the Bonds.

The County is responsible for determining the amount of the *ad valorem* property tax levy on each parcel in the District that is entered onto the secured real property tax roll. Upon completion of the secured real property tax roll, the County auditor determines the total amount of taxes and assessments actually extended on the roll for each fund for which a tax levy has been included, and apportions 100% of the tax and assessment levies to that fund's credit. Such monies may thereafter be drawn against by the taxing agency in the same manner as if the amount credited had been collected.

Under the Teeter Plan, the County establishes the Tax Loss Reserve Fund. The County determines which monies in the County treasury (including those credited to the Tax Loss Reserve Fund) shall be available to be drawn on to the extent of the amount of uncollected taxes credited to each fund for which a levy has been included. When amounts are received on the secured tax roll for the current year, or for redemption of tax defaulted property, Teeter Plan monies are distributed to the apportioned tax resources accounts. The Tax Loss Reserve Fund is used exclusively to cover lost income occurring as a result of tax defaulted property. Monies in this fund are derived from several sources. While amounts collected as costs are distributed to the County's general fund, delinquent penalty collections are distributed to the Tax Loss Reserve Fund.

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors shall receive a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. In the event that the Teeter Plan were terminated, receipt of revenue of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

Property tax delinquencies may be impacted by economic and other factors beyond the District's control or the control of the County, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other pandemic or natural or manmade disaster.

There can be no assurance that the County will always maintain the Teeter Plan or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Article XIII A of the California Constitution

Basic Property Tax Levy. Article XIII A of the State Constitution limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness approved by two-thirds of the voters on or after July 1, 1978, for the acquisition or improvement of real property, and (iii) bonded indebtedness approved by 55% of the voters of 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. As described under “The Notes – Authority for Issuance,” in the front part of this Official Statement, the District received authorization by the requisite percent of voters to issue the Bonds.

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

Article XIII A permits reduction of the full cash value base in the event of a decline in property value caused by damage, destruction, or other factors. The full cash value base is not increased upon reconstruction of property damaged or destroyed in a disaster, if the fair market value of the property as reconstructed is comparable to its fair market value before the disaster. If the full cash value has been reduced owing to a decline in market value, the full cash value is restored to the full cash value base as quickly as the market price increases (without regard to the 2% limit on increases that otherwise applies).

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

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 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.

Article XIII B of the California Constitution

Under Article XIII B of the California Constitution, state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain monies that are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys that are excluded from the definition of “appropriations subject to limitation,” such as appropriations for voter-approved debt service, appropriations required to comply with certain mandates of the courts or the federal government, and appropriations for qualified capital outlay projects (as defined by the Legislature).

The appropriations limit for each agency in each year is based on the agency's limit for the prior year, adjusted annually for changes in the cost of living and changes in population, and adjusted where applicable for transfer to or from another governmental entity of financial responsibility for providing services. With respect to school districts, "change in cost of living" is defined as the percentage change in California per capita income from the preceding year and "change in population" means the percentage change in average daily attendance for the preceding year.

The appropriations limit is tested over consecutive two-year periods. Any excess of the aggregate "proceeds of taxes" received by an agency over such two-year period above the combined appropriations limit for those two years is to be returned to taxpayers by reductions in tax rates or fee schedules over the subsequent two years. Under current statutory law, a school district that receives any proceeds of taxes in excess of the allowable limit need only notify the State Director of Finance and the District's appropriations limit is increased and the State's limit is correspondingly decreased by the amount of the excess.

Under Article XIII B, 50% of all revenues received by the State in a fiscal year and in the immediately following fiscal year in excess of the amount permitted to be appropriated by the State during that fiscal year and the immediately following fiscal year shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the California Constitution.

Article XIII C and Article XIII D of the California Constitution

Articles XIII C and XIII D of the California Constitution, adopted by Proposition 218 on November 5, 1996, impose certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property related fees and charges. The District does not impose any such taxes, assessments, fees or charges; and, with the exception of *ad valorem* property taxes levied and collected by the County under Article XIII A of the California Constitution and allocated to the District, no such taxes, assessments, fees or charges are imposed on behalf of the District. Accordingly, while the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

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

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

Propositions 98 and 111 -- Minimum Funding Guarantee

Proposition 98, a constitutional and statutory amendment adopted by California voters in 1988 and amended by Proposition 111 in 1990, guarantees a minimum level of funding for public education from kindergarten through community college (K-14).

Proposition 98 guarantees a level of funding based on the greater of two amounts determined under three different methods of calculation. The first amount is based on a percentage of General Fund revenues. This amount is defined under "Test 1" as the amount produced by applying the same percentage of General Fund revenues appropriated to K-14 education in 1986-87, or about 40%. The second amount is determined under one of two methods, "Test 2" or "Test 3," the choice of which is determined based on the relative growth of per capita income and General Fund revenues.

In years of high or normal growth of General Fund revenues, Test 2 applies. Test 2 is designed to maintain prior-year service levels. The amount determined under Test 2 is the amount required to ensure that K-14 schools receive from State funds and local tax revenues the same amount received in the prior year, adjusted for changes in enrollment and for increases in per capita personal income. Test 3 is operative in years in which General Fund revenue growth per capita is more than 0.5% below growth in per capita personal income. The amount determined under Test 3 is the prior-year total level of funding from State and local sources, adjusted for enrollment growth and for growth in General Fund revenues per capita, plus 0.5% of the prior year level. If Test 3 is used in any year, the difference between the amount determined under Test 3 and Test 2 will become a credit (called the "maintenance factor") to be paid to K-14 schools in future years when State General Fund growth exceeds personal income growth.

The State's estimate of the total guaranteed amount varies through the stages of the annual budgeting process, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as various factors change. The guaranteed amount will increase as enrollment and per capita personal income grow. If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount may be suspended for one year at a time by enactment of an urgency statute. In subsequent years in which State General Fund revenues are growing faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount.

In the last few decades, the State's response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. In 1992-93, 1993-94, 2004-05, and 2005-06 the State required counties, cities, and special districts to shift property tax revenues to school districts, thereby relieving the State General Fund of some of the burden of the Proposition 98 guarantee. Proposition 1A, adopted by the voters in November 2004, prohibits the State from shifting property taxes from other local governments to school or community college districts without a two-thirds vote of both houses of the State Legislature. Proposition 22, approved by the voters in November 2010, eliminated the State's authority to shift property taxes temporarily during a severe financial hardship of the State that had been permitted by Proposition 1A. Legislation enacted in June 2011 (and upheld by the California Supreme Court in December 2011) dissolved every redevelopment agency in the State effective February 1, 2012, which may make more property tax revenues available to school districts.

The State has also sought to avoid or delay paying settle-up amounts when State revenues have lagged. The State has also sought to avoid increases in the base guaranteed amount through several devices: by treating any excess appropriations as advances (or loans) against subsequent years'

Proposition 98 minimum funding levels rather than current year increases; by temporarily or permanently deferring year-end apportionments of Proposition 98 funds from one fiscal year to the next to reduce the ending Fiscal Year's base; by suspending Proposition 98, as the State did in 2010-11; and by proposing to amend the Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The California Teachers' Association, the State Superintendent and others sued the State or the Governor in 1995, 2005, 2009, and 2011 to force them to fund the full settle-up amounts. While legislation adopted to implement the settlements of these suits requires the State to pay down the obligation in annual installments, the repayments have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

Proposition 2, approved at the November 4, 2014, statewide election, among other things, revises the operation of Proposition 98 in some years. The measure creates a new State budget stabilization fund known as the "Public School System Stabilization Account." In years where capital gains tax revenues exceed 8% of total General Fund revenues, if a number of conditions are satisfied (including that Test 1 is operative, all maintenance factor obligations have been satisfied, and the Proposition 98 funding level is higher than the previous year), that part of the "excess" capital gains tax revenues accruing to the Proposition 98 guarantee, instead of being appropriated, would be deposited in the Public School System Stabilization Account, provided that the amount spent on schools and community colleges grows along with the number of students and the cost of living. The State would spend money out of the reserve in order to maintain spending on schools and community colleges in budgetary years in which such spending would otherwise decline from the prior year's level (adjusted for student population and cost of living). Proposition 2 thus changes when the State would otherwise be required to spend money on schools and community colleges but not the total amount of State spending for schools and community colleges over the long run. (See "Cap on School District Reserves.")

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, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property. Prior to 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 school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 placed certain limitations on local school bonds to be

approved by 55% of the voters. These provisions require that the tax rate projected to be levied as the result of any single election be no more than \$60 (for a unified school district), \$30 (for a high school or elementary school district, such as the 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 State 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. See Appendix A – “The District – General and Financial Information – Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Article XIII A of the California Constitution” herein.

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 schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third 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 does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also 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 schools or other agencies and eliminates the State’s authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State’s authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State’s general fund and transportation funds, the State’s main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst’s Office (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 projected 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, was expected to be an increase in the State’s general fund costs by approximately \$1 billion annually for several decades.

The District makes no representations concerning the extent to which its property tax apportionments may be offset by the future receipt of pass-through tax increment revenues, or any other surplus property tax revenues pursuant to the Dissolution Act.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and the Propositions discussed in this Official Statement were each adopted as measures that qualified for the ballot under 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.

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STATE BUDGET PROCESS

The State Constitution requires the Governor to propose a budget to the State Legislature no later than January 10 of each year and requires the Legislature to adopt a final budget no later than June 15. The latter deadline was frequently missed when passage of the budget required a two-thirds majority of each house of the Legislature. The State's voters approved an amendment to the State Constitution in November 2010 that lowered the vote requirement to a simple majority of each house of the State Legislature. The lower vote requirement also applies to the budget trailer bills that specifically appropriate funds. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. A two-thirds vote of each house of the State Legislature is still required to override any veto by the Governor. School district budgets must be adopted by the district's governing board by July 1 and then revised within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget.

Possible Delays in Apportionments. If the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district's State funding may be treated differently. In 2002, a California Court of Appeal held in *White v. Davis* (also referred to as *Jarvis v. Connell*) that the State Controller cannot disburse State funds after the beginning of the fiscal year until the adoption of the budget bill or an emergency appropriation, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State constitution, such as appropriations for salaries of elected State officers, or (iii) required by federal law, such as payments to State workers (but at no more than minimum wage). The court specifically held that pre-budget disbursements of Proposition 98 funding for school districts are invalid. In 2003, the California Supreme Court upheld the decision of the Court of Appeal. During the 2003-04 State budget impasse, the State Controller nonetheless treated revenue limit (*i.e.*, general purpose) apportionments to school districts as continuous legislative appropriations under statute. The State Controller did not disburse certain categorical and other funds to school districts until the 2003-04 Budget Act was enacted.

Additional Delays in Apportionments. During the Great Recession (2007-2009), the Legislature authorized intra-year and inter-year deferrals of certain payments otherwise payable at earlier dates in the fiscal year to K-12 schools. The use of this cash-flow management device by the Legislature required some school districts to increase the size or frequency of their tax and revenue note borrowings.

2022-23 Adopted State Budget

On June 30, 2022, the Governor signed the 2022-23 State budget (the "2022-23 State Budget") into law. In addition to the ongoing COVID-19 pandemic that has tested California's hospitals, health systems, schools and economy, Californians have been faced with increasing prices due to global inflation. Nevertheless, the 2022-23 State Budget provides over \$17 billion in relief to millions of Californians to help offset rising costs, and reflects an accelerated minimum wage increase, effective January 1, 2023. The final budget agreement is historic and reflects an overall state budget of \$300 billion with education spending higher than it has ever been. The majority of the increase in education spending goes to the Local Control Funding Formula (LCFF) and block grants that reflect a continued commitment to local control.

An ongoing theme for state budgets has been budget resiliency and preparing for an uncertain future. The 2022-23 State Budget set aside \$37.2 billion in budgetary reserves (\$23.3 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies; \$9.5 billion in the Public School System Stabilization Account; \$900 million in the Safety Net Reserve; and \$3.5 billion in the state's operating reserve), prepaying billions of dollars in state debts and making supplemental deposits into reserve funds. Continuing the previous year's policy of prioritizing one-time spending over

ongoing spending, the 2022-23 State Budget allocates 93 percent of the discretionary surplus for one-time purposes. In consideration of the record high inflationary conditions facing the country, the 2022-23 State Budget includes an added inflation adjustment beginning in 2023-24 to reflect that services are likely to cost more than currently estimated. The 2022-23 State Budget is projected to be structurally balanced in 2025-26, the last year in the multi-year forecast.

Other general highlights of the 2022-23 State Budget are as follows:

Broad-Based Relief. To further address rising prices from inflation and return tax proceeds to Californians, a central component of the 2022-23 State Budget is an over \$17 billion broad-based relief package. Included in this package is a refund of up to \$1,050 that will benefit millions of Californians based on income level and the size of household, as well as funding for rental assistance, payments for outstanding utility arrearages resulting from the pandemic, funding for fees related to child care and healthcare subsidies, and relief for small businesses including grants and a one-year suspension of state sales tax on diesel.

Climate Change. As a result of climate change, in recent years California has experienced extreme heat events, severe drought, and worsening wildfires. The 2022-23 State Budget funds climate actions across program areas to support the state's climate goals in transportation, housing, health, schools, and job training

- Drought. The 2022-23 State Budget allocates \$1.2 billion to immediate drought support, including efforts to encourage conservation. Funding is also provided for long-term water resilience (\$1.5 billion), and \$75 million is available to support grants to farming and related businesses negatively impacted by the drought.
- Energy. The 2022-23 State Budget allocates \$4.3 billion for development of a strategic reserve, protection to ratepayers, and accelerated deployment of clean energy projects.
- Wildfires. The 2022-23 State Budget includes \$1.2 billion in additional actions to continue building forest and wildfire resilience statewide, and additional funds for CAL FIRE staffing to expand the State's wildfire response capacity.

Health Care Equity. The 2022-23 State Budget will make California the first state to realize the goal of universal access to health coverage for all income-eligible Californians by closing a key gap in Medi-Cal coverage for individuals ages 26 to 49. If the federal government does not extend the federal health insurance premium subsidies, the 2022-23 State Budget proposes \$304 million to re-instate state-supported Covered California premium subsidies for the middle class.

Infrastructure and Environmental Issues. The 2022-23 State Budget includes a multi-year commitment of \$47 billion in funds for infrastructure such as to accelerate the transition to zero-emission vehicles, modernize the State's transportation system, promote energy innovation and reliability, advance the State's housing goals, reduce wildfire risk to communities, and to support drought resiliency and response. Additional funding is available to build more housing for homeless individuals, for greater access to broadband connectivity, for school facilities and libraries, and for university facilities.

Public Health and Safety. The 2022-23 State Budget includes \$1.1 billion for school testing for COVID-19, increasing vaccination rates, and protecting public health at the border. Additionally, the 2022-23 State Budget includes funding to bolster local law enforcement response to organized retail theft crime, and to assist local prosecutors in holding perpetrators accountable.

The 2022-23 State Budget includes total funding of \$128.6 billion for K-12 education, reflecting \$22,893 per pupil (\$78.6 billion General Fund and \$50 billion other funds). In addition to this funding, the 2022-23 State Budget includes \$5.1 billion General Fund for K-12 school facilities, including new preschool and transitional kindergarten facilities.

Additional education-related highlights from the Governor’s 2022-23 State Budget include the following:

- Proposition 98 Rainy Day Fund. For 2022-23, a payment of \$2.2 billion from the 2022-23 State Budget will be deposited into the Public School System Stabilization Account. By the end of 2022-23, the balance in the Public School System Stabilization Account will be more than \$9.5 billion. The balance of \$7.1 billion in 2021-22 triggers school district reserve caps beginning in 2022-23. (See “Cap on School District Reserves.”)
- LCFF. The 2022-23 State Budget includes \$4.32 billion ongoing Proposition 98 General Fund to increase LCFF base funding by an additional 6.28 percent. Additionally, the 2022-23 State Budget includes an LCFF cost-of-living adjustment of 6.56 percent—the largest cost-of-living adjustment in the history of LCFF. (See “Sources of Funding for Operations – State Funding – Local Control Funding Formula.”)
- Declining Enrollment and Attendance Protections. To allow school districts to adjust to enrollment-related funding declines and minimize the impacts of a single-year drop in enrollment, the 2022-23 State Budget amends the LCFF calculation to consider the greater of a school district’s current year, prior year, or the average of three prior years’ average daily attendance. The 2022-23 State Budget also provides school districts, county offices of education, and charter schools that offered independent study to all students, in accordance with State standards, an average daily attendance hold harmless option for the 2022-23 school year. This enrollment and average daily attendance protection has an estimated ongoing cost of \$2.8 billion.
- K-12 School Facilities. The 2022-23 State Budget allocates the remaining \$1.4 billion Kindergarten through Community College Public Education Facilities Bond Act of 2016 (Proposition 51), approved by voters in November 2016, bond funds to support school construction projects. Further, the 2022-23 State Budget provides \$1.3 billion one-time General Fund with 2021-22 funds, approximately \$2.1 billion one-time General Fund in 2023-24 and \$875 million one-time General Fund in 2024-25 to support new construction and modernization projects through the School Facility Program. The 2022-23 State Budget also includes \$100 million one-time General Fund with 2021-22 funds and \$550 million in 2023-24 to support the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program.
- School Fiscal Stability. To support the fiscal stability of all local educational agencies, including those with a declining student population, the 2022-23 State Budget allows school districts to use the greater of current year or prior year average daily attendance or an average of the three prior years’ average daily attendance to calculate LCFF funding. Further, to minimize reductions in LCFF funding that would otherwise occur due to increased absences in 2021-22, the 2022-23 State Budget enables all classroom-based local educational agencies that can demonstrate they provided independent study offerings to students in fiscal year 2021-22 to be funded at the greater of their current year average daily attendance or their current year enrollment adjusted for pre-COVID-19 absence rates in the 2021-22 fiscal year.

- Arts, Music, and Instructional Materials Discretionary Block Grant. The 2022-23 State Budget provides \$3.6 billion one-time Proposition 98 General Fund to local educational agencies to be spent on a variety of purposes, including arts and music programs, obtaining standards-aligned professional development, acquiring instructional materials, developing diverse book collections, operational costs, and expenses related to the COVID-19 pandemic.
- Learning Recovery Emergency Block Grant. The 2022-23 State Budget establishes the Learning Recovery Emergency Fund. The Fund sets aside \$7.9 billion one-time Proposition 98 General Fund to support the Learning Recovery Emergency Block Grant. to support local educational agencies in establishing learning recovery initiatives through the 2027–28 school year.
- Workforce Preparation, Retention, and Training. To continue to expand the State’s educator preparation and training infrastructure, the 2022-23 State Budget provides approximately \$48.1 million General Fund to support educator preparation, retention, and training initiatives.
- STEM Instruction. To support educators in providing effective and engaging Science, Technology, Engineering, and Mathematics (STEM) instruction, the 2022-23 State Budget includes \$85 million one-time Proposition 98 General Fund to create Pre-K through 12 grade educator resources and professional learning to implement standards and frameworks for students’ future success in STEM.
- Transitional Kindergarten. The 2022-23 State Budget provides \$614 million ongoing Proposition 98 General Fund to, beginning in the 2022-23 school year, to support the first year of expanded eligibility for transitional kindergarten. Additionally, the 2022-23 State Budget provides \$383 million Proposition 98 General Fund to add one additional certificated or classified staff person to every transitional kindergarten class.
- Expanded Learning Opportunities. The 2022-23 State Budget allocates an additional \$3 billion ongoing Proposition 98 General Fund to the Expanded Learning Opportunities Program, increasing total ongoing program funding to \$4 billion.
- Special Education. The 2022-23 State Budget reflects \$500 million ongoing Proposition 98 General Fund for the special education funding formula, along with other funding to improve instruction and services for students with disabilities.
- School Nutrition. The 2022-23 State Budget includes \$596 million Proposition 98 General Fund to fund universal access to subsidized school meals. Additionally, the 2022-23 State Budget includes \$600 million one-time Proposition 98 General Fund, available over three years, for school kitchen infrastructure upgrades and equipment and food service employee training.

Proposed 2023-24 State Budget

On January 10, 2022, Governor Newsom released his proposed state budget for the 2023-24 fiscal year (the “Proposed 2023-24 State Budget”) to the State Legislature. The Proposed 2023-24 State Budget continues to focus on resiliency, protecting existing investments, and one-time funding. The Proposed 2023-24 State Budget forecasts General Fund revenues will be \$29.5 billion lower than the 2022-23 State Budget projections. The Governor anticipates an estimated budget gap of \$22.5 billion in the 2023-24

fiscal year. This gap is attributable in part to lower revenues as a result of declines in withholding and capital gains taxes.

Budget resiliency is reflected in the \$35.6 billion in total budgetary reserves proposed for fiscal year 2023-24. Specifically, the Proposed 2023-24 State Budget reflects \$22.4 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies, \$8.5 billion in the Public School System Stabilization Account, \$900 million in the Safety Net Reserve, and \$3.8 billion the State's operating reserve. The Budget Stabilization Account is now at its constitutional maximum (10 percent of General Fund revenues) requiring a total of \$951 million to be dedicated for infrastructure investments in 2023-24.

The Proposed 2023-24 State Budget accelerates the paydown of State's portion of retirement liabilities as required by Proposition 2, with \$1.9 billion in additional payments in 2023-24 and nearly \$5.3 billion projected to be paid over the next three years.

Given the multiple uncertainties regarding the overall economic and revenue outlook, the Governor's Proposed 2023-24 State Budget reflects a balanced plan of funding delays, reductions and pullbacks, fund shifts, trigger reductions, and limited revenue generation and borrowing to address the budget shortfalls. The Governor's Proposed 2023-24 State Budget does not propose to draw from the State's reserve accounts to close the budget gap.

Specifically, with respect to K-12 education, the Proposed 2023-24 State Budget provides \$108.8 billion Proposition 98 funding for K-12 schools and community colleges. This represents a decrease of approximately \$1.5 billion relative to the 2022-23 State Budget. The guaranteed minimum funding continues to be in Test 1 for all years 2021-22 through 2023-24. (See "Constitutional and Statutory Provisions Affecting District Revenues and Appropriations – Propositions 98 and 111 – Minimum Funding Guarantee" herein.) The Test 1 percentage is "rebenched" from 38.3 percent to 38.6 percent to accommodate enrollment increases for the implementation of Universal Transitional Kindergarten (UTK).

The Proposed 2023-24 State Budget includes total funding of \$128.5 billion (\$78.7 billion General Fund and \$49.8 billion other funds) for all K-12 education programs. K-12 per-pupil funding in the Proposed 2023-24 State Budget totals \$17,519 Proposition 98 General Fund—its highest level ever—and \$23,723 per pupil when accounting for all funding sources. Other key education highlights of the Proposed 2023-24 State Budget include the following:

- Proposition 98 Rainy Day Fund. By the end of 2023-24 the balance in the Proposition 98 Rainy Day Fund (Public School System Stabilization Account) will be more than \$8.5 billion. As stated above under "2022-23 Adopted State Budget," the balance continues to trigger school district reserve caps in 2023-24. (See "Cap on School District Reserves.")
- LCFF. The Proposed 2023-24 State Budget includes a LCFF cost-of-living adjustment of 8.13 percent, resulting in \$4.2 billion in additional discretionary funds for local educational agencies. Additionally, for the state to fund this cost-of-living adjustment, the Proposed 2023-24 State Budget provides about \$613 million in one-time funding in 2022-23 and about \$1.4 billion in one-time funding for 2023-24.
- LCFF Equity Multiplier and Accountability Improvements. To accelerate learning gains and close opportunity gaps, the Proposed 2023-24 State Budget includes \$300 million ongoing Proposition 98 General Fund to establish an equity multiplier as an add-on to the LCFF, allocated to local educational agencies based on school-site eligibility. The Proposed 2023-24 State Budget states that there will be changes to the accountability and

continuous improvement system through the Local Control and Accountability Plan (LCAP) and Differentiated Assistance (DA) based on research and data evaluation.

- Universal Transitional Kindergarten. The Proposed 2023-24 State Budget revises estimates for the first-year investment from \$614 million to approximately \$604 million to expand access to all children turning five-years-old between September 2 and February 2. Additionally, the Proposed 2023-24 State Budget revises the first-year investment to add one additional certificated or classified staff person to every transitional kindergarten class from \$383 million to approximately \$337 million.
- Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program (FDK). The Proposed 2023-24 State Budget delays the 2023-24 planned \$550 million FDK Program investment to 2024-25. The FDK program supports the construction of new school facilities or retrofitting existing school facilities for the purpose of providing transitional kindergarten, full-day kindergarten, or preschool classrooms.
- Workforce Preparation, Training, and Recruiting. The Proposed 2023-24 State Budget refers to the multi-year investments made to address the educator shortages in the 2021-22 Adopted State Budget and 2022-23 Adopted State Budget.
- Arts and Cultural Enrichment. The Proposed 2023-24 State Budget provides approximately \$941 million from the General Fund for Proposition 28 (Arts and Music in Schools—Funding Guarantee and Accountability Act). As a result, the Proposed 2023-24 State Budget reduces \$1.2 billion from the Arts, Music, and Instructional Materials Discretionary Block Grant that was included in the 2022-23 Adopted State Budget, to help cover LCFF costs.

May Revision to Proposed 2023-24 State Budget

On May 12, 2023, Governor Newsom released his revised proposal for the state budget for the 2023-24 fiscal year (the “May Revision”). Since the release of the Governor’s Proposed 2023-24 State Budget, revenue has continued to be less than expected, resulting in an increase to the General Fund revenue shortfall, after transfers and adjustments, of approximately \$9.3 billion. As of the May Revision, the State’s total overall budget deficit for 2023-24 fiscal year now stands at approximately \$31.5 billion. Extended tax filing deadlines for state and federal income taxes as a result of severe winter storms, has led to delays in receipt of tax revenue and contributed to such overall budget deficit for 2023-24 fiscal year. Additionally, the May Revision acknowledges that uncertainty and increased risks from the recent federal debt limit fight in Congress, higher interest rates, and banking failures, could lead to further downward revisions to revenue projections.

The May Revision includes various mechanisms to address the additional \$9.3 billion budget shortfall, including spending reductions totaling \$6.7 billion mostly reflecting reverting unused funds to the General Fund, trigger reductions of \$3.9 billion (unchanged from the Proposed 2023-24 State Budget), delayed spending across the multi-year without reducing the total amount of funding for the same period, shifting spending commitment from the General Fund to other funds, anticipated new revenue and borrowing, and a \$450 million withdrawal from the Safety Net Reserve.

The May Revision also includes \$37.2 billion in reserves, reflecting the withdrawal from the Safety Net Reserve described above. For the 2023-24 fiscal year, the reserves include \$22.3 billion in the Budget Stabilization Account, \$10.7 billion in the Public School System Stabilization Account, the

remaining \$450 million in the Safety Net Reserve, and maintains \$3.8 billion in the State's operating reserves. The balance in the Public School System Stabilization Account continues to trigger school district reserve caps in 2023-24. (See "Cap on School District Reserves.")

The May Revision includes total funding of \$127 billion (\$79.1 billion General Fund and \$48.1 billion other funds) for K-12 education programs. As in the Proposed 2023-24 State Budget, the guaranteed minimum funding under Proposition 98 continues to be in Test 1 for all years 2021-22 through 2023-24, but the May Revision updates the Test 1 percentage from 38.6 percent to 38.5 percent relating to expansion of transitional kindergarten. Proposition 98 guaranteed minimum funding is decreased in the May Revision by \$2 billion below the level estimated in the Proposed 2023-24 State Budget, resulting in \$110.6 billion in 2021-22, \$106.8 billion in 2022-23, and \$106.8 billion in 2023-24. The LCFF, the primary mechanism for distribution of such Proposition 98 funds, will include an increase to 8.22 percent of cost-of-living adjustment at the May Revision compared to the Proposed 2023-24 State Budget percentage.

Other key education highlights of the May Revision include the following:

- LCFF Equity Multiplier and Accountability Improvements. To accelerate learning gains and close opportunity gaps, the Proposed 2023-24 State Budget included \$300 million ongoing Proposition 98 General Fund to establish an equity multiplier as an add-on to the LCFF. The May Revision reflects clarifying statutory changes to the add-on.
- Literacy. The May Revision requires LEAs to screen students in kindergarten to second grade for risk of reading difficulties by the 2025-26 school year, and includes \$1 million one-time Proposition 98 General Fund to determine a list of screen instruments.
- Universal Transitional Kindergarten. At the May Revision revises downward the first-year investment from \$604 million to approximately \$357 million to expand access to all children turning five-years-old between September 2 and February 2, as a result of reduced enrollment projections. Additionally, the May Revision revises downward the first-year investment to add one additional certificated or classified staff person to every transitional kindergarten class from \$337 million to approximately \$283 million.
- Preschool Program. The May Revision includes funding to continue to waive family fees for preschool through September 30, 2023 and to provide federal funds for employee stipends to the State Preschool Program.
- Expanded Learning Opportunities. Commencing in 2023-24, LEAs will be required to offer expanded learning opportunities to all EL/LI students in elementary grades. The May Revision includes proposed statutory changes so that LEAs do not incur penalties greater than their entitlement under this program, as well as additional time to expend the funds in order to plan and implement the program.
- Nutrition. The May Revision includes an additional \$110 million one-time Proposition 98 General Fund and \$191 million ongoing to fully fund the Universal School Meals program through the 2023-24 fiscal year.
- Arts, Music, and Instructional Materials Discretionary Block Grant. At the May revision, the Arts, Music, and Instructional Materials Discretionary Block Grant is reduced to \$1.8 billion Proposition 98 General Fund from \$2.3 billion at the Proposed 2023-24 State Budget to help cover LCFF costs.

- Learning Recovery Emergency Block Grant. The May Revision proposes to decrease this grant to \$5.4 billion in one-time Proposition 98 General Fund.

The District cannot predict and does not make any representations concerning school district funding that will be included in the final adopted State budget for the 2023-24 fiscal year.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory regulations have been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto.

Additional Information for State Finances

The full text of proposed and adopted State budgets may be found at the internet website of the California Department of Finance, www.dof.ca.gov, under the heading "California Budget." The Legislative Analyst's Office's ("LAO") budget overviews and other analyses may be found at www.lao.ca.gov under the headings "The Budget" and "Publications." In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, www.treasurer.ca.gov or through the Municipal Securities Rulemaking Board's EMMA website at emma.msrb.org.

Periodic reports on revenues and/or expenditures during the Fiscal Year are issued by the Governor's Office, the State Controller's Office and the LAO. The Department of Finance issues a monthly Bulletin, which reports the most recent revenue receipts as reported by state departments, comparing them to Budget projections. The Governor's Office also formally updates its budget projections three times during each Fiscal Year, in January, May and at budget enactment. These bulletins and other reports are available on the internet.

The information referred to above is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Future State Budgets

The District cannot predict what actions will be taken in the future by the Legislature and the Governor to deal with 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 schools as budgeted.

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APPENDIX B
AUDITED FINANCIAL STATEMENTS OF THE DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2022

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**APPENDIX C
GENERAL INFORMATION ABOUT VENTURA COUNTY**

The following information concerning the County of Ventura (the "County") is included only for the purpose of supplying general information regarding the area of the Rio Elementary School District (the "District"). The Notes are not a debt of the County, the State of California (the "State") or any of its political subdivisions, and neither the County, the State nor any of its political subdivisions is liable therefor. This Appendix includes information that is generally as of dates and for periods before the economic impacts of the COVID-19 (as defined in the front part of this Official Statement) pandemic and the measures instituted in response thereto. Although the State and local public health emergencies are terminated, the COVID-19 pandemic is ongoing. As result the spread or mutation of the virus (notwithstanding the general availability of vaccines and boosters to combat the virus), the duration and severity of future outbreaks, and the economic and other actions that may be taken by governmental authorities to contain the spread of COVID-19 or to treat its impact are uncertain.

Population

The following table lists population figures for the County and the State for calendar years 2019 through 2023.

**COUNTY OF VENTURA
Population Estimates
Calendar Years 2019 through 2023**

County/City	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023
<u>California</u>					
Incorporated Total	33,087,981	33,138,914	32,802,530	32,610,066	32,512,953
Balance of State Total	6,517,380	6,510,024	6,483,980	6,468,608	6,427,278
State Total	39,605,361	39,648,938	39,286,510	39,078,674	38,940,231
<u>Ventura County</u>					
Camarillo	69,689	69,964	70,612	69,925	69,309
Fillmore	15,671	15,558	16,709	16,454	16,899
Moorpark	36,627	36,264	35,900	35,380	35,151
Ojai	7,498	7,450	7,655	7,568	7,493
Oxnard	205,777	205,950	200,689	199,839	197,477
Port Hueneme	23,554	23,707	22,178	21,552	21,356
San Buenaventura	106,616	105,878	109,363	107,505	107,341
Santa Paula	30,547	30,386	30,934	31,145	31,423
Simi Valley	125,509	124,953	126,039	124,333	124,174
Thousand Oaks	127,495	126,384	126,059	124,439	122,967
Balance of County	95,276	94,725	93,490	93,393	92,063
Incorporated	748,983	746,494	746,138	738,140	733,590
County Total	844,259	841,219	839,628	831,533	825,653

Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State – January 1, 2011-2020, Sacramento, California, May 2021, and January 1, 2011-2023, Sacramento, California, May 2023.

Industry and Employment

The table below provides information about employment rates and employment by industry type for the County for calendar years 2018 through 2022. Unemployment rates are not available for the District.

OXNARD-THOUSAND OAKS-VENTURA METROPOLITAN STATISTICAL AREA
(Ventura County)
Civilian Labor Force, Employment and Unemployment
Calendar Years 2018 through 2022
Annual Averages

	2018	2019	2020	2021	2022
Civilian Labor Force	423,100	422,300	410,900	407,500	413,600
Civilian Employment	406,900	406,900	375,000	382,200	398,400
Civilian Unemployment	16,200	15,400	35,900	25,200	15,200
Civilian Unemployment Rate	3.8%	3.6%	8.7%	6.2%	3.7%
Total, All Industries	332,800	336,800	315,300	322,600	336,700
Total Farm	24,300	24,700	25,000	23,500	25,200
Total Nonfarm	308,500	312,100	290,300	299,000	311,500
Total Private	261,700	265,000	245,600	254,600	265,400
Goods Producing	43,900	44,600	43,500	44,500	45,900
Mining, Logging and Construction	17,700	18,000	17,700	18,000	18,700
Mining and Logging	900	900	900	900	1000
Construction	16,800	17,100	16,800	17,100	17,700
Manufacturing	26,200	26,600	25,800	26,500	27,200
Durable Goods	19,500	19,400	18,400	18,300	18,900
Nondurable Goods	6,700	7,200	7,400	8,200	8,300
Service Providing	264,600	267,500	246,800	254,500	265,700
Private Service Providing	217,800	220,400	202,100	210,100	219,500
Trade, Transportation & Utilities	58,100	57,100	53,000	55,700	57,500
Wholesale Trade	12,500	12,500	12,000	12,300	12,500
Retail Trade	39,200	38,300	34,900	36,400	36,700
Information	5,400	5,200	4,000	3,900	4,000
Financial Activities	16,400	15,900	15,700	15,600	15,200
Professional & Business Services	42,900	44,400	42,600	43,600	44,400
Educational & Health Services	47,700	49,600	48,300	49,600	51,800
Leisure & Hospitality	37,800	38,500	30,200	32,800	37,100
Other Services	9,500	9,700	8,300	8,900	9,600
Government	46,900	47,100	44,700	44,500	46,100
Federal Government	7,300	7,400	7,800	7,600	7,400
State Government	3,000	3,100	3,000	2,700	2,800
Local Government	36,600	36,600	34,000	34,100	35,900

NOTES: The unemployment rate is calculated using unrounded data. Data may not add due to rounding.

Source: State of California Employment Development Department; *Industry Employment & Labor Force – by Annual Average, dated April 21, 2023, March 2022 Benchmark.*

Largest Employers

The following tables list the largest manufacturing and non-manufacturing employers within the County (in alphabetical order by company name):

COUNTY OF VENTURA Largest Employers

Employer Name	Location	Employer Size	Industry
Adventist Health Simi Valley	Simi Valley	500 – 999	Hospitals
Amgen Inc	Thousand Oaks	5,000 – 9,999	Biological Specimens-Manufacturers
Baxter Healthcare	Westlake Village	1,000 – 4,999	Physicians & Surgeons Equip & Supls-Mfrs
Community Memorial Health Syst	Ventura	1,000 – 4,999	Health Care Management
Haas Automation Inc	Oxnard	500 – 999	Machinery-Manufacturers
Harbor Freight Tools	Camarillo	1,000 – 4,999	Tools-New & Used
J M Smucker Co	Oxnard	500 – 999	Food Products & Manufacturers
Kaiser Permanente Ventura 888	Ventura	500 – 999	Medical Centers
Los Robles Regional Med Ctr	Thousand Oaks	1,000 – 4,999	Hospitals
Moorpark College	Moorpark	500 – 999	Junior-Community College-Tech Institutes
Nancy Reagan Breast Ctr	Simi Valley	500 – 999	Diagnostic Imaging Centers
National Guard	Port Hueneme	1,000 – 4,999	Government Offices-State
Naval Air Warfare Ctr Weapons	Point Mugu NAWC	5,000 – 9,999	Federal Government-National Security
Ojai Valley Inn	Ojai	500 – 999	Golf Courses
Oxnard College	Oxnard	500 – 999	Junior-Community College-Tech Institutes
Pentair Aquatic Systems	Moorpark	500 – 999	Swimming Pool Equipment & Supls-Retail
Port Hueneme Div Naval	Port Hueneme CBC	500 – 999	Military Bases
Procter & Gamble Paper Prods	Oxnard	500 – 999	Sanitary Paper Products (mfrs)
Rancho Simi Recreation Park Dist	Simi Valley	500 – 999	Swimming Pools-Public
Simi Valley City	Simi Valley	500 – 999	City Hall
Simi Valley City Manager	Simi Valley	500 – 999	City Government-Executive Offices
St John's Regional Medical Ctr	Oxnard	1,000 – 4,999	Hospitals
Ventura County Medical Ctr	Ventura	500 – 999	Hospitals
Ventura County Office of Educ	Camarillo	500 – 999	School Districts
Ventura County Sherriff's Ofc	Ventura	1,000 – 4,999	County Govt-Correctional Institutions

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2023 2nd Edition.

Commercial Activity

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table.

COUNTY OF VENTURA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(dollars in thousands)

	Retail and Food Services		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2018	15,632	\$10,486,735,094	26,954	\$14,323,431,580
2019	15,822	10,696,199,003	27,755	14,800,283,956
2020	16,502	10,628,641,951	29,143	14,538,294,400
2021	14,810	12,591,767,497	26,596	17,330,637,189
2022	14,900	13,650,036,032	26,936	18,862,387,910

Source: California Department of Tax and Fee Administration, Taxable Sales in California (Sales & Use Tax), Counties by Type of Business (Taxable Table 3) (Updated April 27, 2023).

APPENDIX D
FORM OF OPINIONS OF BOND COUNSEL

PARKER & COVERT LLP
2520 Venture Oaks Way, Suite 190
Sacramento, California 95833

[CLOSING DATE]

Board of Trustees
Rio Elementary School District
1800 Solar Drive
Oxnard, CA 93036

Re: \$[PAR AMOUNT]
 Rio Elementary School District
 (Ventura County, California)
 2023 General Obligation Bond Anticipation Notes
 Final Opinion of Bond Counsel

Members of the Board of Trustees:

We have acted as bond counsel in connection with the issuance by the Rio Elementary School District (the “District”) of \$[PAR AMOUNT] principal amount of Rio Elementary School District, 2023 General Obligation Bond Anticipation Notes (the “Notes”), pursuant to Section 15150 of the California Education Code and the provisions of the Paying Agent Agreement dated as of June 1, 2023 (the “Paying Agent Agreement”), between U.S. Bank Trust Company, National Association, as paying agent, and the District. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Notes constitute valid and binding obligations of the District payable in accordance with the terms described therein.

2. The Paying Agent Agreement constitutes a valid and binding obligation of the District and creates a valid lien on the funds pledged under the Paying Agent Agreement for the security of the Notes.

3. Interest on the Notes is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals; however, for tax years beginning after December 31, 2022, interest on the Notes is taken into account in determining the annual adjusted statement of income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Notes in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax

purposes. The District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Notes to be included in gross income for federal tax purposes retroactively to the date of issuance of the Notes.

4. Interest on the Notes is exempt from State of California personal income taxation.

The rights of the owners of the Notes and the enforceability thereof are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or other offering material relating to the Notes. Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth herein.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PARKER & COVERT LLP

APPENDIX E
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F BOOK-ENTRY-ONLY SYSTEM

The information in this appendix has been provided by the Depository Trust Company ("DTC") for use in securities offering documents, and 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 either (a) payments of interest, principal or premium, if any, with respect to the Notes, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Notes, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Notes, or that they will so do on a timely basis or that DTC, DTC Direct Participants, or DTC Indirect Participants will act in the manner described in this Official Statement.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Notes. The Notes 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 Note will be issued for each maturity of the Notes, in the aggregate principal amount of such maturity, 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 Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of the Notes. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes 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 will be sent to DTC. If less than all of the Notes 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 such other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the 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 the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The information in this appendix 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.

APPENDIX G
VENTURA COUNTY INVESTMENT POLICY AND INVESTMENT RESULTS

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APPENDIX H
TABLE OF ACCRETED VALUES

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