

Memorandum



Office of Jenine Windeshausen
Treasurer-Tax Collector
County of Placer

To: The Honorable Board of Supervisors
From: Jenine Windeshausen, Treasurer-Tax Collector
Date: May 8, 2007
Subject: 2007-2008 Tax and Revenue Anticipation Notes:
Placer Union High School District

Action Requested:

Authorize the Chairman to sign the attached memorandum on behalf of the Board of Supervisors stating that the Board will not take action to authorize 2007-2008 Tax and Revenue Anticipation Notes for Placer Union High School District.

Background:

Subsection (b) of Section 53853 of the California Government Code provides that when a school district issues a note in its name in conjunction with notes of other school districts it may do so without the authorization of the Board of Supervisors. If the Board of Supervisors fails to authorize by resolution the issuance of the notes in the name of the school district within 45 calendar days of receiving the school district board resolution, the district may proceed with issuance of its own note.

California Government Code also provides: "No county board of supervisors, county treasurer, or county auditor shall be deemed to have any fiduciary responsibility with regard to any note or notes issued pursuant to this subdivision."

The above subject school district has informed the County of Placer that their notes will be issued in conjunction with the notes of other school districts.

Fiscal Impact:

The principal amount of the Notes, together with the interest thereon, shall be a general obligation of the District payable from taxes, revenue and other moneys that are received for the general fund of the District for the Fiscal Year 2007-08.

A copy of the District's resolution is enclosed.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jenine Windeshausen".

Jenine Windeshausen

May 8, 2007

MEMORANDUM TO: Placer Union High School District

The County of Placer hereby acknowledges receipt of the resolution adopted by the Governing Board of Placer Union High School District (District) concerning the issuance of 2007-2008 Tax and Revenue Anticipation Notes (Notes). The District has informed the County of Placer that the Notes will be issued in conjunction with the notes of one or more other school districts.

Pursuant to California Government Code Section 53853(b), this will serve as notice that the Board of Supervisors of the County of Placer will not authorize the issuance of Notes on behalf of the above named District within 45 calendar days following its receipt of the resolution of the above named District. Reference is made to said Section 53853(b) authorizing the above named District to issue the Notes on behalf of itself pursuant to the previously adopted District resolution.

COUNTY OF PLACER

By _____
Chairman, Board of Supervisors

THIS RESOLUTION MUST BE DISCUSSED, CONSIDERED AND DELIBERATED BY THE GOVERNING BOARD AS A SEPARATE ITEM OF BUSINESS ON THE GOVERNING BOARD'S AGENDA IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 53635.7.

DISTRICT RESOLUTION

NAME OF DISTRICT: PLACER UNION HIGH*

LOCATED IN: COUNTY OF PLACER

MAXIMUM AMOUNT OF BORROWING: \$ 5,000,000

RESOLUTION OF THE GOVERNING BOARD AUTHORIZING THE BORROWING OF FUNDS FOR FISCAL YEAR 2007-2008 AND THE ISSUANCE AND SALE OF A 2007-2008 TAX AND REVENUE ANTICIPATION NOTE THEREFOR AND PARTICIPATION IN THE CALIFORNIA SCHOOL CASH RESERVE PROGRAM AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY TO ISSUE AND SELL THE NOTE

WHEREAS, school districts, community college districts and county boards of education are authorized by Sections 53850 to 53858, both inclusive, of the Government Code of the State of California (the "Act") (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code) to borrow money by the issuance of temporary notes;

WHEREAS, the governing board (the "Board") has determined that, in order to satisfy certain obligations and requirements of the school district, community college district or county board of education specified above (the "District"), a public body corporate and politic located in the County designated above (the "County"), it is desirable that a sum (the "Principal Amount"), not to exceed the Maximum Amount of Borrowing designated above, be borrowed for such purpose during the District's fiscal year ending June 30, 2008 ("Fiscal Year 2007-2008") by the issuance of a note therefor in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received by the District for the general fund and, if so indicated in a Pricing Confirmation (as defined in Section 4 hereof), capital fund and/or special revenue fund

* If the Name of the District indicated on the face hereof is not the correct legal name of the District which adopted this Resolution, it shall nevertheless be deemed to refer to the District which adopted this Resolution, and the Name of the District indicated on the face hereof shall be treated as the correct legal name of said District for all purposes in connection with the Program (as hereinafter defined).

(or similarly named fund or funds as indicated in such Pricing Confirmation) of the District attributable to Fiscal Year 2007-2008;

WHEREAS, the District hereby determines to borrow, for the purposes set forth above, the Principal Amount by the issuance of the Note, as hereinafter defined;

WHEREAS, because the District does not have fiscal accountability status pursuant to Section 42650 or Section 85266 of the Education Code of the State of California, it requests the Board of Supervisors of the County to borrow, on the District's behalf, the Principal Amount by the issuance of the Note;

WHEREAS, pursuant to Section 53853 of the Act, if the Board of Supervisors of the County fails or refuses to authorize the issuance of the Note within the time period specified in said Section 53853, following receipt of this Resolution, and the Note is issued in conjunction with tax and revenue anticipation notes, in one or more series, of other Issuers (as hereinafter defined), the District may issue the Note in its name pursuant to the terms stated herein;

WHEREAS, the Principal Amount is to be confirmed and set forth in the Pricing Confirmation;

WHEREAS, it appears, and this Board hereby finds and determines, that the Principal Amount, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys of the District attributable to Fiscal Year 2007-2008 and available for the payment of the principal of the Note and the interest thereon;

WHEREAS, no money has heretofore been borrowed by or on behalf of the District through the issuance of tax anticipation notes or temporary notes in anticipation of the receipt of, or payable from or secured by, taxes, income, revenue, cash receipts or other moneys for Fiscal Year 2007-2008;

WHEREAS, pursuant to Section 53856 of the Act, certain moneys which will be received by the District during and attributable to Fiscal Year 2007-2008 can be pledged for the payment of the principal of the Note and the interest thereon (as hereinafter provided);

WHEREAS, the District has determined that it is in the best interests of the District to participate in the California School Cash Reserve Program (the "Program") organized by the California School Cash Reserve Program Authority (the "Authority"), whereby participating school districts, community college districts and county boards of education (collectively, the "Issuers") will simultaneously issue tax and revenue anticipation notes;

WHEREAS, the District desires to have its Note marketed together with some or all of the notes issued by other school districts, community college districts and county boards of education participating in the Program;

WHEREAS, Piper Jaffray & Co., on behalf itself and on behalf of George K. Baum & Company (the "Underwriter"), will form one or more pools of notes or series of certificates (the

"Certificates") of participation (the "Series of Certificates") distinguished by (i) whether and what type(s) of Credit Instrument (as hereinafter defined) secures notes comprising each Series, and (ii) possibly other features, all of which the District hereby authorizes the Underwriter to determine;

WHEREAS, the Program requires the Issuers participating in any particular Series of Certificates to deposit their tax and revenue anticipation notes with U.S. Bank National Association, as trustee (the "Trustee"), pursuant to a trust agreement between such Issuers and the Trustee (such trust agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Trust Agreement");

WHEREAS, the Program requires the Trustee, pursuant to the Trust Agreement, to execute and deliver the Certificates evidencing and representing proportionate undivided interests in the payments of principal of and interest on the tax and revenue anticipation notes issued by the Issuers comprising such Series of Certificates;

WHEREAS, the District desires to have the Trustee execute and deliver a Series of Certificates which evidences and represents interests of the owners thereof in the Note and the notes issued by other Issuers comprising such Series of Certificates;

WHEREAS, as additional security for the owners of the Certificates, all or a portion of the payments by all of the Issuers of their respective notes may or may not be secured by an irrevocable letter (or letters) of credit or policy (or policies) of insurance or other credit instrument (or instruments) (collectively, the "Credit Instrument") issued by the credit provider (or credit providers) (collectively, the "Credit Provider") designated in the Trust Agreement, as finally executed, pursuant to a credit agreement (or agreements) or commitment letter (or letters) (such credit agreement (or agreements) or commitment letter (or letters), if any, in the forms presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein collectively as, the "Credit Agreement") identified in the Trust Agreement, as finally executed, between, in the case of an irrevocable letter (or letters) of credit or policy (or policies) of insurance, the Issuers and the respective Credit Provider;

WHEREAS, all or portions of the net proceeds of the Note may be invested in one or more Permitted Investments (as defined in the Trust Agreement), including under one or more investment agreements with one or more investment providers (if any), which investment agreements and provisions are to be determined in the Pricing Confirmation related to the Note;

WHEREAS, the Program requires that each participating Issuer approve the Trust Agreement and the alternative Credit Instruments, if any, in substantially the forms presented to the Board, with the final form of Trust Agreement, type of Credit Instrument and corresponding Credit Agreement determined in the Pricing Confirmation;

WHEREAS, pursuant to the Program each participating Issuer will be responsible for its share of (a) the fees of the Trustee and the costs of issuing the applicable Series of Certificates, and (b), if applicable, the fees of the Credit Provider, the Issuer's allocable share of all Predefault

Obligations and the Issuer's Reimbursement Obligations, if any (each as defined in the Trust Agreement):

WHEREAS, pursuant to the Program, the Underwriter will submit an offer to purchase the Note and the notes issued by other Issuers participating in the same Series of Certificates all as evidenced and represented by such Series of Certificates (which offer will specify, as designated in the Pricing Confirmation, the Principal Amount, interest rate and credit instrument (if any)), and has submitted a form of certificate purchase agreement (such certificate purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Certificate Purchase Agreement") to the Board; and

WHEREAS, it is necessary to engage the services of certain professionals to assist the District in its participation in the Program;

NOW, THEREFORE, the Board hereby finds, determines, declares and resolves as follows:

Section 1. Recitals. All the above recitals are true and correct and this Board so finds and determines.

Section 2. Issuance of Note. This Board hereby determines to borrow, and hereby requests the Board of Supervisors of the County to borrow for the District, solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be received by the District for the general fund and, if so indicated in the Pricing Confirmation, the capital fund and/or special revenue fund (or similarly named fund or funds as indicated in the Pricing Confirmation) of the District attributable to Fiscal Year 2007-2008, and not pursuant to any common plan of financing of the District, by the issuance by the Board of Supervisors of the County, in the name of the District, of a note in the Principal Amount under Sections 53850 *et seq.* of the Act, designated the District's "2007-2008 Tax and Revenue Anticipation Note" (the "Note"), to be issued in the form of one fully registered note at the principal amount thereof as set forth in the Pricing Confirmation, to be dated the date of its delivery to the initial purchaser thereof, to mature (without option of prior redemption) not more than thirteen (13) months thereafter on a date indicated on the face thereof and determined in the Pricing Confirmation (the "Maturity Date"), and to bear interest, payable at maturity (and, if the maturity is longer than twelve (12) months, an additional interest payment shall be payable within twelve (12) months of the issue date, as determined in the Pricing Confirmation) and computed upon the basis of a 360-day year consisting of twelve 30-day months, at a rate not to exceed twelve percent (12%) per annum as determined in the Pricing Confirmation and indicated on the face of the Note (the "Note Rate"). If the Note as evidenced and represented by the Series of Certificates is secured in whole or in part by a Credit Instrument and is not paid at maturity or is paid (in whole or in part) by a draw under or claim upon a Credit Instrument which draw or claim is not fully reimbursed on such date, it shall become a Defaulted Note (as defined in the Trust Agreement), and the unpaid portion thereof (or the portion thereof with respect to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been fully made) shall be deemed

* For purposes of this Resolution, such funds shall be referred to as the "capital fund" and "special revenue fund."

outstanding and shall continue to bear interest thereafter until paid at the Default Rate (as defined in the Trust Agreement); provided, however, that if the draw on, payment request under or claim on the Credit Instrument is due solely, in the District's case, to a loss on the Permitted Investment applicable to the Proceeds Subaccount or the Payment Account, the Note shall not be a Defaulted Note if the Credit Provider has so agreed at the time of issuance of the Credit Instrument. If the Note as evidenced and represented by the Series of Certificates is unsecured in whole or in part and is not fully paid at maturity, the unpaid portion thereof (or the portion thereof to which no Credit Instrument applies which is unpaid) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate. In each case set forth in the preceding two sentences, the obligation of the District with respect to such Defaulted Note or unpaid Note shall not be a debt or liability of the District prohibited by Article XVI, Section 18 of the California Constitution and the District shall not be liable thereon except to the extent of any available revenues attributable to Fiscal Year 2007-2008, as provided in Section 8 hereof.

The percentage of the Note as evidenced and represented by the Series of Certificates to which a Credit Instrument, if any, applies (the "Secured Percentage") shall be (i) equal to 100%, if the size of the Credit Instrument is greater than or equal to the aggregate amount of principal of and interest on unpaid notes (or unpaid portions thereof) comprising such Series or (ii) equal to the amount of the Credit Instrument divided by the aggregate amount of unpaid principal of and interest on notes (or portions thereof), expressed as a percentage, if the size of the Credit Instrument is less than the aggregate amount of unpaid principal of and interest on notes (or unpaid portions thereof) as of the maturity date. Both the principal of and interest on the Note shall be payable in lawful money of the United States of America, but only upon surrender thereof, at the corporate trust office of U.S. Bank National Association in Los Angeles, California.

The principal amount of the Note shall, prior to the issuance thereof, be reduced from the Maximum Amount of Borrowing specified above if and to the extent necessary to obtain an approving legal opinion of Orrick, Herrington & Sutcliffe ("Bond Counsel") as to the legality thereof and the exclusion from gross income for federal tax purposes of interest thereon.

In the event the Board of Supervisors of the County fails or refuses to authorize the issuance of the Note within the time period specified in Section 53853 of the Act, following receipt of this Resolution, this Board hereby authorizes issuance of such Note, in the District's name, in one series, pursuant to the terms stated in this Section 2 and this Resolution. The Note shall be issued in conjunction with the note or notes of one or more other Issuers as part of the Program and within the meaning of Section 53853 of the Act.

Section 3. Form of Note. The Note shall be issued in fully registered form without coupons and shall be substantially in the form and substance set forth in Exhibit A, as attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

Section 4. Sale of Note; Delegation. Any one of the President or Chairperson of the Board, the Superintendent, the Assistant Superintendent for Business, the Assistant Superintendent for Administrative Services, the business manager, director of business or fiscal services or chief financial/business officer of the District, as the case may be, or, in the absence

of said officer, his or her duly appointed assistant (each an "Authorized Officer"), is hereby authorized and directed to negotiate with the Underwriter an interest rate on the Note to the stated maturity thereof, which shall not exceed twelve percent (12%) per annum, and the purchase price to be paid by the Underwriter for the Note, which purchase price shall be at a discount which when added to the District's share of the costs of issuance shall not be more than one percent (1%) of the Principal Amount of the Note. If such interest rate and price and other terms of the sale of the Note set out in the Pricing Confirmation are acceptable to said Authorized Officer, said Authorized Officer is hereby further authorized and directed to execute and deliver the pricing confirmation supplement to be delivered by the Underwriter to the District on a date within five (5) days, or such longer period of time as agreed by the Underwriter of said negotiation of interest rate and purchase price during the period from May 1, 2007 through March 1, 2008 (the "Pricing Confirmation"), substantially in the form presented to this meeting as Schedule I to the Certificate Purchase Agreement, with such changes therein as said Authorized Officer shall require or approve, and such other documents or certificates required to be executed and delivered thereunder or to consummate the transactions contemplated hereby or thereby, for and in the name and on behalf of the District, such approval by this Board and such officer to be conclusively evidenced by such execution and delivery. Any Authorized Officer is hereby further authorized to execute and deliver, prior to the execution and delivery of the Pricing Confirmation, the Certificate Purchase Agreement, substantially in the form presented to this meeting, with such changes therein as said officer shall require or approve, such approval to be conclusively evidenced by such execution and delivery; provided, however, that the Certificate Purchase Agreement shall not be effective and binding on the District until the execution and delivery of the Pricing Confirmation. Delivery of the Pricing Confirmation by fax or telecopy of an executed copy shall be deemed effective execution and delivery for all purposes. If requested by said Authorized Officer at his or her option, any duly authorized deputy or assistant of such Authorized Officer may approve said interest rate and price by execution of the Certificate Purchase Agreement and/or the Pricing Confirmation.

Section 5. Program Approval. The Note shall be combined with notes of other Issuers into a Series of Certificates as set forth in general terms in the Pricing Confirmation (which need not include specific information about such other notes or Issuers), and shall be marketed and sold simultaneously with such other notes of that Series of Certificates with such credit support (if any) referred to in the Pricing Confirmation, and shall be evidenced and represented by the Certificates which shall evidence and represent proportionate, undivided interests in the Note in the proportion that the face amount of the Note bears to the total aggregate face amount of the Note and the notes issued by other Issuers which the Series of Certificates represent. Such Certificates may be delivered in book-entry form.

The form of Trust Agreement and alternative general types and forms of Credit Agreements, if any, presented to this meeting are hereby approved, and each Authorized Officer is hereby authorized and directed to execute and deliver the Trust Agreement and a Credit Agreement, if applicable, which shall be identified in the Pricing Confirmation, in substantially one or more of said forms (a substantially final form of Credit Agreement delivered to such Authorized Officer concurrent with the Pricing Confirmation), with such changes therein as said officer shall require or approve, such approval of this Board and such officer to be conclusively evidenced by the execution of the Trust Agreement, Credit Agreement and Pricing Confirmation, respectively.

The form of the Preliminary Official Statement presented to this meeting is hereby approved, and the Underwriter is hereby authorized to distribute the Preliminary Official Statement in connection with the offering and sale of the Certificates. Each Authorized Officer is hereby authorized and directed to provide the Underwriter with such information relating to the District as the Underwriter shall reasonably request for inclusion in the Preliminary Official Statement. Upon inclusion of the information relating to the District therein, the Preliminary Official Statement shall be, except for certain omissions permitted by Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), deemed final within the meaning of the Rule; provided that no representation is made as to the information contained in the Preliminary Official Statement relating to the other Issuers or any Credit Provider, and the Authority is hereby authorized to certify on behalf of the District that the Preliminary Official Statement is, as of its date, deemed final within the meaning of the Rule. If, at any time prior to the execution of the Pricing Confirmation, any event occurs as a result of which the information contained in the Preliminary Official Statement relating to the District might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Underwriter. The Authority is hereby authorized and directed, at or after the time of the sale of any Series of Certificates, for and in the name and on behalf of the District, to execute a final Official Statement in substantially the form of the Preliminary Official Statement presented to this meeting, with such additions thereto or changes therein as the Authority may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The Trustee is authorized and directed to execute Certificates on behalf of the District pursuant to the terms and conditions set forth in the Trust Agreement, in the aggregate principal amount specified in the Trust Agreement, and substantially in the form and otherwise containing the provisions set forth in the form of the Certificate contained in the Trust Agreement. When so executed, the Certificates shall be delivered by the Trustee to the Underwriter upon payment of the purchase price thereof, pursuant to the terms of the Trust Agreement and the Certificate Purchase Agreement.

Subject to Section 8 hereof, the District hereby agrees that if the Note as evidenced and represented by the Series of Certificates shall become a Defaulted Note, the unpaid portion thereof or the portion to which a Credit Instrument applies for which full reimbursement on a draw, payment or claim has not been made by the Maturity Date shall be deemed outstanding and shall not be deemed to be paid until (i) the Credit Provider providing a Credit Instrument with respect to the Series of Certificates, and therefore, if applicable, all or a portion of the District's Note, if any, has been reimbursed for any drawings or payments made under the Credit Instrument with respect to the Note, including interest accrued thereon, as provided therein and in the applicable Credit Agreement, and (ii) the holders of the Series of the Certificates which evidence and represent the Note are paid the full principal amount represented by the unsecured portion of the Note plus interest accrued thereon (calculated at the Default Rate) to the date of deposit of such aggregate required amount with the Trustee. For purposes of clause (ii) of the preceding sentence, holders of the Series of Certificates will be deemed to have received such principal amount upon deposit of such moneys with the Trustee.

The District agrees to pay or cause to be paid, in addition to the amounts payable under

the Note, any fees or expenses of the Trustee and, to the extent permitted by law, if the District's Note as evidenced and represented by the Series of Certificates is secured in whole or in part by a Credit Instrument, any Predefault Obligations and Reimbursement Obligations (to the extent not payable under the Note), (i) arising out of an "Event of Default" hereunder (or pursuant to Section 7 hereof) or (ii) arising out of any other event (other than an event arising solely as a result of or otherwise attributable to a default by any other Issuer). In the case described in (ii) above with respect to Predefault Obligations, the District shall owe only the percentage of such fees, expenses and Predefault Obligations equal to the ratio of the principal amount of its Note over the aggregate principal amounts of all notes, including the Note, of the Series of Certificates of which the Note is a part, at the time of original issuance of such Series of Certificates. Such additional amounts will be paid by the District within twenty-five (25) days of receipt by the District of a bill therefor from the Trustee.

Section 6 No Joint Obligation; Certificate Owners' Rights. The Note shall be marketed and sold simultaneously with the notes of other Issuers and shall be aggregated and combined with notes of other Issuers participating in the Program into a Series of Certificates evidencing and representing an interest in several, and not joint, obligations of each Issuer. The obligation of the District to Owners of Certificates is a several and not a joint obligation and is strictly limited to the District's repayment obligation under this Resolution, the resolution of the County providing for the issuance of the Note, if applicable, and the Note as evidenced and represented by such Series of Certificates.

Owners of Certificates, to the extent of their interest in the Note, shall be treated as owners of the Note and shall be entitled to all the rights and security thereof; including the right to enforce the obligations and covenants contained in this Resolution and the Note. The District hereby recognizes the right of the owners of the Certificates acting directly or through the Trustee to enforce the obligations and covenants contained in the Note, this Resolution and the Trust Agreement. The District shall be directly obligated to each owner of the Certificates for the principal and interest payments on the Note evidenced and represented by the Certificates without any right of counterclaim or offset arising out of any act or failure to act on the part of the Trustee.

Section 7 Disposition of Proceeds of the Note. The moneys received from the sale of the Note allocable to the District's share of the Costs of Issuance (as defined in the Trust Agreement) (which includes any issuance fees in connection with a Credit Instrument applicable to the Note, if any) shall be deposited in the Costs of Issuance Fund (as defined in the Trust Agreement) held and invested by the Trustee under the Trust Agreement and expended as directed by the Underwriter on Costs of Issuance as provided in the Trust Agreement.

The moneys received from the sale of the Note (net of the District's share of the Costs of Issuance) is hereby designated the "Deposit to Proceeds Subaccount" and shall be deposited in the District's Proceeds Subaccount hereby authorized to be created pursuant to, and held and invested by the Trustee under, the Trust Agreement for the District and said moneys may be used and expended by the District for any purpose for which it is authorized to expend funds upon requisition from the Proceeds Subaccount as specified in the Trust Agreement. The Pricing Confirmation shall set forth the amount of the Deposit to Proceeds Subaccount. The Authorized Officer is hereby authorized to approve the amount of such Deposit to Proceeds Subaccount.

"Net Proceeds" means the Principal Amount of the Note net of the District's share of the Costs of Issuance. Subject to Section 8, the District hereby covenants and agrees to replenish amounts on deposit in its Proceeds Subaccount to the extent practicable from any source of available funds up to an amount equal to the unreplenished withdrawals from such Proceeds Subaccount.

The Trustee shall transfer to the Payment Account (hereinafter defined) of the District from amounts on deposit in the Proceeds Subaccount on the first day of each Repayment Month (as defined hereinafter) designated in the Pricing Confirmation, amounts which, taking into consideration anticipated earnings thereon to be received by the Maturity Date, are equal to the percentages of the principal and interest due with respect to the Note at maturity for the corresponding Repayment Month set forth in the Pricing Confirmation; provided, however, that on the twentieth day of the next to last Repayment Month designated in such Pricing Confirmation (or, if only one Repayment Month is applicable, on the twentieth day of the month preceding the Repayment Month designated in such Pricing Confirmation), the Trustee shall transfer all remaining amounts in the Proceeds Subaccount to the Payment Account all as and to the extent provided in the Trust Agreement; provided, however, that with respect to the transfer in any such Repayment Month (or month preceding a single Repayment Month), if said amount in the Proceeds Subaccount is less than the corresponding percentage set forth in the Pricing Confirmation of the principal and interest due with respect to the Note at maturity, the Trustee shall transfer to the related Payment Account of the District all amounts on deposit in the Proceeds Subaccount on the twentieth day of such Repayment Month (or month preceding a single Repayment Month).

In the event either (A) the Principal Amount of the Note, together with the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during the calendar year in which the Note is issued, will, at the time of the issuance of the Note (as indicated in the certificate of the District executed as of the date of issuance of the Note (the "District Certificate")), exceed fifteen million dollars (\$15,000,000), or (B) the Principal Amount of the Note, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during the calendar year in which the Note is issued, will, at the time of the issuance of the Note (as indicated in the District Certificate), exceed five million dollars (\$5,000,000), the following paragraph will apply. In such case, the District shall be deemed a "Safe Harbor Issuer" with respect to the Note.

Amounts in the Proceeds Subaccount of the District and attributable to cash flow borrowing shall be withdrawn and expended by the District for any purpose for which the District is authorized to expend funds from the general fund of the District, but, with respect to general fund expenditures, only to the extent that on the date of any withdrawal no other funds are available for such purposes without legislation or judicial action or without a legislative, judicial or contractual requirement that such funds be reimbursed. If on no date that is within six months from the date of issuance of the Note, the balance in the related Proceeds Subaccount attributable to cash flow borrowing and treated for federal tax purposes as proceeds of the Note is low enough so that the amounts in the Proceeds Subaccount qualify for an exception from the rebate requirements (the "Rebate Requirements") of Section 148 of the Internal Revenue Code of

1986 (the "Code"), the District shall promptly notify the Trustee in writing and, to the extent of its power and authority, comply with instructions from Orrick, Herrington & Sutcliffe LLP, Bond Counsel, supplied to it by the Trustee as the means of satisfying the Rebate Requirements.

Section 8 Source of Payment. (A) The principal amount of the Note, together with the interest thereon, shall be payable from taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys which are received by the District for the general fund and, if so indicated in the Pricing Confirmation, the capital fund and/or special revenue fund (if applicable) of the District and are attributable to Fiscal Year 2007-2008 and which are available for payment thereof. As security for the payment of the principal of and interest on the Note, the District hereby pledges certain unrestricted revenues (as hereinafter defined) which are received by the District for the general fund, and capital fund and/or special revenue fund (if applicable), of the District and are attributable to Fiscal Year 2007-2008, and the principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the first moneys received by the District from such pledged revenues, and, to the extent not so paid, shall be paid from any other taxes, income, revenue, cash receipts and other moneys of the District lawfully available therefor (all as provided for in Sections 53856 and 53857 of the Act). In order to effect this pledge, the District agrees to the establishment and maintenance of the Payment Account as a special fund of the District (the "Payment Account") by the Trustee under the Trust Agreement as the responsible agent to maintain such fund until the payment of the principal of the Note and the interest thereon, and the District agrees to cause to be deposited (and shall request specific amounts from the District's funds on deposit with the County Treasurer for such purpose) directly therein the first amounts received in the months specified in the Pricing Confirmation as sequentially numbered Repayment Months (each individual month a "Repayment Month" and collectively "Repayment Months") (and any amounts received thereafter attributable to Fiscal Year 2007-2008) until the amount on deposit in such fund, taking into consideration anticipated investment earnings thereon to be received by the Maturity Date (as set forth in a certificate from the Underwriter to the Trustee), is equal in the respective Repayment Months identified in the Pricing Confirmation to the percentages of the principal of and interest due on the Note at maturity as specified in the Pricing Confirmation. The number of Repayment Months determined in the Pricing Confirmation shall not exceed six (6) and the amount of new money required to be deposited in any one Repayment Month (if there are more than two Repayment Months) as determined in the Pricing Confirmation shall not exceed fifty percent (50%) of the principal and interest due on the Note at maturity (such pledged amounts being hereinafter called the "Pledged Revenues"). The Authorized Officer is hereby authorized to approve the determination of the Repayment Months and percentages of the principal and interest due on the Note at maturity required to be on deposit in the Payment Account in each Repayment Month, all as specified in the Pricing Confirmation, by executing and delivering the Pricing Confirmation, such execution and delivery to be conclusive evidence of approval by this Board and such officer. In the event that on the tenth Business Day (as defined in the Trust Agreement) of each such Repayment Month, the District has not received sufficient unrestricted revenues to permit the deposit into the Payment Account of the full amount of Pledged Revenues to be deposited in the Payment Account from said unrestricted revenues in said month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of the Note and the interest thereon, as and when such other moneys are received or are otherwise legally available. The term "unrestricted revenues"

shall mean all taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys, intended as receipts for the general fund and capital fund and/or special revenue fund (if applicable) of the District attributable to Fiscal Year 2007-2008 of the District and which are generally available for the payment of current expenses and other obligations of the District.

(B) Any moneys placed in the Payment Account shall be for the benefit of the owner of the Note and (to the extent provided in the Trust Agreement) the Credit Provider, if any. The moneys in the Payment Account shall be applied only for the purposes for which the Payment Account is created until the principal of the Note and all interest thereon are paid or until provision has been made for the payment of the principal of the Note at maturity with interest to maturity (in accordance with the requirements for defeasance of the Certificates as set forth in the Trust Agreement) and (to the extent provided in the Trust Agreement), if applicable, the payment of all Predefault Obligations and Reimbursement Obligations owing to the Credit Provider.

(C) On any interest payment date (if different from the Maturity Date) and on the Maturity Date of the Note, the moneys in the Payment Account shall be transferred by the Trustee, to the extent necessary, to pay the principal of and interest on the Note or to reimburse the Credit Provider for payments made under or pursuant to the Credit Instrument. In the event that moneys in the Payment Account are insufficient to pay, in the case of an interest payment date, the interest, and in the case of the Maturity Date, the principal of and interest on the Note in full, moneys in the Payment Account shall be applied in the following priority: first to pay interest on the Note; second to pay principal of the Note; third to reimburse the Credit Provider for payment of interest, if any, on the Note; fourth to reimburse the Credit Provider for payment of principal, if any, of the Note; and fifth to pay any Reimbursement Obligations of the District and any of the District's pro rata share of Predefault Obligations owing to the Credit Provider. Any moneys remaining in or accruing to the Payment Account after the principal of the Note and the interest thereon and any Predefault Obligations and Reimbursement Obligations, if applicable, have been paid, or provision for such payment has been made, shall be transferred by the Trustee to the District, subject to any other disposition required by the Trust Agreement.

(D) Moneys in the Proceeds Subaccount and the Payment Account shall be invested by the Trustee pursuant to the Trust Agreement in the Investment Agreement (as defined in the Trust Agreement) and other Permitted Investments (as defined in the Trust Agreement) as described in and under the terms of the Trust Agreement, and as designated in the Pricing Confirmation; provided, however, that the portion of the Note designated in the Pricing Confirmation as the Special Capital Portion of the Note, if any, shall not be invested the Investment Agreement by the Trustee. The type of investments to be applicable to the proceeds of the Note shall be determined by the District as designated in the Pricing Confirmation. In the event the District designates an investment agreement or investment agreements as investments, the District hereby appoints the bidding agent designated in the Pricing Confirmation (the "Bidding Agent") as its designee as a party authorized to solicit bids on or negotiate the terms of, the investment agreement or investment agreements. The District hereby directs the Trustee to invest such funds pursuant to such investment agreement or investment agreements (which shall be with a provider or providers rated in one of the two highest long-term rating categories by the rating agency or agencies then rating the applicable Series of Certificates (the "Rating Agency"))

and acceptable to the corresponding Credit Provider and the particulars of which pertaining to interest rate or rates and investment provider or providers will be set forth in the Pricing Confirmation) and authorizes the Trustee to enter into such investment agreement or investment agreements on behalf of the District. The Bidding Agent, on behalf of itself and any investment broker retained by it, is authorized to accept a fee from the investment provider in an amount not in excess of the present value of annual payments equal to 5/100th of a percent of the weighted average amount reasonably expected to be invested each year of the term of the investment agreement. The District's funds shall be accounted for separately and the obligation of the provider or providers of such investment agreement or investment agreements with respect to the District under such investment agreement or investment agreements shall be severable. Any such investment by the Trustee shall be for the account and risk of the District and the District shall not be deemed to be relieved of any of its obligations with respect to the Note, the Predefault Obligations or Reimbursement Obligations, if any, by reason of such investment of the moneys in its Proceeds Subaccount and Payment Account.

If, as of the first Business Day (as defined in the Trust Agreement) of each month, beginning in the month designated in Section 3.03 of the Trust Agreement, the total amount on deposit in the District's Payment Account and Proceeds Subaccount, taking into consideration anticipated earnings thereon to the Maturity Date of the Note, is less than the amount required to be on deposit in the Payment Account in such month (as specified in the Pricing Confirmation) and any outstanding Predefault Obligations and Reimbursement Obligations (if any), the District shall promptly file with the Trustee, and the Credit Provider, if any, a Financial Report and on the tenth Business Day of such month, if applicable, a Deficiency Report in substantially the forms set forth as Exhibits C and D to the Trust Agreement and shall provide such other information as the Credit Provider shall reasonably request. In the event of such deficiency, the District shall have no further right to requisition any moneys from the Proceeds Subaccount.

Notwithstanding any other investment policy of the District heretofore or hereafter adopted, the investment policy of the District pertaining to the Note and all funds and accounts established in connection therewith shall be consistent with, and the Board hereby authorizes investment in, the Permitted Investments. Any investment policy adopted by the Board hereafter in contravention of the foregoing shall be deemed to modify the authorization contained herein only if it shall specifically reference this Resolution and Section.

Section 9 Execution of Note. Any one of the Treasurer of the County, or, in the absence of said officer, his or her duly appointed assistant, the Chairperson of the Board of Supervisors of the County or the Auditor (or comparable financial officer) of the County shall be authorized to execute the Note issued hereunder by manual or facsimile signature and the Clerk of the Board of Supervisors of the County or any Deputy Clerk shall be authorized to countersign the Note by manual or facsimile signature and to affix the seal of the County to the Note either manually or by facsimile impression thereof. In the event the Board of Supervisors of the County fails or refuses to authorize issuance of the Note as referenced in Section 2 hereof, any one of the President or Chair of the governing board of the District or any other member of such board shall be authorized to execute the Note by manual or facsimile signature and the Secretary or Clerk of the governing board of the District, the Superintendent of the District, the Assistant Superintendent for Business, the Assistant Superintendent for Administrative Services, the business manager, director of business or fiscal services or chief financial/business officer of the

District, as the case may be, or any duly appointed assistant thereto, shall be authorized to countersign the Note by manual or facsimile signature. Said officers of the County or the District, as applicable, are hereby authorized to cause the blank spaces of the Note to be filled in as may be appropriate pursuant to the Pricing Confirmation. Said officers are hereby authorized and directed to cause the Trustee, as registrar and authenticating agent, to authenticate and accept delivery of the Note pursuant to the terms and conditions of the Certificate Purchase Agreement, this Resolution and the Trust Agreement. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. The Note shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Trustee and showing the date of authentication. The Note shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature, and such certificate of authentication upon the Note shall be conclusive evidence that such has been authenticated and delivered under this Resolution. The certificate of authentication on the Note shall be deemed to have been executed by the Trustee if signed by an authorized officer of the Trustee. The Note need not bear the seal of the District, if any.

Section 10. Note Registration and Transfer. (A) As long as the Note remains outstanding, the District shall maintain and keep at the principal corporate trust office of the Trustee, books for the registration and transfer of the Note. The Note shall initially be registered in the name of the Trustee as trustee under the Trust Agreement. Upon surrender of the Note for transfer at the office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the County or the District, as applicable, shall execute and the Trustee shall authenticate and deliver, in the name of the designated transferee, a fully registered Note. For every transfer of the Note, the County, the District or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

(B) Subject to Section 6 hereof, the County, the District and the Trustee and their respective successors may deem and treat the person in whose name the Note is registered as the absolute owner thereof for all purposes, and the County, the District and the Trustee and their respective successors shall not be affected by any notice to the contrary, and payment of or on account of the principal of such Note shall be made only to or upon the order of the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Note to the extent of the sum or sums so paid.

(C) The Note may, in accordance with its terms, be transferred upon the books required to be kept by the Trustee pursuant to the provisions hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the Note for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in form approved by the Trustee.

(D) The Trustee will keep or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of the Note, which shall be open to inspection by the County and the District during regular business hours. Upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, the Note as hereinbefore provided.

(E) If any Note shall become mutilated, the County or the District, as applicable, at the expense of the registered owner of such Note, shall execute, and the Trustee shall thereupon authenticate and deliver a new Note of like tenor and number in exchange and substitution for the Note so mutilated, but only upon surrender to the Trustee of the Note so mutilated. Every mutilated Note so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of the County or the District, as applicable. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County, the District and the Trustee and, if such evidence be satisfactory to them and indemnity satisfactory to them shall be given, the County or the District, as applicable, at the expense of the registered owner, shall execute, and the Trustee shall thereupon authenticate and deliver a new Note of like tenor and number in lieu of and in substitution for the Note so lost, destroyed or stolen (or if any such Note shall have matured (as of the latest maturity date indicated on the face thereof) or shall be about to mature (as of the latest maturity date indicated on the face thereof), instead of issuing a substitute Note, the Trustee may pay the same without surrender thereof). The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this paragraph and of the expenses which may be incurred by the County or the District, as applicable, and the Trustee in such preparation. Any Note issued under these provisions in lieu of any Note alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the County (on behalf of the District) or on the part of the District, as applicable, whether or not the Note so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Resolution with all other Notes secured by this Resolution.

Section 11. Covenants Regarding Transfer of Funds. It is hereby covenanted and warranted by the District that it will not request the County Treasurer to make temporary transfers of funds in the custody of the County Treasurer to meet any obligations of the District during Fiscal Year 2007-2008 pursuant to Article XVI, Section 6 of the Constitution of the State of California.

Section 12. Representations and Covenants.

(A) The District is a political subdivision duly organized and existing under and by virtue of the laws of the State of California and has all necessary power and authority to (i) adopt this Resolution and any supplement hereto, and enter into and perform its obligations under the Certificate Purchase Agreement, (ii) authorize the County to issue the Note on its behalf or, if applicable, issue the Note, and (iii) accept its obligations under the Credit Agreement(s).

(B) (i) Upon the issuance of the Note, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Note and the performance of its obligations thereunder, (ii) the District has full legal right, power and authority to request the County to issue and deliver the Note on behalf of the District and to perform its obligations as

provided herein and therein, (iii) if applicable, the District has full legal right, power and authority to issue and deliver the Note and accept its obligations under the Credit Agreement(s).

(C) The issuance of the Note, the adoption of this Resolution, the acceptance of the District's obligations under the Credit Agreement(s) and the execution and delivery of the Certificate Purchase Agreement, the Trust Agreement and the Credit Agreement(s), if applicable, and compliance with the provisions hereof and thereof will not conflict with, breach or violate any law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the District is subject or by which it is bound.

(D) Except as may be required under blue sky or other securities law of any state or Section 3(a)(2) of the Securities Act of 1933, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the District required for the issuance and sale of the Note or the consummation by the District of the other transactions contemplated by this Resolution except those the District shall obtain or perform prior to or upon the issuance of the Note.

(E) The District has (or will have prior to the issuance of the Note) duly, regularly and properly adopted a budget for Fiscal Year 2007-2008 setting forth expected revenues and expenditures and has (or will have prior to the issuance of the Note) complied with all statutory and regulatory requirements with respect to the adoption of such budget. The District hereby covenants that it will (i) duly, regularly and properly prepare and adopt its revised or final budget for Fiscal Year 2007-2008, (ii) provide to the Trustee, the Credit Provider(s), if any, and the Underwriter, promptly upon adoption, copies of such revised or final budget and of any subsequent revisions, modifications or amendments thereto and (iii) comply with all applicable law pertaining to its budget.

(F) The Principal Amount of the District's Note issued hereunder plus the interest payable thereon, on the date of issuance of the Note, will not exceed fifty percent (50%) of the estimated amounts of the District's uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys to be received by the District for the general fund and, if applicable, capital fund and/or special revenue fund of the District attributable to Fiscal Year 2007-2008 all of which will be legally available to pay principal of and interest on the Note.

(G) The County has experienced an ad valorem property tax collection rate of not less than eighty-five percent (85%) of the average aggregate amount of ad valorem property taxes levied within the District in each of the five fiscal years from Fiscal Year 2001-2002 through Fiscal Year 2005-2006, and the District, as of the date of adoption of this Resolution and on the date of issuance of the Note, reasonably expects the County to have collected and to collect at least eighty-five percent (85%) of such amount for Fiscal Years 2006-2007 and 2007-2008, respectively.

(H) The District (i) has not defaulted within the past twenty (20) years, and is not currently in default, on any debt obligation, (ii) to the best knowledge of the District, has never defaulted on any debt obligation, and (iii) has never filed a petition in bankruptcy.

(I) The District's most recent audited financial statements present fairly the financial condition of the District as of the date thereof and the results of operation for the period covered thereby. Except as has been disclosed to the Underwriter and the Credit Provider(s), if any, there has been no change in the financial condition of the District since the date of such audited financial statements that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Resolution and the Note. The District agrees to furnish to the Underwriter, the Trustee and the Credit Provider(s), if any, promptly, from time to time, such information regarding the operations, financial condition and property of the District as such party may reasonably request, including the Financial Report and Deficiency Report, if appropriate, appearing as Exhibits C and D to the Trust Agreement.

(J) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best knowledge of the District, threatened against or affecting the District questioning the validity of any proceeding taken or to be taken by the District in connection with the Note, the Certificate Purchase Agreement, the Trust Agreement, the Credit Agreement(s), if any, or this Resolution, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the District of any of the foregoing, or wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the District's financial condition or results of operations or on the ability of the District to conduct its activities as presently conducted or as proposed or contemplated to be conducted, or would materially adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, the Note, the Certificate Purchase Agreement, the Trust Agreement, the Credit Agreement(s), if any, or this Resolution.

(K) The District will not directly or indirectly amend, supplement, repeal, or waive any portion of this Resolution (i) without the consents of the Credit Provider(s), if any, or (ii) in any way that would materially adversely affect the interests of any holder or Owner of the Note or the Certificates.

(L) Upon issuance of the Note, the Note, this Resolution and the District's acceptance of its obligations under the corresponding Credit Agreement, will constitute legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy or other laws affecting creditors' rights generally, the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases and the limitations on legal remedies against school districts, community college districts and county boards of education, as applicable, in the State of California.

(M) It is hereby covenanted and warranted by the District that all representations and recitals contained in this Resolution are true and correct, and that the District and its appropriate officials have duly taken, or will take, all proceedings necessary to be taken by them, if any, for the levy, receipt, collection and enforcement of the Pledged Revenues in accordance with law for carrying out the provisions of this Resolution and the Note.

(N) The District shall not incur any indebtedness that is not issued in connection with the Program under this Resolution and that is secured by a pledge of its unrestricted revenues unless such pledge is subordinate in all respects to the pledge of unrestricted revenues hereunder.

(O) So long as the Credit Provider is not in default under the corresponding Credit Instrument, the District hereby agrees to pay its pro rata share of all Predefault Obligations and all Reimbursement Obligations attributable to the District in accordance with provisions of the applicable Credit Agreement, if any, and the Trust Agreement. Prior to the Maturity Date, moneys in the District's Payment Account shall not be used to make such payments. The District shall pay such amounts promptly upon receipt of notice from the Credit Provider, if any, that such amounts are due to it by instructing the Trustee to pay such amounts to the Credit Provider on the District's behalf by remitting to the Credit Provider moneys held by the Trustee for the District and then available for such purpose under the Trust Agreement. If such moneys held by the Trustee are insufficient to pay the District's pro rata share of such Predefault Obligations and all Reimbursement Obligations attributable to the District (if any), the District shall pay the amount of the deficiency to the Trustee for remittance to the Credit Provider.

(P) So long as any Certificates issued in connection with the Note are Outstanding, or any Predefault Obligation or Reimbursement Obligation is outstanding, the District will not create or suffer to be created any pledge of or lien on the Note other than the pledge and lien of the Trust Agreement.

(Q) As of the date of adoption of this Resolution, based on the most recent report prepared by the Superintendent of Public Instruction of the State of California, the District does not have a negative certification (or except as disclosed in writing to the Credit Provider(s), if any, a qualified certification) applicable to the fiscal year ending June 30, 2007 (the "Fiscal Year 2006-2007") within the meaning of Section 42133 of the Education Code of the State of California. The District covenants that it will immediately deliver a written notice to the Authority, Underwriter, the Credit Provider(s), if any, and Bond Counsel if it (or, in the case of County Boards of Education, the County Superintendent of Schools) files with the County Superintendent of Schools, the County Board of Education or the State Superintendent of Public Instruction or receives from the County Superintendent of Schools or the State Superintendent of Public Instruction a qualified or negative certification applicable to Fiscal Year 2006-2007 or Fiscal Year 2007-2008 prior to the respective Closing Date referenced in the Pricing Confirmation or the Maturity Date of the Note.

(R) To the extent required by law and by the State Superintendent of Public Instruction, the District fully funded its Reserve for Economic Uncertainties for Fiscal Year 2006-2007 and will fully fund its Reserve for Economic Uncertainties for Fiscal Year 2007-2008.

(S) The District will maintain a positive general fund balance in Fiscal Year 2007-2008.

(T) The District will maintain an investment policy consistent with the policy set forth in Section 8.

(U) The District covenants that it will immediately deliver a written notice to the Authority, the Underwriter, the Credit Provider(s), if any, and Bond Counsel upon the occurrence of any event which constitutes an Event of Default hereunder or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

Section 13. Tax Covenants. (A) The District will not take any action or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Note under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Without limiting the generality of the foregoing, the District will not make any use of the proceeds of the Note or any other funds of the District which would cause the Note to be an "arbitrage bond" within the meaning of Section 148 of the Code, a "private activity bond" within the meaning of Section 141(a) of the Code, or an obligation the interest on which is subject to federal income taxation because it is "federally guaranteed" as provided in Section 149(b) of the Code. The District, with respect to the proceeds of the Note, will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued or applicable thereunder to the extent that such requirements are, at the time, applicable and in effect.

(B) In the event the District is deemed a Safe Harbor Issuer (as defined in Section 7), this paragraph (B) shall apply. The District covenants that it shall make all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of the Note due to the United States Treasury, shall segregate and set aside from lawfully available sources the amount such calculations may indicate may be required to be paid to the United States Treasury, and shall otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with the instructions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel referred to in Section 7 hereof to assure compliance with the Rebate Requirements. If the balance in the Proceeds Subaccount attributed to cash flow borrowing and treated for federal tax purposes as proceeds of the Note is not low enough to qualify amounts in the Proceeds Subaccount attributed to cash flow borrowing for an exception to the Rebate Requirements on at least one date within the six month period following the date of issuance of the Note (calculated in accordance with Section 7), the District will reasonably and prudently calculate the amount, if any, of investment profits which must be rebated to the United States and will immediately set aside, from revenues attributable to the Fiscal Year 2007-2008 or, to the extent not available from such revenues, from any other moneys lawfully available, the amount of any such rebate in the Rebate Fund referred to in this Section 13(B). In addition, in such event, the District shall establish and maintain with the Trustee a fund separate from any other fund established and maintained hereunder and under the Trust Agreement designated as the "2007-2008 Tax and Revenue Anticipation Note Rebate Fund" or such other name as the Trust Agreement may designate. There shall be deposited in such Rebate Fund such amounts as are required to be deposited therein in accordance with the written instructions from Bond Counsel pursuant to Section 7 hereof.

(C) Notwithstanding any other provision of this Resolution to the contrary, upon the District's failure to observe, or refusal to comply with, the covenants contained in this Section 13, no one other than the holders or former holders of the Note or Certificate Owners, the Credit Provider(s), if any, or the Trustee on their behalf shall be entitled to exercise any right

or remedy under this Resolution on the basis of the District's failure to observe, or refusal to comply with, such covenants.

(D) The covenants contained in this Section 13 shall survive the payment of the Note.

Section 14. Events of Default and Remedies.

If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default":

(A) Failure by the District to make or cause to be made the deposits to the Payment Account required to be made hereunder on or before the fifteenth (15th) day after the date on which such deposit is due and payable, or failure by the District to make or cause to be made any other payment required to be paid hereunder on or before the date on which such payment is due and payable;

(B) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Resolution, for a period of fifteen (15) days after written notice, specifying such failure and requesting that it be remedied, is given to the District by the Trustee or any Credit Provider, if applicable, unless the Trustee and such Credit Provider shall all agree in writing to an extension of such time prior to its expiration;

(C) Any warranty, representation or other statement by or on behalf of the District contained in this Resolution or the Certificate Purchase Agreement (including the Pricing Confirmation) or the Credit Agreement(s) (if and as applicable) or in any requisition or any Financial Report or Deficiency Report delivered by the District or in any instrument furnished in compliance with or in reference to this Resolution or the Certificate Purchase Agreement or the Credit Agreement(s) (if and as applicable) or in connection with the Note, is false or misleading in any material respect;

(D) Any event of default constituting a payment default occurs in connection with any other bonds, notes or other outstanding debt of the District;

(E) A petition is filed against the District under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect and is not dismissed within 30 days after such filing, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Certificate Owners' (or Noteholders') interests;

(F) The District files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(G) The District admits insolvency or bankruptcy or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an

assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the District or any of its property is appointed by court order or appointed by the State Superintendent of Public Instruction or takes possession thereof and such order remains in effect or such possession continues for more than 30 days, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Certificate Owners' or Noteholders' interests; and

(H) An "Event of Default" under the terms of the resolution, if any, of the County providing for the issuance of the Note.

Whenever any Event of Default referred to in this Section 14 shall have happened and be continuing, the Trustee shall, in addition to any other remedies provided herein or by law or under the Trust Agreement, have the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps:

(1) Without declaring the Note to be immediately due and payable, require the District to pay to the Trustee, for deposit into the Payment Account of the District under the Trust Agreement an amount equal to the principal of the Note and interest thereon to maturity plus all other amounts due hereunder, and upon notice to the District the same shall become immediately due and payable by the District without further notice or demand; and

(2) Take whatever other action at law or in equity (except for acceleration of payment on the Note) which may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

Notwithstanding the foregoing, and subject to the terms of the Trust Agreement concerning exercise of remedies which shall control if inconsistent with the following, if the Note is secured in whole or in part by a Credit Instrument or if a Credit Provider is subrogated to rights under the Note, as long as the Credit Provider has not failed to comply with its payment obligations under the Credit Instrument, the Credit Provider shall have the right to direct the remedies upon any Event of Default hereunder so long as such action will not materially adversely affect the rights of any Certificate Owner, and the Credit Provider's prior consent shall be required to any remedial action proposed to be taken by the Trustee hereunder, except that nothing contained herein shall affect or impair the right of action of any Owner of a Certificate to institute suit directly against the District to enforce payment of the obligations evidenced and represented by such Owner's Certificate.

If the Credit Provider is not reimbursed on any interest payment date of the Note for the drawing, payment or claim, as applicable, used to pay principal of and interest on the Note due to a default in payment on the Note by the District, as provided in Section 5.03 of the Trust Agreement or if any principal of or interest on the Note remains unpaid after the Maturity Date of the Note, the Note shall be a Defaulted Note, the unpaid principal of and interest on thereof or the portion thereof to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been made shall be deemed outstanding and shall bear interest at the

Default Rate until the District's obligation on the Defaulted Note is paid in full or payment is duly provided for, all subject to Section 8 hereof.

Section 15. Trustee. The Trustee is hereby appointed as paying agent, registrar and authenticating agent for the Note. The District hereby directs and authorizes the payment by the Trustee of the interest on and principal of the Note when such become due and payable, from the Payment Account held by the Trustee in the name of the District in the manner set forth herein. The District hereby covenants to deposit funds in the Payment Account at the times and in the amounts specified herein to provide sufficient moneys to pay the principal of and interest on the Note on the day on which the Note matures. Payment of the Note shall be in accordance with the terms of the Note and this Resolution.

The District hereby agrees to maintain the Trustee under the Trust Agreement as paying agent, registrar and authenticating agent of the Note.

The District further agrees to indemnify, to the extent permitted by law and without making any representation as to the enforceability of this covenant, and save the Trustee, its directors, officers, employees and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the Trust Agreement, including but not limited to costs and expenses incurred in defending against any claim or liability, which are not due to its negligence or default.

Section 16 Sale of Note. The Note as evidenced and represented by the Series of Certificates shall be sold to the Underwriter, in accordance with the terms of the Certificate Purchase Agreement, hereinbefore approved.

Section 17 Appointment of Professionals. Orrick, Herrington & Sutcliffe LLP is hereby appointed Bond Counsel for the Series of Certificates and the Program, and Piper Jaffray & Co. and George K. Baum & Company are hereby appointed underwriters for the Series of Certificates and the Program. Kutak Rock LLP is hereby appointed as special counsel to the District.

Section 18 Form 8038-G. Any Authorized Officer is hereby authorized to execute and deliver any Information Return for Tax-Exempt Governmental Obligations, Form 8038-G of the Internal Revenue Service ("Form 8038-G"), in connection with the issuance of the Note and the related Series of Certificates. To the extent permitted by law, the Authority, the Trustee, the Underwriter and Bond Counsel are each hereby authorized to execute and deliver any Form 8038-G for and on behalf of the District in connection with the issuance of the Note and the related Series of Certificates, as directed by an Authorized Officer of the District.

Section 19. Continuing Disclosure Undertaking.

(A) The District covenants, for the sole benefit of the Owners of the Series of Certificates which evidence and represent the Note (and, to the extent specified in this Section 19, the beneficial owners thereof), that the District shall provide in a timely manner, through the Trustee acting as dissemination agent (the "Dissemination Agent") to each nationally recognized municipal securities information repository or to the Municipal Securities Rulemaking Board, and to any State of California information depository, notice of any of the following events with

respect to the District's outstanding Note, if material (each a "Listed Event"): (1) principal and interest payment delinquencies on the Note and the related Series of Certificates; (2) non-payment related defaults; (3) modifications to rights of Owners and beneficial owners of the Series of Certificates which evidence and represent the Note; (4) optional, contingent or unscheduled bond calls; (5) defeasances; (6) rating changes; (7) adverse tax opinions or events affecting the tax-exempt status of the Note and the related Series of Certificates; (8) unscheduled draws on debt service reserves reflecting financial difficulties; (9) unscheduled draws on the credit enhancement reflecting financial difficulties; (10) substitution of credit or liquidity providers, or their failure to perform; and (11) release, substitution or sale of property securing repayment of the Note.

Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable federal securities laws. The Authority and the Dissemination Agent shall have no responsibility for such determination and shall be entitled to conclusively rely upon the District's determination.

If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly provide the Authority and the Dissemination Agent with a notice of such occurrence which the Dissemination Agent agrees to file with the Municipal Securities Rulemaking Board and the State Repository.

(B) In the event of a failure of the District to comply with any provision of this section, any Owner or beneficial owner of the related Series of Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. A default under this section shall not be deemed an Event of Default under Section 14 hereof, and the sole remedy under this section in the event of any failure of the District to comply with this section shall be an action to compel performance.

(C) For the purposes of this section, a "beneficial owner" shall mean any person which has the power, directly or indirectly, to make investment decisions concerning ownership of any Certificates of the Series which evidences and represents the Note (including persons holding Certificates through nominees, depositories or other intermediaries).

(D) The District's obligations under this section shall terminate upon the legal defeasance, prior redemption or payment in full of its Note. If such termination occurs prior to the final maturity of the related Certificates, the District shall give notice of such termination in the same manner as for a Listed Event under subsection (A) of this section.

(E) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this section. In no event shall the Dissemination Agent be responsible for preparing any notice or report or for filing any notice or report which it has not received in a timely manner and in a format suitable for reporting. Nothing in this section shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this section or any other means of communication, or including any other notice of occurrence of a Listed Event, in addition to that

which is required by this section. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this section, the District shall have no obligation under this section to update such information or include it in any future notice of occurrence of a Listed Event.

(F) Notwithstanding any other provision of this Resolution, the District with the consent of the Dissemination Agent and notice to the Authority may amend this section, and any provision of this section may be waived, provided that the following conditions are satisfied:

(1) If the amendment or waiver relates to the provisions of subsection (A) of this section, 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 Note and the related Certificates, or the type of business conducted;

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

(3) The amendment or waiver either (i) is approved by the Owners or beneficial owners of the Certificates of the Series which evidences and represents the Note in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners or beneficial owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the related Certificates. In the event of any amendment or waiver of a provision of this section, notice of such change shall be given in the same manner as for an event listed under subsection (A) of this section, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver; provided, however, the District shall be responsible for preparing such narrative explanation.

(G) The Dissemination Agent shall have only such duties as are specifically set forth in this section. The Dissemination Agent shall not be liable for the exercise of any of its rights hereunder or for the performance of any of its obligations hereunder or for anything whatsoever hereunder, except only for its own willful misconduct or gross negligence. Absent gross negligence or willful misconduct, the Dissemination Agent shall not be liable for an error of judgment. No provision hereof shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial or other liability or risk in the performance of any of its obligations hereunder, or in the exercise of any of its rights hereunder, if such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The District hereby agrees to compensate the Dissemination Agent for its reasonable fees in connection with its services hereunder, but only from the District's share of the costs of issuance deposited in the Costs of Issuance Fund held and invested by the Trustee under the Trust Agreement.

(H) This section shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter and Owners and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 20. Approval of Actions. The aforementioned officers of the County or the District, as applicable, are hereby authorized and directed to execute the Note and to cause the Trustee to authenticate and accept delivery of the Note pursuant to the terms and conditions of the Certificate Purchase Agreement and the Trust Agreement. All actions heretofore taken by the officers and agents of the County, the District or this Board with respect to the sale and issuance of the Note and participation in the Program are hereby approved, confirmed and ratified and the officers and agents of the County and the officers and agents of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions and execute any and all certificates, requisitions, agreements, notices, consents, and other documents, including tax certificates, letters of representations to the securities depository, guaranteed investment contracts, other or additional municipal insurance policies or credit enhancements or credit agreements or insurance commitment letters, if any, and closing certificates, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note in accordance with, and related transactions contemplated by, this Resolution. The officers of the County referred to above in Section 9 hereof, and the officers of the District referred to above in Section 4 hereof, are hereby designated as "Authorized District Representatives" under the Trust Agreement.

In the event that the Note or a portion thereof is secured by a Credit Instrument, the Authorized Officer is hereby authorized and directed to (i) acknowledge the terms of the corresponding Credit Agreement, and (ii) provide the Credit Provider with any and all information relating to the District as such Credit Provider may reasonably request.

Section 21. Proceedings Constitute Contract. The provisions of the Note and of this Resolution shall constitute a contract between the District and the registered owner of the Note and the Credit Provider, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, and shall be irrevocable.

Section 22. Limited Liability. Notwithstanding anything to the contrary contained herein or in the Note or in any other document mentioned herein or related to the Note, the District shall not have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby except to the extent payable from moneys available therefor as set forth in Section 8 hereof and the County is not liable for payment of the Note or any other obligation of the District hereunder.

Section 23. Severability. In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 24. Submittal of Resolution to County. The Secretary or Clerk of the Board of the District is hereby directed to submit one certified copy each of this Resolution to the Clerk of

the Board of Supervisors of the County, to the Treasurer of the County and to the County Superintendent of Schools.

EXHIBIT A
FORM OF NOTE

R-1

§ _____

_____ DISTRICT/ _____ BOARD OF EDUCATION
COUNTY OF _____, CALIFORNIA
2007-2008 TAX AND REVENUE ANTICIPATION NOTE

Date of
Original Issue

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

PRINCIPAL AMOUNT: _____ DOLLARS

Interest Rate		Maturity Date		
_____ %				
First Repayment Month	Second Repayment Month	Third Repayment Month	Fourth Repayment Month	Fifth Repayment Month
____% (Total of [principal] [interest] [principal and interest] due at maturity)	100% (Total of principal and interest due)**			

FOR VALUE RECEIVED, the District/Board of Education designated above (the "District"), located in the County designated above (the "County"), acknowledges itself indebted to and promises to pay on the applicable maturity date specified above to the registered owner identified above, or registered assigns, the applicable principal amount specified above, together with interest thereon from the date hereof until the applicable principal amount shall have been paid, payable [on _____ 1, 2008 and thereafter, and] on the applicable maturity date specified above in lawful money of the United States of America, at the rate of interest specified above (the "Note Rate"). Principal of and interest on this Note are payable in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts, such principal and interest to be paid upon surrender hereof at the principal corporate trust office of U.S. Bank National Association in Los Angeles, California, or its successor in trust (the "Trustee"). Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30-day months, in like lawful money from the date hereof until the applicable maturity date specified above and, if funds are not provided for payment at the applicable maturity, thereafter on the basis of a 360-day year for actual days elapsed until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note as the same shall fall due; provided, however, no interest shall be payable for any period after the applicable maturity during which the holder hereof fails to properly present this Note for payment. If the District

** Number of Repayment Months and percentages and amount of principal of Note shall be determined in Pricing Confirmation (as defined in the Resolution).

450

fails to pay interest on this Note on any interest payment date or pay the principal of or interest on this Note on the maturity date or the Credit Provider (as defined in the Resolution hereinafter described), if any, is not reimbursed in full for the amount drawn on or paid pursuant to the Credit Instrument (as defined in the Resolution) to pay all or a portion of the principal of and interest on this Note on the date of such payment, this Note shall become a Defaulted Note (as defined and with the consequences set forth in the Resolution).

[It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of a resolution of the governing board of the District duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees.]^{*}

[It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of certain resolutions of the governing boards of the District and the County duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees.]^{**}

The principal of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District for the general fund [and capital fund and/or special revenue fund] of the District and are attributable to Fiscal Year 2007-2008 and which are available for payment thereof. As security for the payment of the principal of and interest on the Note, the District has pledged the first amounts of unrestricted revenues of the District received in the sequentially numbered Repayment Months set forth on the face hereof (and any amounts received thereafter attributable to Fiscal Year 2007-2008) until the amount on deposit in the Payment Account (as defined in the Resolution) in each such month, taking into consideration anticipated earnings thereon to be received by the maturity date, is equal to the corresponding percentages of principal of and interest due on the Note at such maturity set forth on the face hereof (such pledged amounts being hereinafter called the "Pledged Revenues"), and the principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor as set forth in the Resolution. The full faith and credit of the District is not pledged to the payment of the principal of or interest on this Note. The County is not liable for payment of this Note.

This Note is transferable, as provided by the Resolution, only upon the books of the District kept at the office of the Trustee, by the registered owner hereof in person or by its duly authorized attorney, upon surrender of this Note for transfer at the office of the Trustee, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee

^{*} This paragraph is applicable only if the Note is issued by the District.

^{**} This paragraph is applicable only if the Note is issued by the County.

duly executed by the registered owner hereof or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, a fully registered Note will be issued to the designated transferee or transferees.

The [County, the]* District and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and [the County,]* the District and the Trustee shall not be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been signed by the Trustee.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance 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 and that the amount of this Note, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

[IN WITNESS WHEREOF, the Board of Supervisors of the County has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the County and countersigned by the manual or facsimile signature of its duly authorized officer and caused its official seal to be affixed hereto either manually or by facsimile impression hereon as of the date of authentication set forth below.]*

[IN WITNESS WHEREOF, the governing board of the District has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the District and countersigned by the manual or facsimile signature of its duly authorized officer as of the date of authentication set forth below.]**

[COUNTY OF _____]*
[DISTRICT/ _____]
BOARD OF EDUCATION]**

By _____
Title:

[(SEAL)]

Countersigned

By _____
Title:

* Applicable only if the Note is issued by the County.

** This paragraph is applicable only if the Note is issued by the District.

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is the Note mentioned in the within-mentioned Resolution authenticated on the following date:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

BY _____
AUTHORIZED OFFICER

ASSIGNMENT

For Value Received, the undersigned, _____, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No. _____) the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution.

SECRETARY'S CERTIFICATE

I, Bart O'Brien, Secretary of the Governing Board of the Placer Union High School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of the Placer Union High School District duly and regularly held at the regular meeting place thereof on the 6th day of Feb, 2007, of which meeting all of the members of said Governing Board had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

AYES: (5) Geary, Hachmeister, MacDonald, Gates, Ward
NOES: (0)
ABSENT: (0)
ABSTAIN: (0)

An agenda of said meeting was posted at least 72 hours before said meeting at 13000 New Airport Road, Auburn, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect. The Maximum Amount of Borrowing specified in the foregoing resolution is \$5,000,000.

Dated: February 7, 2007



Bart O'Brien
Secretary of the Governing Board of the
Placer Union High School District

