

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: <sup>DW</sup> COUNTY COUNSEL

BOARD AGENDA # \_\_\_\_\_ \*E-1

Urgent  Routine

AGENDA DATE July 19, 2011

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of Resolution Authorizing the Issuance and Sale of Ceres Unified School District Fiscal Year 2011-2012 Tax and Revenue Anticipation Notes

STAFF RECOMMENDATIONS:

1. Adopt the resolution authorizing the issuance and sale of Ceres Unified School District Fiscal Year 2011-2012 Tax and Revenue Anticipation Notes.
2. Authorize the Chairman of the Board of Supervisors to sign the resolution.

FISCAL IMPACT:

The County will obtain reimbursement from the District for the reasonable costs associated with the issuance and sale of the bonds.

BOARD ACTION AS FOLLOWS:

No. 2011-441

On motion of Supervisor O'Brien, Seconded by Supervisor Withrow  
 and approved by the following vote,  
 Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith  
 Noes: Supervisors: None  
 Excused or Absent: Supervisors: None  
 Abstaining: Supervisor: None

- 1)  Approved as recommended
- 2)  Denied
- 3)  Approved as amended
- 4)  Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

**DISCUSSION:**

Pursuant to Article 7.6 (section 53850 et. seq.) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code, school districts organized and existing under the laws of the State of California are authorized to borrow money by the issuance of temporary notes, the proceeds of which may be used and expended for any purpose for which the school district is authorized to spend money. Such notes shall be issued in the name of the requesting school district by the Board of Supervisors of the County, where the County Superintendent of Schools has jurisdiction over the school district, as soon as possible following the receipt of a resolution of the governing board of the school district requesting the borrowing.

The Board of Trustees of the Ceres Unified School District has adopted its resolution of June 30, 2011, attached as exhibit "1", which finds and determines that it is desirable that the District borrow funds in an amount not to exceed \$9,500,000 with respect to Fiscal Year 2011-2012 for authorized purposes of the District, and requests the Board of Supervisors of Stanislaus County to authorize the issuance of and offer for sale, tax and revenue anticipation notes in the name of the District in the principal amount not to exceed \$9,500,000 and execute the resolution of the Board of Supervisors attached as Exhibit "2."

**POLICY ISSUE:**

The Board of Supervisors' approval of the Resolution is required by State Law and County staff is not aware of any reason why the Board should not approve the Resolution.

**STAFFING IMPACT:**

The proposed Resolution imposes upon the County Treasurer-Tax Collector and the County Auditor-Controller and other representatives of the County certain obligations in conjunction with the issuance and sale of the notes, including notice of actions related to said notes. The County will require the District to reimburse the County for any and all reasonable costs associated with the issuance and sale of the notes.

**CONTACT PERSON:**

Dean Wright, Deputy County Counsel

Telephone: 525-6376

**RESOLUTION NO. 36-10/11**

**RESOLUTION OF THE CERES UNIFIED SCHOOL DISTRICT  
AUTHORIZING THE ISSUANCE OF 2011-2012 TAX AND REVENUE ANTICIPATION  
NOTES FOR SAID DISTRICT AND REQUESTING THE BOARD OF SUPERVISORS  
OF STANISLAUS COUNTY TO ISSUE SAID NOTES**

**WHEREAS**, pursuant to Sections 53850 *et seq.* of the Government Code of the State of California (the "Act") contained in Article 7.6 thereof, entitled "Temporary Borrowing," on or after the first day of any fiscal year (being July 1), the Ceres Unified School District (the "District") may borrow money by issuing tax and revenue anticipation notes for any purpose for which the District is authorized to expend moneys, including, but not limited to, current expenses, capital expenditures, and the discharge of any obligation or indebtedness of the District; and

**WHEREAS**, Section 53853 of the Act provides that such notes must be issued in the name of the District by the Board of Supervisors (the "County Board") of Stanislaus County (the "County"), as soon as possible following the receipt of a resolution of the District requesting the borrowing; and

**WHEREAS**, this Board of Trustees (the "District Board") deems it necessary and desirable and in the best interest of the District to request the County Board to issue the tax and revenue anticipation notes in an amount not to exceed NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000), at an interest rate not to exceed five percent (5%), in the name of the District (the "Notes"); and

**WHEREAS**, the \$9,500,000 maximum principal amount of Notes hereby requested to be issued by the County Board on behalf of the District in fiscal year 2011-2012, 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 state and federal governments), cash receipts and other moneys of the District that will be available for the payment of the Notes and interest thereon, as required by Section 53858 of the Act; and

**WHEREAS**, the Notes will not be issued in an amount greater than the maximum anticipated cumulative cash flow deficit to be financed by the anticipated tax or other revenue sources for the period for which such taxes or other revenues are anticipated and during which such notes are outstanding, all as provided in the Income Tax Regulations of the United States Treasury.

**NOW, THEREFORE**, the Board of Trustees of the Ceres Unified School District hereby resolves as follows:

**Section 1. Findings.** All of the above recitals are true and correct and the District hereby so finds and determines.

**Section 2. Authorization of Issuance of Notes; Approval of Issuance Resolution, Terms and Form of Notes.**

(A) Authorization of Issuance of Notes. The District Board hereby requests the County Board to issue in the name of the District, an amount not to exceed \$9,500,000 principal amount of Notes under Sections 53850 *et seq.* of the Act, designated the "Ceres Unified School District, Stanislaus County, California, 2011-2012 Tax and Revenue Anticipation Notes."

(B) Amount of Borrowing. The Superintendent of the District (the "Superintendent"), or his designee, is hereby authorized to determine the aggregate principal amount of the Notes, which sum shall be no greater than the amount recited in Section 2(A) hereof, or such lesser amount as to which Kronick, Moskovitz, Tiedemann & Girard, bond counsel to the District with respect to the Notes ("Bond Counsel"), will deliver an approving opinion regarding the excludability from gross income for federal tax purposes of interest thereon. The aggregate principal amount of the Notes so determined shall be specified in the Note Purchase Agreement or Official Notice of Sale described in Section 8 (Sale of Notes) hereof.

(C) Approval of Issuance Resolution. The Resolution entitled "Resolution of the Board of Supervisors of Stanislaus County Authorizing the Issuance of 2011-2012 Tax and Revenue Anticipation Notes for the Ceres Unified School District" (the "Issuance Resolution"), to be adopted by the County Board, in substantially the form on file with the Secretary of the District, together with any additions to or changes therein being necessary or advisable by the County Board, is hereby approved.

(D) Terms and Form of Notes. The Notes shall be dated the date of delivery thereof; shall mature (without option of prior redemption) on such date as shall be specified in the Note Purchase Agreement or the Official Notice of Sale; shall bear interest, payable at maturity (if the maturity of the Notes is determined to be one year or earlier from the date of issuance) or payable one year from the date of issuance and at maturity (if the maturity of the Notes is determined to be more than one year from the date of issuance), and computed on a 30-day month/360-day year basis, at the rate or rates determined at the time of sale thereof, but not in excess of five percent (5%) per annum; and shall have a term not to exceed thirteen months from the date of delivery. Both the principal of and interest on the Notes shall be payable in lawful money of the United States of America at the principal office of the County Treasurer-Tax Collector of the County of Stanislaus (the "County Treasurer-Tax Collector") who is hereby designated as the paying agent of the Notes (the "Paying Agent"). The Notes shall be issued in fully registered form in denominations of \$1,000 principal amount or an integral multiple thereof, and be in the form attached to the Issuance Resolution.

**Section 3. Deposit of Note Proceeds.** The proceeds from the sale of the Notes shall be deposited with the Paying Agent in the general fund of the District and expended for any purpose for which the District is authorized to expend funds from the general fund but only after exhausting funds (which are not restricted funds) otherwise available for such purposes and only to the extent that on any given day such other funds are not then available. For purposes of this Section, "funds otherwise available" excludes: (a) amounts that are held or set aside in a reasonable working capital reserve in the amount set forth in the tax certificate of the District with respect to the Notes (the "Tax Certificate"), and (b) the "proceeds" of the Notes, which are equal to the initial offering price of the Notes to the public, as certified by the underwriter.

The District hereby covenants to promptly notify Bond Counsel if, on the date that is six months from the date of issuance of the Notes, all of the proceeds of the Notes (including investment earnings thereon) shall not have been so withdrawn and spent; and, to the extent of its power and authority, comply with the instructions from Bond Counsel as to the means of satisfying the rebate requirements of Section 148 of the Code.

**Section 4. Payment of Notes.**

(A) Source of Payment. The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts, and other moneys that are received or accrued by the District during fiscal year 2011-2012 and that are available therefor. The Notes shall be a general obligation of the District and, to the extent the Notes are not paid from the Pledged Revenues defined below, the Notes shall be paid with interest thereon from any other moneys of the District lawfully available therefor, as provided herein and by law.

(B) Pledged Revenues. The Notes shall be secured by a pledge of and first lien and charge against the first unrestricted revenues to be received by the County on behalf of the District in such months and in such amounts as shall be determined by the Superintendent, the Deputy Superintendent, the Assistant Superintendent, Business Services, or their respective designee, prior to the date of the sale of the Notes, sufficient to pay the principal of and interest on the Notes at maturity (such pledged amounts being hereinafter called the "Pledged Revenues"). The term "unrestricted revenues" shall mean taxes, income, revenue, cash receipts, and other moneys deposited in inactive or term deposits (but excepting certain moneys encumbered for a special purpose), as provided in Government Code Section 53856, which are intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

(C) Deposit of Pledged Revenues in Repayment Fund. The Pledged Revenues shall be transferred to the Paying Agent and held by the Paying Agent in a special fund designated as the "Ceres Unified School District 2011-2012 Tax and Revenue Anticipation Notes Repayment Fund" (herein called the "Repayment Fund"). Any moneys placed in the Repayment Fund shall be for the benefit of the holders of the Notes and, until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to maturity, the moneys in the Repayment Fund shall be applied only for the purposes for which the Repayment Fund is created.

(D) Disbursement of Moneys in Repayment Fund; Deficiencies. On the maturity date of the Notes, the moneys in the Repayment Fund shall be used, to the extent necessary, to pay the principal of and interest on the Notes. In accordance with Government Code Section 53857, the District shall make up any deficiency in the Repayment Fund from any other money of the District lawfully available for the payment of the Notes and the interest thereon.

**Section 5. Investment of Funds.** Subject to any additional restrictions imposed by the investment policy of the County, moneys held by the Paying Agent in the District's general fund and in the Repayment Fund may be invested (i) in the County Pooled Investment Fund maintained by the County Treasurer-Tax Collector; (ii) in any investments permitted by the Government Code, notwithstanding any limitations contained therein as to the maximum proportion of such funds that may be invested in any particular investment and meeting Standard

& Poor's criteria for investments, or any equivalent criteria of any rating agency then rating the Notes, (iii) in investment agreements, including guaranteed investment contracts rated AAA by Standard & Poor's, or an equivalent rating of any rating agency then rating the Notes, and (iv) in the Local Agency Investment Fund within the treasury of the State of California. The proceeds of such investments shall be retained in each such respective fund, provided that no moneys in the Repayment Fund shall be invested for a term that exceeds the term of the Notes and that sufficient moneys shall be invested to mature no later than the date on which any payment of interest or principal is due, to provide for such payment.

**Section 6. Tax Covenants.**

(A) No Arbitrage. The District hereby covenants that it will make no use of the proceeds of the Notes that would cause the Notes to be "arbitrage bonds" under Section 148 of the Code; and, to that end, so long as any of the Notes are outstanding, the District and all of its officers having custody or control of such proceeds shall comply with all requirements of: (a) said Code section, including restrictions on the use and investment of proceeds of the Notes and the rebate of a portion of investment earnings on certain amounts, including proceeds of the Notes, if required, to the Federal government, and (b) the Income Tax Regulations of the United States Treasury promulgated thereunder or any predecessor provisions, to the extent that such regulations are, at the time, applicable and in effect so that the Notes will not be "arbitrage bonds." By the date that is seven months after the date of issuance of the Notes (the "Issue Date"), the District shall determine whether all of the proceeds of the Notes (including investment earnings thereon) were, within six months of the Issue Date, allocated to expenditures relating to the governmental purpose of the issue so that the Notes qualify for an exemption from the rebate requirements of Section 148 of the Code. If, on the date that is six months from the Issue Date, all such amounts have not been so allocated to expenditures, the District will promptly notify Bond Counsel and, to the extent of its power and authority, comply with the instructions from the Bond Counsel as to the means of satisfying the rebate requirements of Section 148 of the Code.

Without limiting the foregoing, the District hereby covenants that it will comply with the requirements of the Tax Certificate to be entered into by the District as of the Issue Date. The provisions of this Section shall survive payment in full or defeasance of the Notes.

(B) Rebate Calculation and Payment. The District covenants that, in the event it is or becomes subject to the rebate requirements of Section 148 of the Code, it shall (i) make all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of the Notes due to the United States Treasury; (ii) cause the Paying Agent to segregate and set aside from lawfully available sources the amount such calculations indicate may be required to be paid to the United States Treasury; and (iii) otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with each applicable requirement of Section 103 and Sections 141 through 150 of the Code and complying with the instructions of Bond Counsel, to ensure that interest paid on the Notes shall, for the purposes of federal income taxes, be excludable from the gross income of the recipients thereof and exempt from such taxation. If such calculation is required, the District will immediately cause the Paying Agent to set aside, from revenues received during or allocable to the 2011-2012 fiscal year or, to the extent not available from such revenues, from any other monies lawfully available, the amount of such rebate in a separate fund that the District hereby

agrees to cause the Paying Agent to establish and maintain and designate as the "Ceres Unified School District 2011-2012 Tax and Revenue Anticipation Note Rebate Fund."

(C) Remedies Limited to Note Owners. Notwithstanding any other provision of this Resolution to the contrary, no one other than the owners or former owners of the Notes 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, the covenants in this Section.

(D) Reliance on Opinion of Bond Counsel. Notwithstanding any provision of this Section, if the District shall obtain an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the excludability from gross income for federal income tax purposes of interest on the Notes, the District may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

Section 7. Execution of the Notes. The District hereby requests the County Treasurer-Tax Collector, or designated deputy of the County Treasurer-Tax Collector, to sign the Notes manually or by facsimile signature; the Clerk of the County Board (the "Clerk") or one of her deputies to countersign the Notes manually or by facsimile signature (provided at least one of the foregoing shall sign manually); the Clerk to affix the seal of the County or a facsimile of the seal thereto; and said officers to cause the blank spaces thereof to be filled in as may be appropriate.

Section 8. Sale of the Notes. The Notes will be sold either at a negotiated sale to an underwriter or underwriters selected by the District's financial advisor (the "Financial Advisor") pursuant to a Note Purchase Agreement upon terms and conditions as are acceptable to the District and consistent herewith or by competitive bid and awarded as set forth in an Official Notice of Sale. The Superintendent, or his designee, is hereby authorized to decide between competitive or negotiated sale in conjunction with advice from the Financial Advisor. The Financial Advisor and the Superintendent, or their respective designees, are hereby authorized to prepare a Note Purchase Agreement or an Official Notice of Sale consistent with this Resolution.

If the sale is negotiated, the Superintendent, or his designee, is authorized to negotiate the sale of no more than \$9,500,000 of Notes at an interest rate of not more than five percent (5%) and for a term not longer than thirteen months.

If the sale is by competitive bid, the Superintendent, or his designee, is hereby directed to execute and to publish the Official Notice of Sale, and to publish any notice of sale required by law. The Financial Advisor and the Superintendent, or their respective designees, are hereby authorized and directed to open the bids at the time and place specified in the Official Notice of Sale. The Financial Advisor and the Superintendent, or their respective designees, are hereby authorized and directed to receive and record the receipt of all bids made pursuant to the Official Notice of Sale, to cause said bids to be examined for compliance with the Official Notice of Sale, to cause computations to be made as to which bidder has bid the lowest true interest cost as provided in the Official Notice of Sale, to announce the bidder of the lowest true interest cost, to award the sale to said bidder, and to notify the District Board and the County Board of the foregoing in accordance with this Resolution and the Issuance Resolution. The term of the Notes

sold by competitive bid and awarded as set forth in this Section shall have a term that does not exceed thirteen months from the date of delivery.

**Section 9. Authorization of Official Statement; Continuing Disclosure Certificate; Report to CDIAC.**

(A) Preliminary Official Statement and Official Statement. The Official Statement relating to the Notes in preliminary form (the "Preliminary Official Statement") is hereby approved. The Superintendent, the Deputy Superintendent, the Assistant Superintendent, Business Services, or their respective designees, are hereby authorized and requested to execute and deliver the Preliminary Official Statement in substantially the form presented to the District, with such changes and additions thereto deemed advisable by the Superintendent, the Deputy Superintendent, the Assistant Superintendent, Business Services, or their respective designee. The District Board authorizes the distribution by the District's Financial Advisor of the Preliminary Official Statement and the Official Statement (in substantially the form of the Preliminary Official Statement) to prospective purchasers of the Notes, and authorizes the Superintendent, the Deputy Superintendent, the Assistant Superintendent, Business Services, or their respective designees, to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Official Statement prior to distribution by the District's Financial Advisor. The execution of the Official Statement shall be conclusive evidence of the approval of the Official Statement by the District.

The Superintendent, the Deputy Superintendent, the Assistant Superintendent, Business Services, or their respective designees, are separately authorized and directed to execute a statement that the facts contained in the Official Statement, and any supplement or amendment thereto, (which shall be deemed an original part thereof for purposes of such statement) were, at the time of the sale of the Notes, true and correct in all material respects, and that the Official Statement did not on the date of the sale of the Notes, and does not as of the date of the delivery of the Notes, contain any untrue statement of a material fact with respect to the District, or omit to state material facts with respect to the District required to be stated or necessary to make any statement made therein not misleading in light of the circumstances under which it was made. The Superintendent, the Deputy Superintendent, the Assistant Superintendent, Business Services, or their respective designees, shall take such further action prior to the signing of the Official Statement as is deemed necessary or appropriate to verify the accuracy thereof.

(B) Continuing Disclosure. The Superintendent, the Deputy Superintendent, the Assistant Superintendent, Business Services, or their respective designees, are hereby authorized to execute, as necessary, a Continuing Disclosure Certificate as may be required pursuant to subsection 15c2-12(b)(5)(i)(C) of the Rule.

(C) Report to California Debt and Investment Advisory Commission. The Superintendent, the Deputy Superintendent, the Assistant Superintendent, Business Services, or their respective designees, are hereby authorized and directed to cause reports of the proposed sale and final sale of the Notes to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855(g).

**Section 10. Delivery of Notes.** The proper officers of the County are hereby requested to deliver the Notes.



**Section 11. Paying Agent.** For purposes of the Notes, the Paying Agent shall be deemed to be a "fiscal agent" within the meaning of Section 53601 of the Act. The District may remove the Paying Agent at any time by giving written notice of such removal to the Paying Agent. If the Paying Agent is removed, or a vacancy shall occur in the office of the Paying Agent for any cause, the District Board shall promptly appoint a successor Paying Agent by a written instrument. The predecessor Paying Agent shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to the successor Paying Agent all the rights, title, and interest of such predecessor Paying Agent, and shall duly assign, transfer and deliver to the successor Paying Agent all property and money held by the predecessor Paying Agent hereunder. The District Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable.

**Section 12. Further Actions Authorized.** All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Notes are hereby approved, confirmed and ratified. The Superintendent, the Deputy Superintendent, the Assistant Superintendent, Business Services, or their respective designees, and any and all other officers 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 related to the execution and delivery of any and all certificates, requisitions, agreements and other documents, that they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes in accordance with the Issuance Resolution and this Resolution.

**Section 13. Further Assurance.** The District, and its appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, to carry out the provisions of this Resolution and the Notes.

**Section 14. Identification of Professionals Involved.** With respect to the issuance and sale of the Notes, Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, is hereby appointed bond counsel to the District and KNN Public Finance, a Division of Zions First National Bank, is hereby appointed financial advisor to the District. The Superintendent, the Deputy Superintendent, the Assistant Superintendent, Business Services, or their respective designees, are each hereby authorized and directed to execute and deliver an agreement for services with each of the aforementioned firms and/or corporations.

**Section 15. Limited Liability.** Neither the County Board nor the County or its officers, employees, and agents (including, but not limited to the County Treasurer-Tax Collector) shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, and the Notes shall be payable solely from the moneys of the District available therefor as set forth in Section 4 (Payment of Notes) hereof. Without in any way limiting the immediately preceding sentence, nothing in this Resolution or in any other document related to issuance of the Notes shall be deemed to impose any fiduciary responsibility on the County, the County Board, or the County's officers (including the County Treasurer-Tax Collector), employees and agents with regard to the issuance of the Notes or payment thereof other than that otherwise imposed by law.

**Section 16. Indemnification.** The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers, agents and employees (the "Indemnified Parties"), against any and all losses, claims, damages or liabilities, joint or several, to which such

Indemnified Parties may become subject, because of action or inaction related to the Notes. The District shall also reimburse the Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

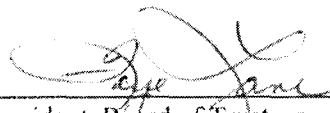
**Section 17. Reimbursement of County Costs.** The District shall reimburse the County for all costs and expenses incurred by the County, its officials, officers, agents, and employees in issuing or otherwise in connection with the Notes.

**Section 18. Delivery of Resolution.** The Secretary of the District is hereby authorized and directed to file a certified copy of this Resolution with the County Board, which shall constitute the request of the District that the County Board issue and sell the Notes as soon as practicable, and to simultaneously provide certified copies of this Resolution to the Stanislaus County Superintendent of Schools and to the Paying Agent.

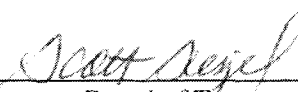
**Section 19. Effective Date.** This Resolution shall take effect from and after its date of adoption.

**APPROVED, PASSED AND ADOPTED** by the Board of Trustees of the Ceres Unified School District this 30<sup>th</sup> day of June 2011, by the following vote, to wit:

AYES:	<u>        6        </u>	- Ingwerson, Wigt, Davis, Welsh, Kinard and Lane
NOES:	<u>        0        </u>	
ABSTAIN:	<u>        0        </u>	
ABSENT:	<u>        1        </u>	- Perez

  
\_\_\_\_\_  
President, Board of Trustees  
Ceres Unified School District

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Trustees  
Ceres Unified School District

**SECRETARY'S CERTIFICATE**

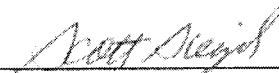
Certified Copy of Resolution No. 36-10/11  
Adopted on June 30, 2011

I, Scott Siegel, hereby certify that I am the Secretary of the Board of Trustees of the Ceres Unified School District, a school district duly organized and existing under and by virtue of the laws of the State of California (the "District"), and that, as such, I am authorized to execute this Certificate on behalf of the District.

I hereby further certify that attached hereto is a complete copy of a resolution which was duly adopted by the District at a meeting thereof which was duly called and held on June 30, 2011, and at such meeting a quorum was present and acting throughout, and that said resolution has not been amended, modified or rescinded since the date of adoption and is now in full force and effect.

Dated: June 30, 2011

**CERES UNIFIED SCHOOL DISTRICT**

By:   
Scott Siegel,  
Secretary of the Board of Trustees

RESOLUTION NO. 2011-441

RESOLUTION OF THE BOARD OF SUPERVISORS  
OF STANISLAUS COUNTY AUTHORIZING THE ISSUANCE  
OF 2011-2012 TAX AND REVENUE ANTICIPATION NOTES  
FOR THE CERES UNIFIED SCHOOL DISTRICT

**WHEREAS**, pursuant to Sections 53850 *et seq.* of the Government Code of the State of California (the "Act") contained in Article 7.6 thereof, entitled "Temporary Borrowing," school districts organized and existing under the laws of the State of California are authorized to borrow money by the issuance of notes for any purpose for which the board is authorized to expend moneys, including, but not limited to, current expenses, capital expenditures, and the discharge of any obligation or indebtedness; and

**WHEREAS**, Section 53853 of the Act provides that such notes shall be issued in the name of the district by the board of supervisors of the county, the county superintendent of schools of which has jurisdiction over the district, as soon as possible following the receipt of a resolution of the district requesting the borrowing; and

**WHEREAS**, the Stanislaus County Superintendent of Schools has jurisdiction over the Ceres Unified School District (the "District"); and

**WHEREAS**, the Governing Board of the District (the "District Board") has requested this Board of Supervisors (the "County Board") of Stanislaus County (the "County") to issue and offer for sale tax and revenue anticipation notes in the name of and on behalf of the District under and pursuant to the provisions of the Act in an amount not to exceed NINE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$9,500,000), at an interest rate not to exceed five percent (5%) per annum (the "Notes"); and

**WHEREAS**, the District Board has found and determined that the principal amount of the Notes, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys to be received by the District for the general fund during or allocable to fiscal year 2011-2012 and available for the payment of the interest on and principal of said Notes.

**NOW, THEREFORE**, it is hereby RESOLVED, ORDERED AND FOUND by the Board of Supervisors of the County of Stanislaus, State of California, as follows:

**Section 1.** **Findings.** All of the above recitals are true and correct and the County Board hereby so finds and determines.

**Section 2.** **Authorization of Issuance of the Notes; Terms Thereof.** The County Board hereby determines to issue the Notes on behalf of the District in a principal amount not to exceed \$9,500,000 under Section 53850 *et seq.* of the Act, designated the "Ceres Unified School District, Stanislaus County, California, 2011-2012 Tax and Revenue Anticipation Notes" (the "Notes"). The Notes shall be dated the date of delivery thereof; shall mature (without option of

prior redemption) on such date as shall be specified in the Official Notice of Sale or the Note Purchase Agreement (the "Purchase Agreement") for the Notes; and shall bear interest, payable at maturity (if the maturity of the Notes is determined to be one year or earlier from the date of issuance) or payable one year from the date of issuance and at maturity (if the maturity of the Notes is determined to be more than one year from the date of issuance) and computed on a 30-day month/360-day year basis, at the rate or rates determined at the time of sale thereof, but not in excess of five percent (5%) per annum. Subject to Section 6 (Registration, Transfer and Exchange of Notes) hereof, both the principal of and interest on the Notes shall be payable, only upon surrender thereof, in lawful money of the United States of America at the principal office of the County Treasurer-Tax Collector of the County of Stanislaus (the "County Treasurer-Tax Collector") who is hereby designated as the paying agent of the Notes (the "Paying Agent").

**Section 3. Amount of Borrowing.** The aggregate principal amount of the Notes shall be no greater than the amount recited in Section 2 (Authorization of Issuance of the Notes; Terms Thereof) hereof, or such lesser amount as to which Kronick, Moskovitz, Tiedemann & Girard, bond counsel to the District with respect to the Notes ("Bond Counsel"), will deliver an approving opinion regarding the excludability from gross income for federal tax purposes of interest thereof. The aggregate principal amount of the Notes so determined upon the sale of the Notes shall be specified in the Official Notice of Sale or the Purchase Agreement described in Section 11 (Sale of the Notes) hereof.

**Section 4. Form of the Notes.** The Notes shall be issued in fully registered form, without coupons, in denominations of \$1,000, or integral multiples thereof, and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

**Section 5. Execution of the Notes.** The County Board hereby authorizes and directs the County Treasurer-Tax Collector or one of his deputies to cause the blank spaces of the Notes to be filled in in accordance with the terms of the Notes and as the County Treasurer-Tax Collector may otherwise deem to be appropriate. The County Board further authorizes and directs the County Treasurer-Tax Collector or one of his deputies to execute the Notes and the Clerk of the County Board or one of her deputies to countersign the Notes and affix the seal of the County to the Notes by manual impression thereof, or by printing a facsimile thereof. Either of these signatures may be made by facsimile, provided that at least one such signature shall be manual.

**Section 6. Registration, Transfer and Exchange of Notes.**

(A) The Notes shall be initially issued and registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York (hereinafter, Cede & Co. and The Depository Trust Company are referred to collectively as "The Depository Trust Company") and shall be evidenced by a single Note. Registered ownership of the Notes, or any portion thereof, may not thereafter be transferred except as set forth in Section 6(B).

(B) Registered ownership of the Notes, or any portions thereof, may not be transferred following issuance thereof except:

(1) To any successor of The Depository Trust Company, or its nominee, or of any substitute depository designated pursuant to clause (2) of this subsection (B) (a "Substitute Depository"); provided, that any successor of The Depository Trust Company or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) To any Substitute Depository not objected to by the Paying Agent, upon (i) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (ii) a determination by the District or the Paying Agent to substitute another depository for The Depository Trust Company or its successor (or any Substitute Depository or its successor) because it is no longer able to carry out its functions as depository; provided, that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) To any person as provided below, upon (i) the resignation of The Depository Trust Company or its successor (or any Substitute Depository or its successor) from its functions as depository, or (ii) a determination by the District or the Paying Agent to discontinue using a depository.

(C) In the case of any transfer pursuant to clause (1) or clause (2) of subsection (B) of this Section, upon receipt of all outstanding Notes by the Paying Agent a single new Note, which the County shall prepare or cause to be prepared, shall be executed and delivered and registered in the name of such successor or such Substitute Depository, or its nominee, as the case may be. In the case of any transfer pursuant to clause (3) of subsection (B) of this Section, upon receipt of all outstanding Notes by the Paying Agent, new Notes, which the County shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are determined by the Paying Agent pursuant to a written request of the County or the District.

(D) The County, the District, and the Paying Agent shall be entitled to treat the person in whose name any Note is registered as the owner thereof for all purposes of this Resolution and for purposes of payment of interest on and principal of such Note, notwithstanding any notice to the contrary received by the County, the District, or the Paying Agent; and the County, the District, and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Notes; and neither the County, the District, nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including The Depository Trust Company or its successors (or any Substitute Depository or its successor), except to the registered owner of any Notes, and the Paying Agent may rely conclusively on its records as to the identity of the registered owners of the Notes.

(E) Notwithstanding any other provisions of this Resolution and so long as all outstanding Notes are registered in the name of The Depository Trust Company or its registered assigns, the County and the Paying Agent shall cooperate with The Depository Trust Company, as sole registered owner, and its registered assigns in effecting payment of the interest on and principal of the Notes by arranging for payment in such manner that funds for such payments are properly identified and are made available on the date they are due; all in accordance with the Blanket Letter of Representations to The Depository Trust Company, the provisions of which the Paying Agent may rely upon to implement the foregoing procedures notwithstanding any inconsistent provisions herein.

(F) In the case of any transfer pursuant to clause (3) of subsection (B) of this Section, any Note may, in accordance with its terms, be transferred or exchanged for a like aggregate principal amount of Notes in authorized denominations, upon the books required to be kept by the Paying Agent 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 such Note for cancellation, and, in the case of a transfer, accompanied by delivery of a written instrument of transfer, duly executed in form approved by the Paying Agent.

Whenever any Note shall be surrendered for transfer or exchange, the County shall execute and the Paying Agent shall deliver a new Note or Notes of authorized denominations for a like aggregate principal amount. The Paying Agent shall require the registered owner requesting such transfer or exchange to pay any tax or other governmental charge required to be paid with respect to such transfer or exchange.

(G) The Paying Agent will keep or cause to be kept, at the Paying Agent's office, sufficient books for the registration and transfer of the Notes, which shall at all times be open to inspection by the County and the District. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as the Paying Agent may prescribe, register or transfer, or cause to be registered or transferred on such books, Notes as hereinbefore provided.

(H) If any Note shall become mutilated, the County, at the expense of the owner of such Note, shall execute, and the Paying Agent shall thereupon deliver a new Note of like tenor bearing a different number in exchange and substitution for the Note so mutilated, but only upon surrender to the Paying Agent of the Note so mutilated. If any Note shall be lost, destroyed or stolen, evidence of the ownership thereof, and of such loss, destruction or theft may be submitted to the County and the Paying Agent and, if such evidence be satisfactory to both and indemnity satisfactory to them shall be given, the County, at the expense of the owner, shall execute, and the Paying Agent shall thereupon deliver a new Note of like tenor and bearing a different number in lieu of and in substitution for the Note so lost, destroyed or stolen (or, if any such Note shall have matured, instead of issuing a substitute Note, the Paying Agent may pay the same without surrender thereof). The Paying Agent may require payment by the registered owner of a Note of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this paragraph and of the expenses that may be incurred by the County, the District, and the Paying Agent. 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, whether or not the Note so alleged to be lost, destroyed or stolen shall 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.

(I) All Notes surrendered for payment or registration of transfer, if surrendered to any person other than the Paying Agent, shall be delivered to the Paying Agent and shall be promptly cancelled. The District may at any time deliver to the Paying Agent for cancellation any Notes previously delivered hereunder that the District may have acquired in any manner whatsoever, and all Notes so delivered shall promptly be cancelled by the Paying Agent. No Note shall be delivered in lieu of or in exchange for any Notes cancelled as provided herein, except as expressly permitted hereunder. All cancelled Notes held by the Paying Agent shall be disposed of as directed by the District.

**Section 7. Deposit of Note Proceeds.** The moneys so borrowed shall be deposited with the Paying Agent in the District's general fund. The District shall withdraw, use or expend such amounts for any purpose for which it is authorized to invest or expend funds from the general fund, including, but not limited to, current expenses, capital expenditures and the discharge of any obligation of indebtedness of the District. Not later than the date that is six months after the date of delivery of the Notes, the District shall withdraw any proceeds of the Note remaining in the general fund.

**Section 8. Tax Covenants.**

(A) **District's Covenant.** The County acknowledges and relies on the fact that the District has covenanted and represented that it shall make no use of the proceeds of the Notes that would cause the Notes to be "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and that the District will comply with the requirements of the tax certificate of the District with respect to the Notes (the "Tax Certificate"), to be entered into by the District as of the date of issuance of the Notes. The District further stipulates that such representation and covenant shall survive payment in full or defeasance of the Notes.

(B) **Rebate Exception.** The County acknowledges and relies upon the fact that the District has covenanted and represented that in the event the Notes shall be subject to the rebate requirements of Section 148 of the Code, the District shall be responsible for making all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of the Notes due to the United States Treasury. If so directed by the District, the Paying Agent shall segregate and set aside from the lawfully available sources held by the Paying Agent on behalf of the District, the amount such calculations indicate may be required to be paid to the United States Treasury. If so directed by the District, the Paying Agent will immediately set aside from District revenues received during or allocable to the 2011-2012 fiscal year, or to the extent not available from such revenues, from any other money lawfully available, the amount of any such rebate in a separate fund which the Paying Agent hereby agrees to establish and maintain on behalf of the District and to designate as the "Ceres Unified School District 2011-2012 Tax and Revenue Anticipation Note Rebate Fund."

(C) **Remedies Limited to Note Owners.** Notwithstanding any other provision of this Resolution to the contrary, no one other than the owners or former owners of the Notes shall be



entitled to exercise any right or remedy under this Resolution on the basis of the District's or County's failure to observe, or refusal to comply with, the covenants described in this Section.

(D) Reliance on Opinion of Bond Counsel. Notwithstanding any provision of this Section, if the District shall provide to the Paying Agent an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the excludability from gross income for federal income tax purposes of interest on the Notes, the Paying Agent and the County may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

**Section 9. Payment of Notes.**

(A) Source of Payment. The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts, and other moneys that are received or accrued by the District during fiscal year 2011-2012 and that are available therefor. The Notes shall be a general obligation of the District and, to the extent the Notes are not paid from the Pledged Revenues defined below, the Notes shall be paid with interest thereon from any other moneys of the District lawfully available therefor, as provided herein and by law.

(B) Pledged Revenues. The Notes shall be secured by a pledge of and first lien and charge against the first unrestricted revenues to be received by the County on behalf of the District in such months and in such amounts as shall be determined by the Superintendent, the Deputy Superintendent, the Assistant Superintendent, Business Services, or their respective designees, prior to the date of sale of the Notes, sufficient to pay the principal of and interest on the Notes at maturity (such pledged amounts being hereinafter called the "Pledged Revenues"). The term "unrestricted revenues" shall mean taxes, income, revenue, cash receipts, and other moneys deposited in inactive or term deposits (but excepting certain moneys encumbered for a special purpose) of the District, as provided in Section 53856 of the Act, which are intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

(C) Deposit of Pledged Revenues in Repayment Fund. The Pledged Revenues shall be transferred to the Paying Agent and held by the Paying Agent in a special fund designated as the "Ceres Unified School District 2011-2012 Tax and Revenue Anticipation Notes Repayment Fund" (herein called the "Repayment Fund") not later than the date the District receives such funds. Any moneys placed in the Repayment Fund shall be for the benefit of the holders of the Notes and, until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to maturity, the moneys in the Repayment Fund shall be applied only for the purposes for which the Repayment Fund is created.

(D) Disbursement of Moneys in Repayment Fund; Deficiencies. On the maturity date of the Notes, the moneys in the Repayment Fund shall be used, to the extent necessary, to pay the principal of and interest on the Notes. In accordance with Government Code Section 53857, the District has agreed to make up any deficiency in the Repayment Fund from any other money of the District lawfully available for the payment of the Notes and the interest thereon.

**Section 10. Investment of Funds.** Subject to any additional restrictions imposed by the investment policy of the County, moneys held by the Paying Agent in the District's general fund and in the Repayment Fund may be invested (i) in the County Pooled Investment Fund maintained by the County Treasurer-Tax Collector; (ii) in any investments permitted by the Government Code, notwithstanding any limitations contained therein as to the maximum proportion of such funds that may be invested in any particular investment and meeting Standard & Poor's criteria for investments, or any equivalent criteria of any rating agency then rating the Notes; (iii) in investment agreements, including guaranteed investment contracts, whose issuer or guarantor of issue is rated AAA by Standard & Poor's, or an equivalent rating of any rating agency then rating the Notes; and (iv) in the Local Agency Investment Fund within the treasury of the State of California. The proceeds of such investments shall be retained in each such respective fund, provided that no moneys in the Repayment Fund shall be invested for a term that exceeds the term of the Notes and that sufficient proceeds shall be invested to mature no later than the date on which any payment of interest or principal is due, to provide for such payment.

**Section 11. Sale of the Notes.** The Notes will be sold either at a negotiated sale to an underwriter or underwriters selected by the District's financial advisor (the "Financial Advisor") pursuant to a Note Purchase Agreement upon terms and conditions as are acceptable to the District and consistent herewith or by competitive bid and awarded as set forth in an Official Notice of Sale. The Superintendent, or his designee, is hereby authorized to decide between competitive or negotiated sale in conjunction with advice from the District's Financial Advisor and to determine the term of the Notes up to a term of thirteen (13) months. The Financial Advisor and the Superintendent, or their respective designee, are hereby authorized to prepare a Note Purchase Agreement or an Official Notice of Sale consistent with this Resolution.

If the sale is negotiated, the Superintendent, or his designee, is authorized to negotiate the sale of no more than \$9,500,000 of Notes at an interest rate of not more than five percent (5%).

If the sale is by competitive bid, the Superintendent, or his respective designee, is hereby directed to execute the Official Notice of Sale and to publish any notice of sale required by law. The Financial Advisor and the Superintendent, or their respective designee, are hereby authorized and directed to open the bids at the time and place specified in the Official Notice of Sale. The Financial Advisor and the Superintendent, or their respective designee, are hereby authorized and directed to receive and record the receipt of all bids made pursuant to the Official Notice of Sale, to cause said bids to be examined for compliance with the Official Notice of Sale, to cause computations to be made as to which bidder has bid the lowest true interest cost as provided in the Official Notice of Sale, to announce the bidder of the lowest true interest cost, and to award the sale to said bidder, and to notify this County Board and the District Board of the foregoing.

**Section 12. Paying Agent.** The County Board hereby authorizes and directs the County Treasurer-Tax Collector, who has been appointed to act as the Paying Agent by the District, to receive the payments of principal and interest made by the District on the Notes, to

hold, allocate, use, and apply said payments, and to perform such other duties and powers of the Paying Agent as are prescribed in this Resolution.

**Section 13. Delivery of Notes.** The proper officers of the County shall cause the Notes to be delivered to the purchasers thereof when the Paying Agent has received confirmation of receipt of the proceeds.

**Section 14. Further Actions Authorized.** All actions heretofore taken by the officers and agents of the County or this County Board with respect to the issuance and sale of the Notes are hereby approved, confirmed, and ratified, and the employees and officers of the County, including the Chair of this County Board, the Clerk to the County Board, the Treasurer-Tax Collector of the County, and the designees of any of them, are further authorized and directed to make, execute and deliver to the purchaser or purchasers of the Notes (a) a certificate in the form customarily required by purchasers of bonds of public agencies generally, certifying to the genuineness and the execution of the Notes; and (b) a receipt in similar form evidencing the payment of the purchase price of the Notes which receipt shall be conclusive evidence that said purchase price of the Notes has been paid and has been received on behalf of the District. Based on the representations and covenants of the District, and subject to the provisions of this Resolution, any purchaser or subsequent taker or holder of the Notes is hereby authorized to rely upon and shall be justified in relying upon any such certificate or receipt with respect to the Notes. Such officers and any other officers of the District or of the County are hereby authorized to execute any and all other documents required to consummate the sale and delivery of the Notes, including signature certificates, no-litigation certificates, certificates regarding continuing disclosure, and other certificates proposed to be distributed in connection with the sale of the Notes.

**Section 15. Further Assurances.** Based on the representations and covenants of the District, the County Board hereby covenants and warrants that the County and its appropriate officials have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for the levy, collection, and enforcement of the Pledged Revenues in accordance with law for carrying out the provisions of this Resolution and the Notes.

**Section 16. Limited Liability.**

(A) **Limited Responsibility for Official Statement.** Neither the County Board nor any officer of the County has prepared or reviewed the official statement of the District describing the Notes (the "Official Statement"), and this County Board and the various officers of the County take no responsibility for the contents or distribution thereof; provided, however, that solely with respect to a section contained or to be contained therein describing the County's investment policy, current portfolio holdings, and valuation procedures, as they may relate to funds of the District held by the County Treasurer-Tax Collector, the County Treasurer-Tax Collector is hereby authorized and directed to prepare and review such information for inclusion in the District's Official Statement and in a preliminary Official Statement, and to certify to the District prior to or upon the issuance of the Notes that the information contained in such section does not contain any untrue statement of a material fact or omit to state any material fact

necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading.

(B) **Limited Liability.** Neither the County Board nor the County or its officers, employees, and agents (including, but not limited to the County Treasurer-Tax Collector) shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, and the Notes shall be payable solely from the moneys of the District available therefor as set forth in Section 9 (**Payment of Notes**) hereof. Without in any way limiting the immediately preceding sentence, nothing in this Resolution or in any other document related to issuance of the Notes shall be deemed to impose any fiduciary responsibility on the County, the County Board, or the County's officers (including the County Treasurer-Tax Collector), employees and agents with regard to the issuance of the Notes or payment thereof other than that otherwise imposed by law.

**Section 17. Continuing Disclosure Certificate.** The County acknowledges and relies upon the fact that the District has represented that it shall execute a Continuing Disclosure Certificate containing such covenants of the District as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12, and that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate. The County assumes no responsibility for continuing disclosure requirements with respect to the Notes.

**Section 18. Reimbursement of County Costs.** The District shall reimburse the County for all costs and expenses incurred by the County, its officials, officers, agents, and employees in issuing or otherwise in connection with the Notes.

**Section 19. Effective Date.** This Resolution shall take effect from and after its adoption.

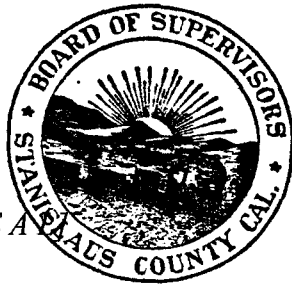
Passed and adopted by the Board of Supervisors of the County of Stanislaus, State of California, this 19<sup>th</sup> day of July 2011, by the following vote:

AYES: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith

NOES: None

ABSENT: None

ABSTAIN: None



Dick Monteith, Chairman  
Board of Supervisors  
County of Stanislaus, State of California

ATTEST:

Christine Ferraro Tallman, Clerk  
Board of Supervisors  
County of Stanislaus, State of California

APPROVED AS TO FORM:

By:

Dean Wright, Deputy County Counsel

**EXHIBIT A**  
**SPECIMEN NOTE**

**Board of Supervisors of Stanislaus County, California**  
**in the Name of the**  
**CERES UNIFIED SCHOOL DISTRICT**  
**Stanislaus County, California**

**2011-2012 TAX AND REVENUE ANTICIPATION NOTE**

INTEREST RATE:	MATURITY DATE:	ISSUE DATE:	CUSIP:
____%	June 1, 2012	August 25, 2011	156753 ____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

The CERES UNIFIED SCHOOL DISTRICT, Stanislaus County, State of California (the "District"), acknowledges itself indebted, and promises to pay, to the Registered Owner stated above, or registered assigns (the "Owner"), on the Maturity Date stated above, the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon from the Issue Date stated above in like lawful money at the rate per annum stated above on the Maturity Date stated above, calculated on the basis of 360-day year comprising twelve 30-day months.

The Principal Sum and interest thereon is payable to the Owner upon presentation hereof at the principal office of the Stanislaus County Treasurer-Tax Collector, Ceres, California (the "Paying Agent").

It is hereby certified, recited and declared that this Note is one of an authorized issue of notes in the aggregate principal amount of \_\_\_\_\_ Million Dollars (\$\_\_\_\_\_), all of like tenor, issued pursuant to the provisions of a resolution of the Board of Supervisors (the "Board of Supervisors") of Stanislaus County (the "County") duly passed and adopted on July 19, 2011 (the "Resolution"), and pursuant to Article 7.6 (commencing with section 53850) of Chapter 4, Part 1, Division 2, Title 5, of the California Government Code, and that all conditions, things and acts required to exist, happen and be performed precedent to and in the issuance of this Note exist, have happened and have been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal amount of the Notes, together with the interest thereon, shall be payable only from taxes, income, revenue, cash receipts, and other moneys that are received or accrued by the County on behalf of the District during fiscal year 2011-2012, and that are available for the payment of current expenses and other obligations of the District (the "Unrestricted Revenues"). As security for the payment of the principal of and interest on the Notes, the District has pledged an amount equal to forty percent (40%) of the principal amount of the Notes from Unrestricted Revenues received by the District in the month ending February, 2012, an amount equal to sixty percent (60%) of the principal amount of the Notes from Unrestricted Revenues received by the District in the month ending April, 2012, and an amount sufficient to pay interest on the Notes at maturity and to make up any deficiency in the amounts required to be deposited during any prior month, from Unrestricted Revenues received by the District in

the month ending May, 2012 (such pledged amounts being hereinafter called the "Pledged Revenues"). The principal of the Notes and the interest thereon shall constitute a first lien and charge against and shall be payable from the first money received by the District from such Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor.

The Notes are issuable as fully registered notes, without coupons, in denominations of \$1,000 each or any integral multiple thereof. Subject to the limitations and conditions as provided in the Resolution, Notes may be exchanged for a like aggregate principal amount of Notes of other authorized denominations and of the same maturity.

The Notes are not subject to redemption prior to maturity.

This Note is transferable by the Owner hereof, but only under the circumstances, in the manner, and subject to the limitations provided in the Resolution. Upon registration of such transfer a new Note or Notes, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange for this Note.

The County, the District, and the Paying Agent may treat the Owner hereof as the absolute owner hereof for all purposes and neither the County, the District, nor the Paying Agent shall be affected by any notice to the contrary.

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

IN WITNESS WHEREOF, the Board of Supervisors of Stanislaus County, California has caused this Note to be issued in the name of the District and to be executed by the County Treasurer-Tax Collector of the County and countersigned by the Clerk of the Board of Supervisors, all as of the Issue Date stated above.

**COUNTY OF STANISLAUS, CALIFORNIA**

By: \_\_\_\_\_  
Gordon B. Ford, Treasurer-Tax Collector

*[SEAL]*

Countersigned:

\_\_\_\_\_  
Christine Ferraro Tallman, Clerk of the Board of Supervisors

**FORM OF ASSIGNMENT**

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

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

the within registered Note and hereby irrevocably constitute(s) and appoints \_\_\_\_\_ attorney, to transfer the same on the Note register of the Paying Agent with full power of substitution in the premises.

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

Signature:

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

Signature Guaranteed:

\_\_\_\_\_  
Note: Signature(s) must be guaranteed by a qualified guarantor.



**FORM OF BOND COUNSEL OPINION**

**KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD**  
A Professional Corporation  
400 Capitol Mall, 27th floor  
Sacramento, CA 95814-4417

Board of Trustees  
Ceres Unified School District  
2503 Lawrence Street  
Ceres, California 95307

Re: *Ceres Unified School District*  
*Stanislaus County, California*  
*2011-2012 Tax and Revenue Anticipation Notes*  
*Final Approving Opinion of Bond Counsel*

Members of the Board of Trustees:

We have acted as bond counsel to the Ceres Unified School District (the "District") in connection with the issuance by the Board of Supervisors of Stanislaus County (the "Board of Supervisors") of \$\_\_\_\_\_ principal amount of the Ceres Unified School District, Stanislaus County, California, 2011-2012 Tax and Revenue Anticipation Notes, dated August 25, 2011 (the "Notes"), pursuant to Article 7.6 (commencing with Section 53850), Chapter 4, Part 1, Division 2, Title 5 of the California Government Code, pursuant to the provisions of Resolution No. 36-10/11 adopted by the District on June 30, 2011 (the "District Resolution"), and Resolution No. \_\_\_\_\_ adopted by the Board of Supervisors of the County on July 19, 2011 (the "County Resolution") (the County Resolution and the District Resolution being referred to collectively as the "Note Resolution"). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon the representations of the District contained in the District Resolution, the representations of the Board of Supervisors contained in the County Resolution, the representations of Stanislaus County and District officials, and in the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

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

1. The District is duly created and validly existing as a school district with the power to request the Board of Supervisors to issue the Notes on its behalf, and the power to perform its obligations under the District Resolution.

2. The County Resolution has been duly adopted by the Board of Supervisors and the District Resolution has been duly adopted by the District. The Note Resolution creates a valid first lien on the funds pledged under the Note Resolution for the security of the Notes.

3. The Notes have been duly authorized, executed and delivered by the Board of Supervisors and are valid and binding general obligations of the District enforceable in accordance with their terms.

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

5. Interest on the Notes is exempt from State of California personal income taxes.

The rights of the holders of the Notes and the enforceability of the Notes, the District Resolution, and the County Resolution are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

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

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

Very truly yours,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD,  
a Professional Corporation

#### **FORM OF LEGAL OPINION**

I HEREBY CERTIFY that the foregoing is a true and correct copy of the legal opinion upon the Notes therein described that was manually signed by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, and was dated as of the date of delivery of and payment for said Notes.

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Clerk of the Board of Supervisors