

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

DEPT: County Counsel

BOARD AGENDA # \*E-2

Urgent  Routine

AGENDA DATE Nov. 1, 2011

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of Territory Transfer from Modesto City Schools to Ceres Unified School District

STAFF RECOMMENDATIONS:

1. Adopt the resolution authorizing the transfer of territory from Modesto City Schools to the Ceres Unified School District.
2. Authorize the chairman of the Board of Supervisors to sign the resolution and county staff to take all actions necessary to implement the resolution.

FISCAL IMPACT:

None.

BOARD ACTION AS FOLLOWS:

No. 2011-664

On motion of Supervisor O'Brien, Seconded by Supervisor De Martini

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, De Martini, 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:

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of Territory Transfer from Modesto City Schools to Ceres Unified School District.  
Page 2

**DISCUSSION:**

The county committee on school district organization of Stanislaus has approved and granted a petition, pursuant to Education Code, section 37079, in order to transfer territory from Modesto City Schools to Ceres Unified School District.

To complete the process of reorganizing these districts, it is necessary for the board to approve these actions and the attached resolution. Pursuant to California Education Code sections 35530 and 35765, the action to complete the reorganization is finalized when the Board takes action to reorganize the districts. See attached resolution.

**POLICY ISSUES:**

The Board of Supervisors approval of the resolution is required by state law and county staff is not aware why the Board should not approve the resolution.

**STAFFING IMPACTS:**

No impact.

**BEFORE THE BOARD OF SUPERVISORS**  
**COUNTY OF STANISLAUS, STATE OF CALIFORNIA**

In the Matter of

TRANSFER OF TERRITORY BETWEEN THE  
MODESTO CITY SCHOOLS AND THE CERES  
UNIFIED SCHOOL DISTRICT

**RESOLUTION NO.** 2011-664

**WHEREAS**, the Stanislaus County Board of Supervisors has received proper documentation from the Stanislaus County Office of Education evidencing the transfer of territory from the Modesto City Schools to the Ceres Unified School District (“School Districts”); and

**WHEREAS**, California Education Code section 35765 requires the Board to approve and validate this action by formally adopting an order to change the boundaries of the affected School Districts; and

**WHEREAS**, no election is required; and

**WHEREAS**, the Superintendent of Schools shall forthwith file or cause to be filed this Resolution and a statement of the change of boundaries of the School Districts, pursuant to California Government Code section 54900 et seq., with the Stanislaus County Assessor’s Office for assessment roll purposes, the Stanislaus County Auditor, the State Board of Equalization, and the Superintendent of Public Instruction.

**NOW, THEREFORE, BE IT RESOLVED** that the Stanislaus County Board of Supervisors does hereby order the change in the boundaries of the School Districts in accordance with the attached legal description and map affecting parcels:

056-055-001	056-056-008
056-055-002	056-056-009
056-055-003	056-056-010
056-055-004	056-056-011
056-055-006	056-056-012
056-055-007	056-056-013
056-055-008	056-056-014
056-055-009	056-056-015
056-055-010	056-056-017
056-055-011	056-056-018
056-055-012	056-056-019
056-055-013	056-056-020
056-055-014	056-056-021
056-055-019	056-056-022
056-055-021	056-056-023
056-055-022	056-056-024
056-055-023	056-056-025
056-055-025	056-056-026
056-055-026	056-056-027
056-055-027	056-056-028
056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	

I, **Christine Ferraro Tallman**, Clerk of the Board of Supervisors of the County of Stanislaus, State of California, do hereby certify that the foregoing resolution was regularly introduced, passed, and adopted by said Board at a regular meeting thereof held on November 1, 2011, by the following vote:

SUPERVISORS:

AYES: O'Brien, Chiesa, Withrow, De Martini, and Chairman Monteith

NOES: None

ABSENT: None

WITNESS my hand and Seal of this Board this 1st day of November, 2011.

Christine Ferraro Tallman, CLERK

By: Christine Ferraro  
~~Deputy~~

**TERRITORY TO BE TRANSFERRED FROM THE MODESTO CITY SCHOOLS  
TO THE CERES UNIFIED SCHOOL DISTRICT**

**LEGAL DESCRIPTION**

All that certain real property, situate and being Section 17, Township 4 South, Range 9 East, Mount Diablo Base and Meridian, in the County of Stanislaus, State of California, described as follows:

**BEGINNING** at the southwest corner of said Section 17;

Thence, along the west line of said Section 17, (1) North 00°29'36" East 2643.21 feet to the west 1/4 corner of said Section 17;

Thence, continuing along the west line of said Section 17, (2) North 00°29'56" East 2643.11 feet to the northwest corner of said Section 17;

Thence, along the north line of said Section 17, (3) South 89°13'08" East 2643.37 feet to the north 1/4 corner of said Section 17;

Thence, continuing along the north line of said Section 17, (4) South 89°12'54" East 2643.42 feet to the northeast corner of said Section 17;

Thence, along the east line of said Section 17, (5) South 00°23'08" West 2644.20 feet to the east 1/4 corner of said Section 17;

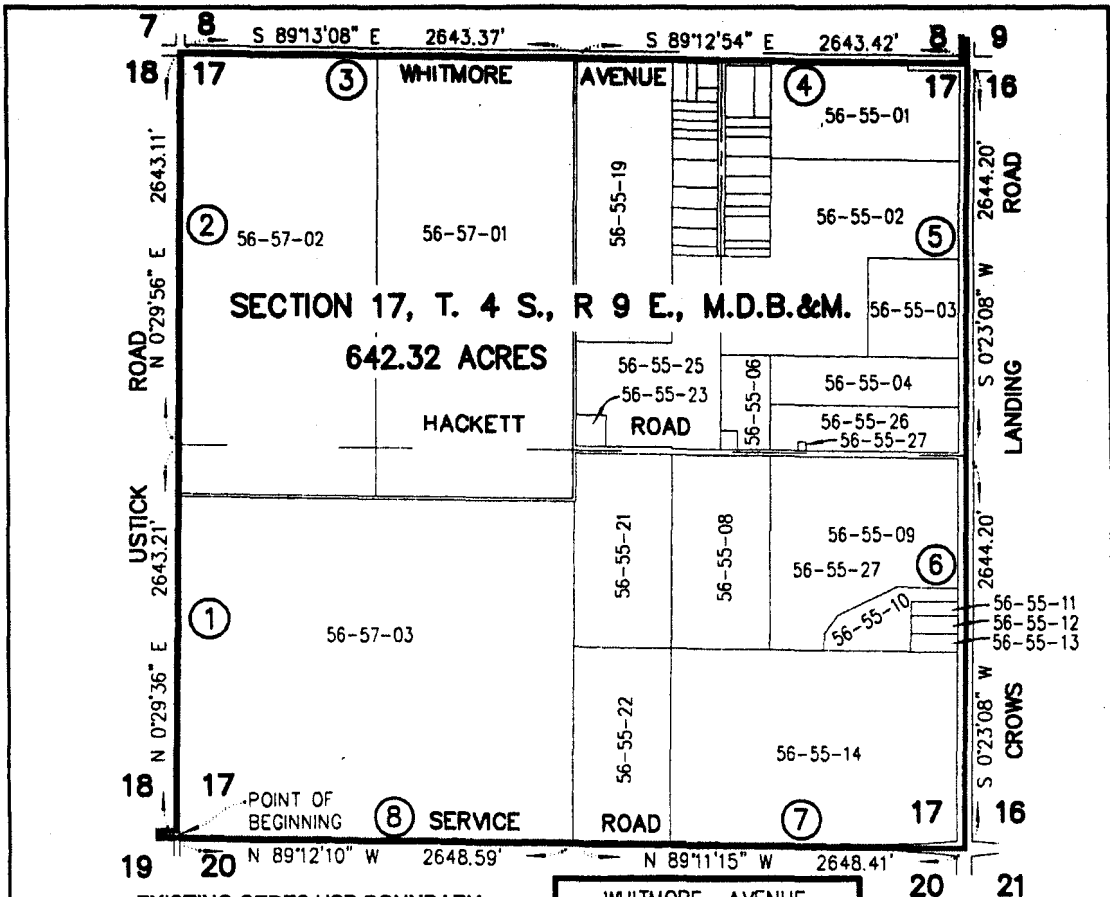
Thence, continuing along the east line of said Section 17, (6) South 00°23'08" West 2644.20 feet to the southeast corner of said Section 17;

Thence, along the south line of said Section 17, (7) North 89°11'15" West 2648.41 feet to the south 1/4 corner of said Section 17;

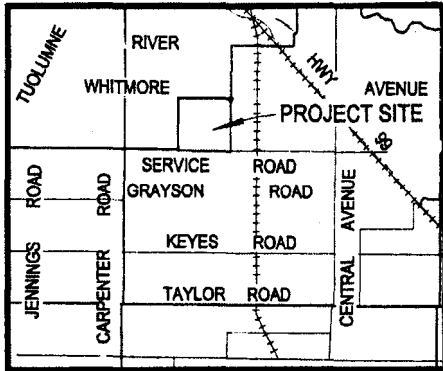
Thence, continuing along the south line of said Section 17, (8) North 89°12'10" West 2648.59 feet to the **Point of Beginning** and containing 642.32 acres of land more or less.



*R. Vance*



——— EXISTING CERES USD BOUNDARY  
 ——— PROPOSED CERES USD BOUNDARY



VICINITY MAP

WHITMORE AVENUE	
56-56-25	56-56-23
56-56-24	56-56-22
56-56-21	56-56-02
56-56-20	56-56-29
56-56-19	56-56-04
56-56-18	56-56-05
56-56-17	56-56-06
56-56-26	56-56-07
56-56-27	56-56-08
56-56-15	56-56-09
56-56-14	56-56-10
56-56-13	56-56-11
	56-56-12



0 500 1000

SCALE: 1" = 1000'



Stantec Consulting Services Inc.  
 1016 12th Street  
 Modesto, CA U.S.A.  
 95354  
 Tel: 209.321.8936  
 Fax: 209.321.9043  
 www.stantec.com

V:\1843\active\1843334100\dwg\CUSD - MUSD transfer Plat.dwg N:\n\figure 8/4/11 8:13

NM

JULY 11

**CERES UNIFIED SCHOOL DISTRICT ADDITION**  
 SECTION 17, T 4 S., R. 9 E., M.D.B. & M.  
 STANISLAUS COUNTY

EXHIBIT NO.

**A**

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

5075 HOPYARD ROAD, SUITE 210  
PLEASANTON, CALIFORNIA 94588-2797  
(925) 227-9200

FAX (925) 227-9202  
WWW.AALRR.COM

CERRITOS  
(562) 653-3200  
FAX (562) 653-3333

FRESNO  
(559) 225-6700  
FAX (559) 225-3416

IRVINE  
(949) 453-4260  
FAX (949) 453-4262

RIVERSIDE  
(951) 683-1122  
FAX (951) 683-1144

SACRAMENTO  
(916) 923-1200  
FAX (916) 923-1222

SAN DIEGO  
(858) 485-9526  
FAX (858) 485-9412

OUR FILE NUMBER:

005408.00047  
5312986v1

October 11, 2011

Christine Ferraro Tallman, Clerk  
Stanislaus County Board of Supervisors  
1010 10<sup>th</sup> Street, Suite 6700  
Modesto, CA 95354

**Re: Board of Supervisors' Approval of Territory Transfer from Modesto City Schools to Ceres Unified School District**

Dear Ms. Tallman:

This office serves as legal counsel for the Stanislaus County Office of Education. The Modesto City Schools and the Ceres Unified City School District petitioned to transfer territory to the Ceres Unified School District. The County Committee on School District Organization of Stanislaus approved and granted the Petition on March 23, 2011, pursuant to Education Code section 35709. Because the territory constitutes less than ten (10) percent of the assessed valuation of either the Modesto City Schools or the Ceres Unified School District and the governing boards of all affected districts consented, no election is required.

To complete the process of reorganizing these districts, I am notifying the Board of Supervisors and requesting that an action item be placed on the next available Board of Supervisors' agenda. Pursuant to California Education Code sections 35530 and 35765, the action to complete the reorganization of school districts is finalized when the Board of Supervisors receives proper evidence that an action to reorganize school districts has been approved as provided by law and makes the order. The order shall be entered into the county's record of school districts.

Enclosed please find documents relating to this transfer of territory between the two districts, plus a draft copy of an order that the Board of Supervisors may use. After action is taken, please provide three (3) certified copies of the Board of Supervisors' Resolution so the County Superintendent may file them as required by Government Code sections 54900 and 54902. Please note that we have inserted a new legal description and map in a form sufficient to meet the requirements of the State Board of Equalization.

2011 OCT 13 A 10:54  
BOARD OF SUPERVISORS

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Stanislaus County Board of Supervisors

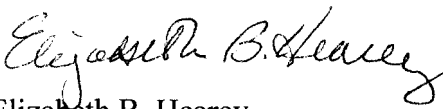
October 11, 2011

Page 2

Thank you for your assistance in this matter. If you have any questions, please feel free to call me at (925) 227-9200.

Sincerely yours,

ATKINSON, ANDELSON, LOYA,  
RUUD & ROMO

By   
Elizabeth B. Hearey

EBH/deb

Enclosures: Petition on behalf of Ceres Unified School District and Modesto City Schools  
Territory Transfer Agreement (Ceres Unified School District and Modesto City Schools)  
Agreement between Ceres Unified School District and Modesto City Schools  
Addendum to Agreement between Ceres Unified School District and Modesto City  
Schools  
Determination of Sufficiency of the Petition  
County Committee's Approval of Petition and Order Granting Petition  
Draft Board of Supervisors' Resolution (our doc. # 5311947)

cc: Tom Changnon, Superintendent, Stanislaus County Office of Education (w/enc.)  
(via email tchangnon@stancoe.org)  
Pam Able, Superintendent, Modesto City Schools (w/enc.)  
Scott Siegel, Superintendent, Ceres Unified School District (w/enc.)  
John P. Doering, Stanislaus County Counsel, Attn: Dean Wright, Deputy County Counsel (w/enc.)  
Chet Quaide, Esq. (via email cquaide@aalrr.com)



## PETITION FOR REORGANIZATION

To the Superintendent of Schools of Stanislaus County:

Education Code Section 35700, subdivision (d), authorizes a majority of the members of each of the governing boards of affected school districts to agree to jointly initiate a petition to the applicable county superintendent of schools to reorganize the boundaries of each affected school districts.

Pursuant to Education Code section 35700, subdivision (d), the undersigned, constituting the majority of the members of the governing boards of the Ceres Unified School District, (hereinafter "CUSD"), along with the Modesto City School District and the Modesto High School District (collectively hereinafter "Modesto City Schools"), jointly petition the Stanislaus County Superintendent of Schools to reorganize that certain portion of the Modesto City Schools, as hereinafter described, so that such portion lies within the boundaries of CUSD. The Districts are located within Stanislaus County.

This Petition for Reorganization, if approved, would place within CUSD's boundaries approximately 640 acres of land currently located within Modesto City Schools' boundaries and which land is located in an area that is coterminous with the territory of CUSD. The area proposed for reorganization is depicted in Exhibit "1" hereto (the "Territory").

Modesto City Schools' current boundaries are depicted in Exhibit "2" hereto, and CUSD's current boundaries are depicted in Exhibit "3" hereto. Modesto City Schools' proposed reorganized boundaries are depicted in Exhibit "4" hereto, CUSD's proposed reorganized boundaries are depicted in Exhibit "5" hereto. Exhibits "1" through "5", inclusive, are attached hereto and incorporated herein by reference.

### STATEMENT OF REASONS

The CSUD along with Modesto City Schools (collectively the "Districts") hereby request that the territory and the boundaries of the Districts be reorganized as set forth in Exhibits "4" and "5" hereto for the following reasons:

1. The Territory is proposed for development within the City of Ceres, and the resulting development will have a community identity affiliated with the City of Ceres and CUSD. Additionally, orderly provision of public services to future residents of the Territory will best be accomplished if all such services are coordinated through the City of Ceres and CUSD.
2. The population growth from proposed new housing development within the Territory will justify construction of additional school facilities within the Territory and CUSD has indicated that it is prepared to plan and undertake such construction.

3. CUSD intends that such reorganization will result in neighborhood schools that can serve the proposed residential development for the Territory. The reorganization will also reduce the distance pupils would otherwise have to travel should the Districts not be reorganized as petitioned, allowing students to stay within their community, and more opportunity for pedestrian travel, reducing vehicle traffic.
4. Reorganization will not adversely affect the Districts, the residents of the Districts, the State of California, the Stanislaus County Office of Education, or any other agency or person.

The Districts' Governing Boards have determined, with respect to the proposal and related studies for reorganization, that all of the following conditions are substantially met:

- (1) The reorganized Districts will be adequate in terms of number of pupils enrolled.
- (2) The Districts are each organized on the basis of a substantial community identity.
- (3) The proposal will result in an equitable division of property and facilities within the Districts.
- (4) The reorganization of the Districts will preserve each affected District's ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation.
- (5) Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.
- (6) The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the Districts.
- (7) Any increase in school facilities costs as a result of the proposed reorganization will be offset by statutorily authorized school fees and other mitigation measures in connection with the proposed residential development.
- (8) The proposed reorganization is primarily designed for purposes other than to significantly increase property values.
- (9) The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the Districts.

Pursuant to Education Code section 35709 (b)(2), the Territory consists of less than 10 percent of the assessed valuation of Modesto City Schools, and all of the Governing Boards of the Districts consent to the transfer, as a result of which, no election is required for approval of the transfer.

The following individuals are the Chief Petitioners for the purpose of receiving notice of any public hearing, or any other matter, in regard to this Petition:

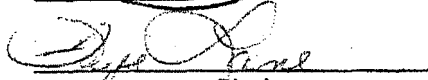
Scott Siegel  
Superintendent  
Ceres Unified School District  
2503 Lawrence Street  
Ceres CA, 95307

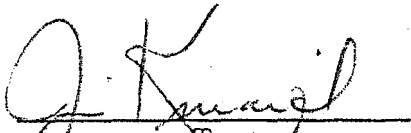
Arturo Flores  
Superintendent  
Modesto City Schools  
426 Locust Street  
Modesto, CA 95351-2699

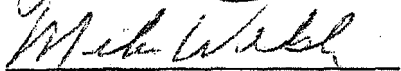
**GOVERNING BOARD OF CERES UNIFIED  
SCHOOL DISTRICT**

Name

  
\_\_\_\_\_, President

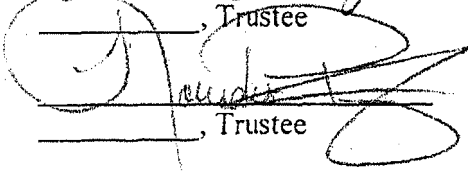
  
\_\_\_\_\_, Clerk

  
\_\_\_\_\_, Trustee

  
\_\_\_\_\_, Trustee

  
\_\_\_\_\_, Trustee

  
\_\_\_\_\_, Trustee

  
\_\_\_\_\_, Trustee

I attest under penalty of perjury per the laws of the State of California, that all signatures on this petition are genuine and were obtained in my presence:




\_\_\_\_\_  
Scott Siegel, Superintendent  
Ceres Unified School District

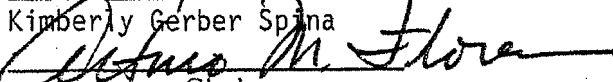
October 27, 2010  
Date

**GOVERNING BOARD OF THE MODESTO CITY SCHOOLS**

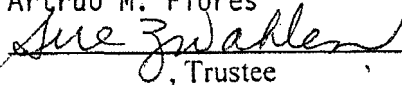
**Name**

  
\_\_\_\_\_  
President

Kimberly Gerber Spina

  
\_\_\_\_\_  
Clerk

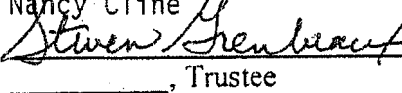
Arturo M. Flores

  
\_\_\_\_\_  
Trustee

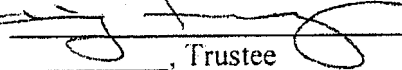
Sue Zwahlen

  
\_\_\_\_\_  
Trustee

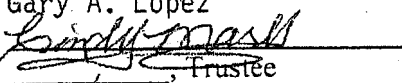
Nancy Cline

  
\_\_\_\_\_  
Trustee

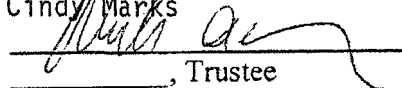
Steven Grenbeaux

  
\_\_\_\_\_  
Trustee

Gary A. Lopez

  
\_\_\_\_\_  
Trustee

Cindy Marks

  
\_\_\_\_\_  
Trustee

Ruben A. Villalobos

I attest under penalty of perjury per the laws of the State of California, that all signatures on this petition are genuine and were obtained in my presence:



Arturo Flores, Superintendent  
Modesto City Schools

October 25, 2010  
Date

EXHIBIT 1

[INSERT map/description of area proposed for transfer]

That real property bounded on the north by Whitmore Avenue, on the west by Ustick Road, on the south by Service Road, and on the east by Crows Landing Road, consisting of approximately 640 acres, all as more particularly illustrated on the attached map below.

Said area can also be described as, and comprises the entirety of, Section 17 in Township 4 South, Range 9, East, M.D.B. & M.

The following are all of the Assessors Parcel Numbers that comprise the entirety of the Property:

056-055-001	056-056-008
056-055-002	056-056-009
056-055-003	056-056-010
056-055-004	056-056-011
056-055-006	056-056-012
056-055-007	056-056-013
056-055-008	056-056-014
056-055-009	056-056-015
056-055-010	056-056-017
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056-055-026	056-056-027
056-055-027	056-056-028
056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	

[EXHIBIT 1 continued on following page]



EXHIBIT 2

[INSERT map of the current boundaries of Modesto City Schools]

**MODESTO CITY & MODESTO HIGH - SCHOOL DISTRICTS  
STANISLAUS COUNTY - FALL 2009**

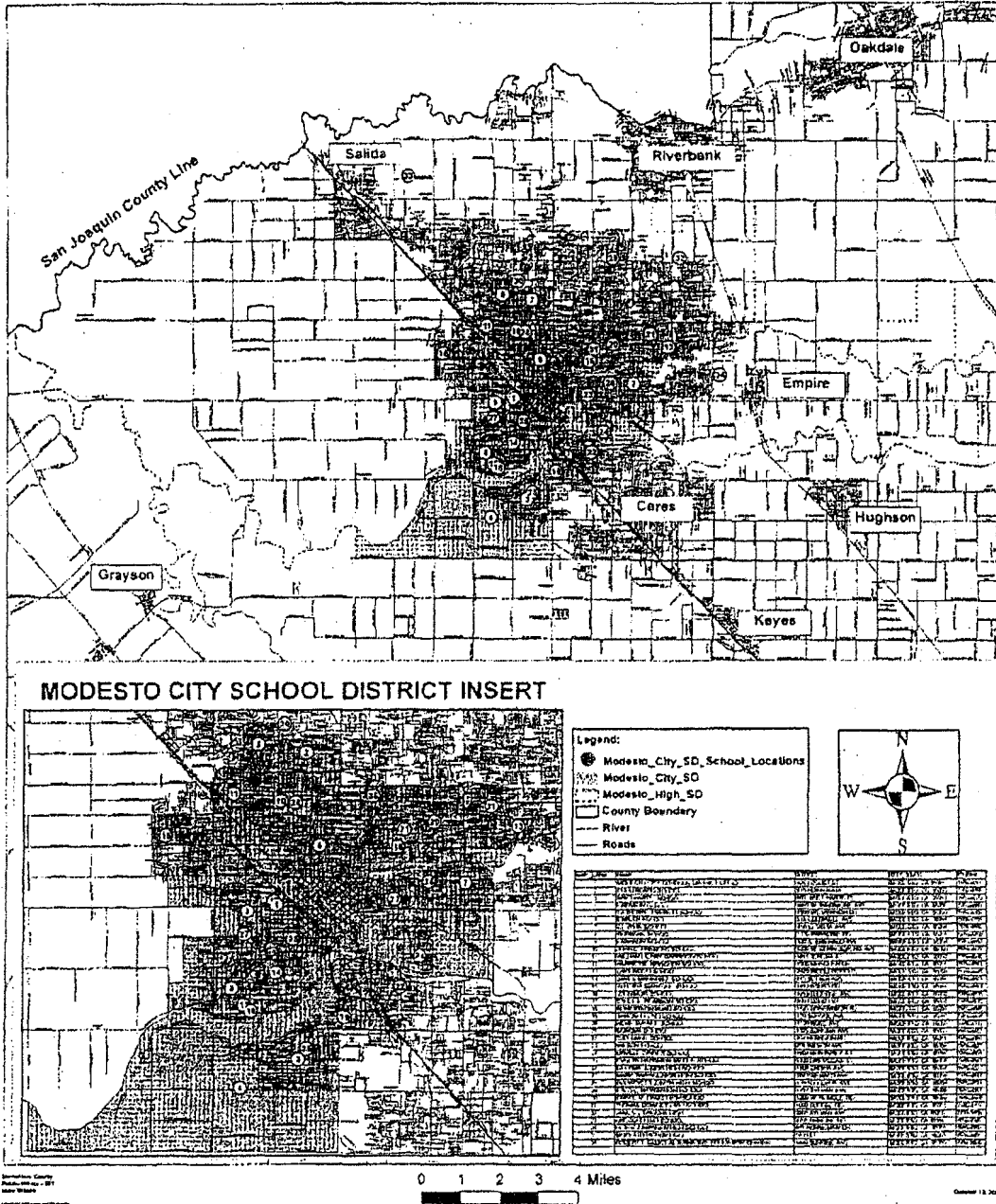




EXHIBIT 3  
 [INSERT map of the current boundaries of the CUSD]

**CERES UNIFIED SCHOOL DISTRICT  
 STANISLAUS COUNTY - FALL 2009**

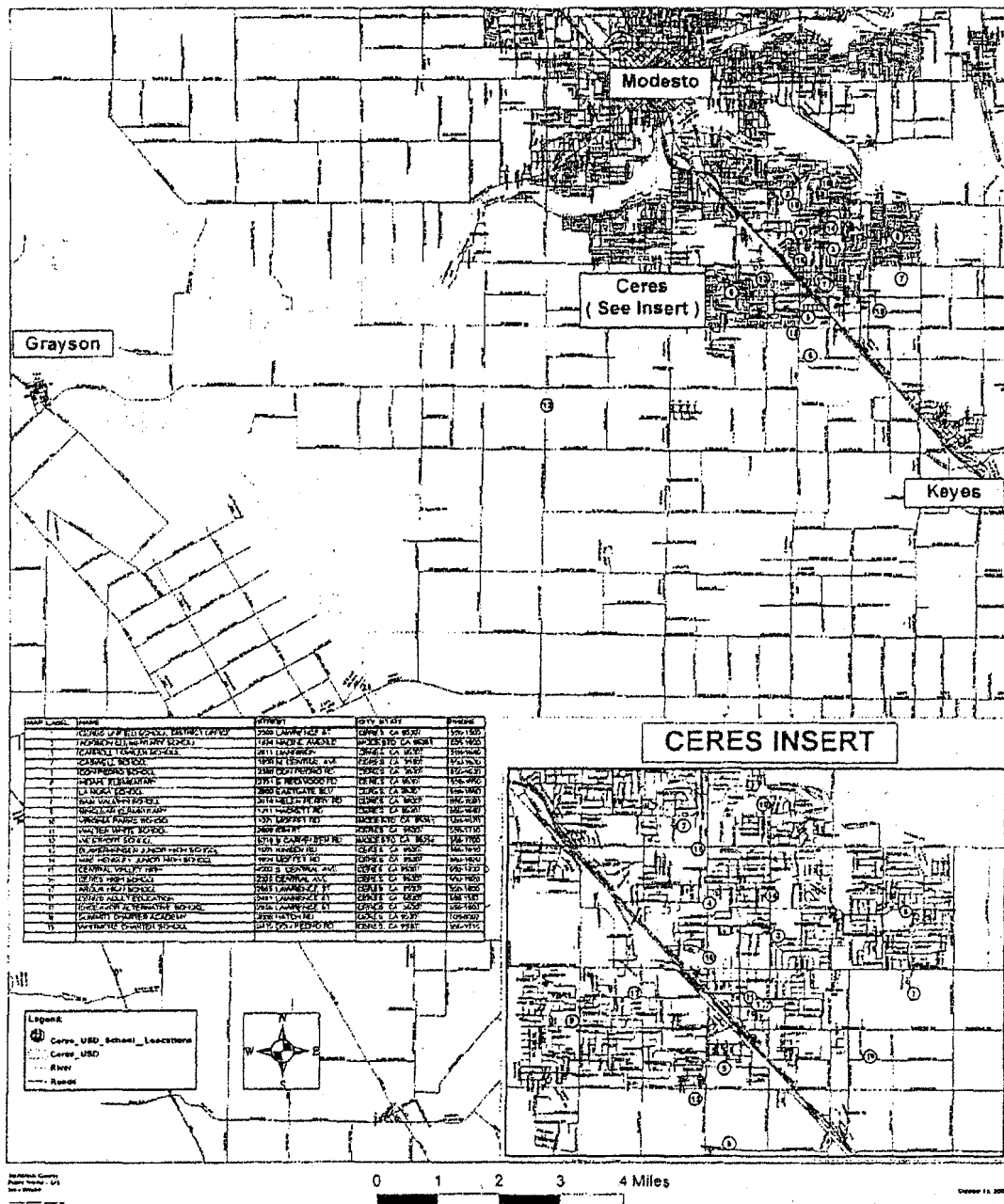
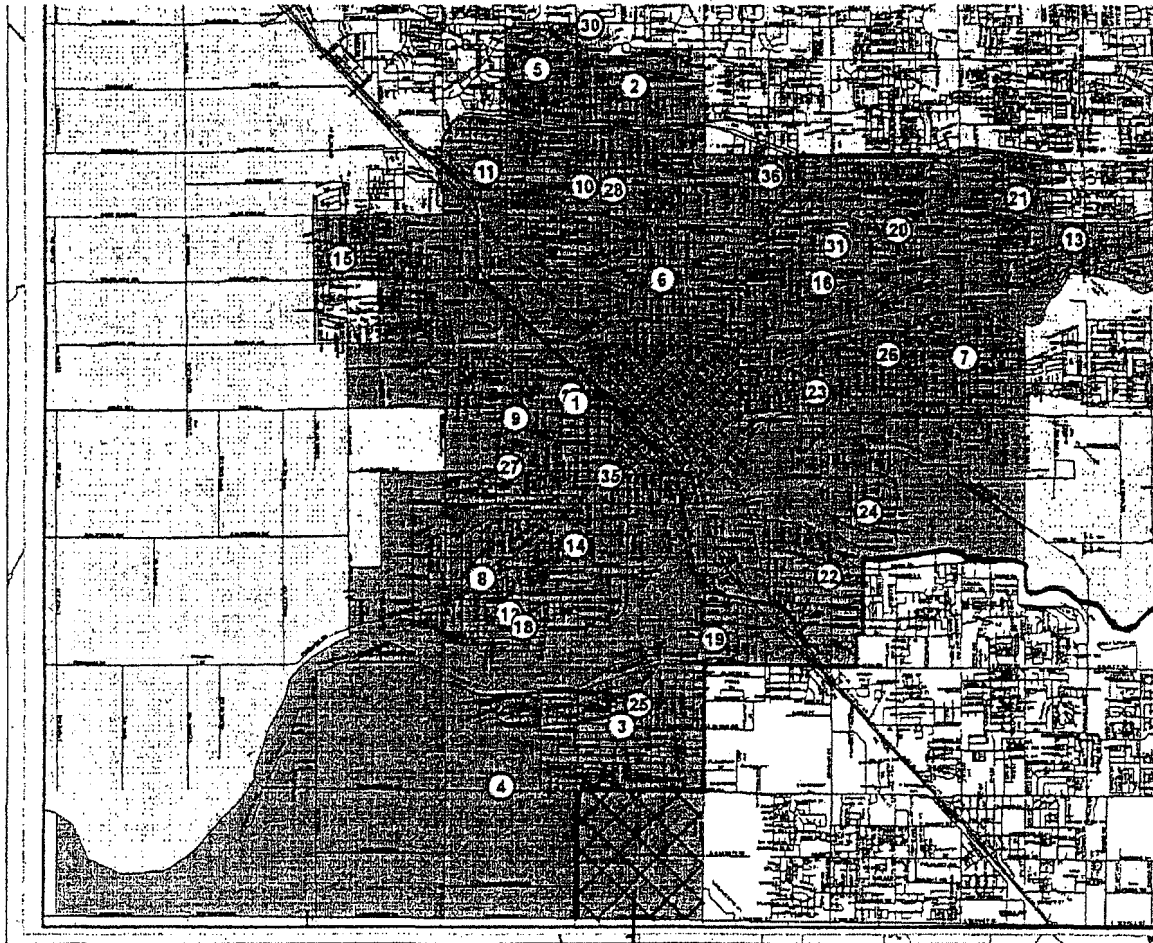


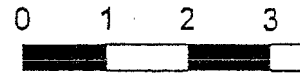
EXHIBIT 4

[INSERT map of the proposed boundaries of Modesto City Schools]

[Note: The darkest shaded area illustrates the current boundaries of Modesto City Schools. The cross-hatched area illustrates the location of the Territory, which will be excluded from the Modesto City Schools' boundaries after the territory transfer.]



Stanislaus County  
Public Works - GIS  
Mike Wilson

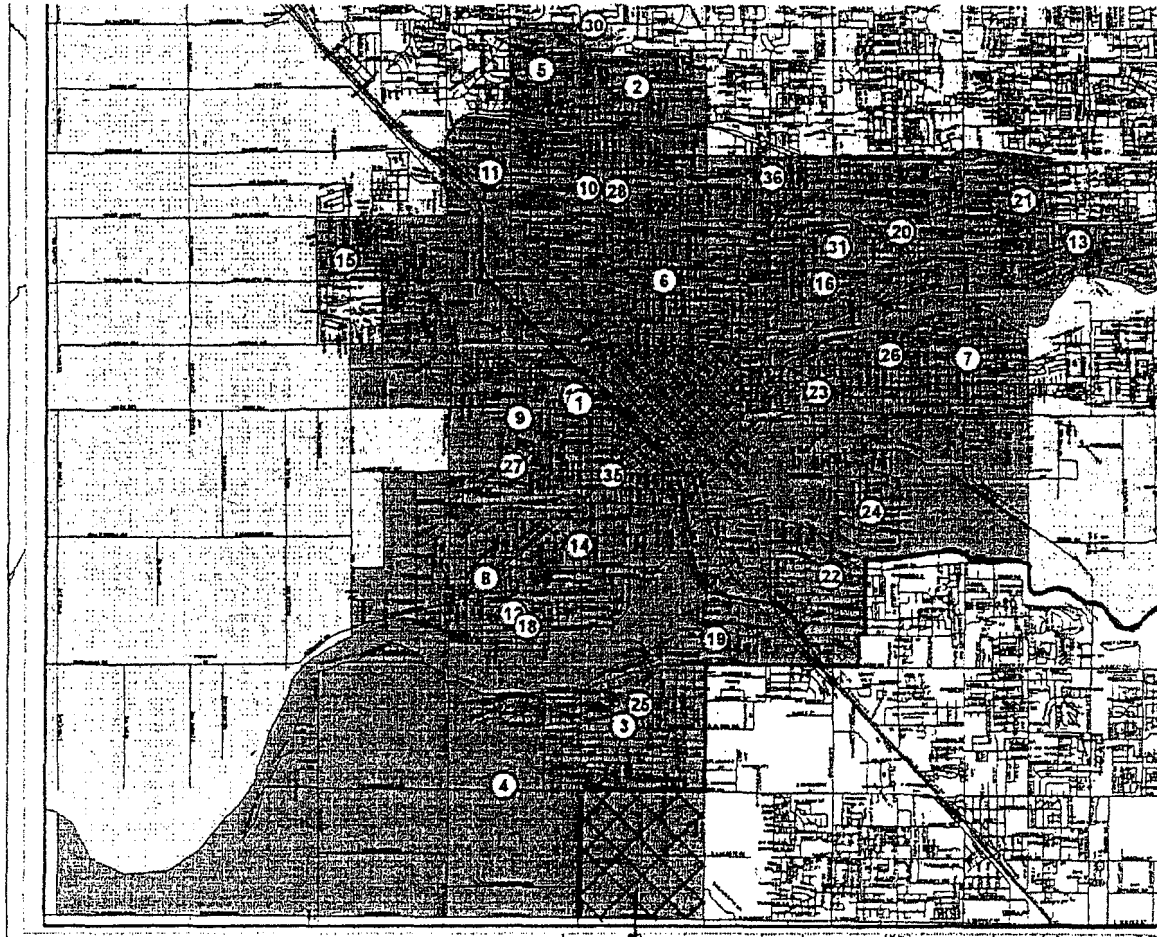


Cross-hatched area  
to be included in  
CUSD boundary.

EXHIBIT 5

[INSERT map of the proposed boundaries of the CUSD]

[Note: The non-shaded area in the lower right-hand corner of the following map illustrates a portion of the current boundaries of Ceres Unified School District. The cross-hatched area illustrates the location of the Territory, which will be included in Ceres Unified School District's boundaries after the territory transfer.]



Stanislaus County  
Public Works - GIS  
Mike Wilson

*Cross-hatched area  
to be included in  
CUSD boundary.*

## TERRITORY TRANSFER AGREEMENT

By and Between

CERES UNIFIED SCHOOL DISTRICT

and

MODESTO CITY SCHOOLS

This TERRITORY TRANSFER AGREEMENT ("Agreement"), is entered into on October 27, 2010 ("Effective Date"), by and between the Ceres Unified School District ("CUSD"), on the one hand, and the Modesto City School District and the Modesto City High School District (together the "Modesto City Schools"), on the other hand (collectively the "Districts"). Each of the Districts is organized and existing under the laws of the State of California. This Agreement is predicated upon the following:

### WITNESSETH:

WHEREAS, a portion of the territory of Modesto City Schools is located within the boundaries of the City of Ceres ("City"), which portion is comprised of approximately six hundred forty acres (640) of partially inhabited territory bounded by Whitmore Avenue on the north, Crows Landing Road on the east, Service Road on the south, and Ustick Road on the west ("Territory") (a map of the boundaries of the Territory is attached hereto as Exhibit A and incorporated herein by reference);

WHEREAS, the Territory is comprised of less than 10 percent of the assessed valuation of Modesto City Schools;

WHEREAS, the Governing Board of CUSD seeks to transfer the Territory into CUSD to allow for orderly school facility planning within the City;

WHEREAS, the City has expressed its support for the transfer of the Territory into CUSD to allow the City to maintain its community identity, as the Territory is within the City's sphere of influence;

WHEREAS, the Governing Board of Modesto City Schools supports the transfer of the Territory to CUSD, subject to CUSD's agreement to certain conditions;

WHEREAS, Education Code Section 35700(d) authorizes a majority of the members of each District's governing board to agree jointly to initiate a petition to reorganize the Districts through a transfer of territories; and

WHEREAS, the Districts acknowledge that those procedures of the Education Code governing in part the process for reorganization of school districts, namely Education Code sections 35700 through 35768, provide further guidance and authority for the anticipated transfer

of the Territory, and it is the intent of the parties to this Agreement to agree on how to carry out the process for reorganization as contemplated by the parties hereto.

NOW THEREFORE, in consideration of the mutual agreements set forth herein, the Districts do hereby agree as follows:

AGREEMENT:

1. Recitals. The above recitals are true and correct and are incorporated herein by reference.

2. Initiation of Territory Transfer. Within thirty (30) days after the Effective Date of this Agreement (as hereinafter defined), the parties anticipate that their respective governing boards will promptly initiate the process for transfer of the Territory by way of a reorganization petition ("Petition") signed by the majority of the membership of each District's governing board in accordance with the procedures set forth in Education Code section 35700(d). The Petition shall be in the form attached hereto as Exhibit B. The parties acknowledge that the process of reorganization shall include the review, preparation and approval by the Stanislaus County Committee on School District Organization ("Committee") and, if required, the State Board of Education ("SBE"), of the Petition. The Districts agree to cooperate fully with each other and promptly provide any information requested by the Committee and/or the SBE in furtherance of the proposed transfer of the Territory to CUSD.

3. Term. The term ("Term") of this Agreement shall commence upon its Effective Date as identified above, which date shall be the date of latter approval of this Agreement by the Governing Board of CUSD and the Governing Board of Modesto City Schools. The Term of this Agreement shall terminate upon the earlier of the following: (1) the date on which the transfer of the Territory becomes fully effective; or (2) the date on which the Committee, or in the event of an appeal to the SBE pursuant to Education Code section 35710.5, *et seq.*, the SBE, disapproves the Petition.

4. Designation of Chief Petitioners. Pursuant to Education Code section 35701, the Districts shall each designate in the Petition one individual who shall be responsible for receiving notice of any public hearings to be held on the Petition.

5. Conditions for Approval. Each District shall include in the Petitions evidence that the proposed transfer of the Territory substantially meets all of the conditions set forth in Education Code section 35753, to the extent practical or possible. The Districts shall cooperate with each other in drafting the Petitions to ensure that the Petitions, among other things, adequately address the requirements of Education Code section 35753.

6. Consent to Construction of School. Modesto City Schools acknowledges that CUSD plans immediately to take all necessary actions to obtain funding and approvals from the state to construct a school facility within the Territory, which actions may be undertaken by CUSD prior to the date on which the Committee (or, in the event of an appeal, the SAB) approves the Petition. Accordingly, Modesto City Schools consents to CUSD commencing this process and agrees to acknowledge its consent in a separate writing if requested by CUSD.

Modesto City Schools further agrees to cooperate with and assist CUSD in providing any information or approvals which are requested by any state agency responsible for issuing the necessary funding, site selection, or construction approvals.

7. Indemnification. CUSD agrees to indemnify, defend and hold harmless Modesto City Schools, its officers, officials, agents, employees and representatives, from any and all claims, losses, liabilities, damages, demands, or expenses, including reasonable attorneys' fees and costs, arising out of or in connection with CUSD's failure to comply with any of its obligations under state and local laws with respect to this Agreement, except such loss or damage which is caused by the active negligence, sole negligence, or willful misconduct of Modesto City Schools.

8. Notices. Any written communications to be given by one party to the other shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope deposited in a United States Post Office for delivery by registered or certified mail addressed to the Districts at the following address:

Ceres Unified School District:                    2503 Lawrence Street  
Ceres CA, 95307  
Attn: Superintendent

With a copy to:    Lozano Smith  
2001 North Main St., Suite 650  
Walnut Creek, CA 94596  
Attn: Harold Freiman, Esq.

Modesto City Schools:                                426 Locust Street  
Modesto, CA 95351-2699  
Attn: Superintendent

With a copy to:    Kronick, Moskovitz, Tiedemann & Girard  
400 Capitol Mall, 27<sup>th</sup> Floor  
Sacramento, CA 95814  
Attn: Addison Covert, Esq.

9. Choice of Law. This Agreement is made under and will in all respects be interpreted, enforced, and governed by the laws of the State of California, without regard to rules regarding conflict of interest law. Any litigation by either District to enforce or interpret the terms of this agreement shall be brought in Stanislaus County, California.

10. Construction. This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against either of the Districts.

11. Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the Agreement shall remain in full force and effect.

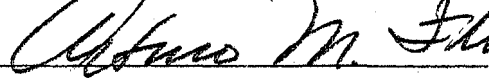
12. Construction. The singular includes the plural, "shall" is mandatory, and "may" is permissive. The Parties acknowledge and agree that each of the Parties and each of the Parties' attorneys have participated fully in the negotiation and drafting of this Agreement. In cases of uncertainty as to the meaning, intent or interpretation of any provision of this Agreement, the Agreement shall be construed without regard to which of the Parties caused, or may have caused, the uncertainty to exist. No presumption shall arise from the fact that particular provisions were or may have been drafted by a specific Party, and prior versions or drafts of this Agreement may be used to interpret the meaning or intent of this Agreement or any provision thereof.

IN WITNESS WHEREOF, the Districts have caused this Agreement to be executed by their respective officers thereunto duly authorized, all as of the Effective Date first written above.

**CERES UNIFIED SCHOOL DISTRICT**

By:   
Title: Superintendent

**MODESTO CITY SCHOOLS**

By:   
Title: Superintendent

**EXHIBIT A**

**Map/Description of Boundaries of the Territory**

That real property bounded on the north by Whitmore Avenue, on the west by Ustick Road, on the south by Service Road, and on the east by Crows Landing Road, consisting of approximately 640 acres, all as more particularly illustrated on the attached map below.

Said area can also be described as, and comprises the entirety of, Section 17 in Township 4 South, Range 9, East, M.D.B. & M.

The following are all of the Assessors Parcel Numbers that comprise the entirety of the Property:

056-055-001	056-056-008
056-055-002	056-056-009
056-055-003	056-056-010
056-055-004	056-056-011
056-055-006	056-056-012
056-055-007	056-056-013
056-055-008	056-056-014
056-055-009	056-056-015
056-055-010	056-056-017
056-055-011	056-056-018
056-055-012	056-056-019
056-055-013	056-056-020
056-055-014	056-056-021
056-055-019	056-056-022
056-055-021	056-056-023
056-055-022	056-056-024
056-055-023	056-056-025
056-055-025	056-056-026
056-055-026	056-056-027
056-055-027	056-056-028
056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	

[Exhibit A continued on following page]





**EXHIBIT B**

**Reorganization Petition**

**AGREEMENT BETWEEN CERES UNIFIED SCHOOL DISTRICT, AND  
MODESTO CITY SCHOOLS**

This agreement (the "Agreement") is entered into on October 27, 2010 ("Effective Date") by and between Ceres Unified School District ("CUSD"), on the one hand and Modesto City School District and Modesto City High School District (collectively "Modesto City Schools") on the other hand. CUSD and Modesto City Schools may hereafter be referred to individually as "Party" or collectively as "Parties".

**RECITALS**

A. CUSD is a California public school district serving grades kindergarten through twelve in portions of Stanislaus County ("County").

B. Modesto City Schools are governed by a common governing board and serve grades kindergarten through twelve in portions of the County.

C. The City of Ceres ("City") is preparing a Specific Plan to govern the development of approximately 640 acres of real property that is both partially developed and undeveloped, currently located within Modesto City Schools' boundaries ("Property"). The Property is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

D. City will consider approving the Specific Plan and authorizing annexation of the Property to the City for the purpose of permitting the development of up to 2,325 single family dwellings, 1,310 multi-family dwellings, and approximately 2,000,000 square feet of commercial, office and light industrial development on the Property. Development on the Property, in whatever number of units or square footage are ultimately proposed, approved, or developed, is hereafter referred to as the "Project."

E. CUSD and Modesto City Schools are jointly seeking to reorganize their jurisdictional boundaries so that the Property, and hence the Project, will be located within the boundaries of CUSD ("District Reorganization").

F. The Parties acknowledge that, following approval of the District Reorganization, the Project will impact CUSD's facilities and will create the need for new school facilities to serve the Project area.

G. The Property is encumbered by certain bonded indebtedness imposed by Modesto City Schools, which obligations Modesto City Schools must continue to comply with. In the event the District Reorganization is approved and becomes effective, Modesto City Schools will lose revenue anticipated to be in the amount of One-Million Two-Hundred-and-Fifty-Five-Thousand Seven-Hundred-and-Twelve Dollars (\$1,255,712) which is necessary for the purpose of retiring the Property's share of Modesto City Schools' existing bonded indebtedness.

NOW THEREFORE, in consideration of the promises, covenants and provisions set forth herein, the receipt and adequacy of which the Parties acknowledge, the Parties agree as follows:

## TERMS AND CONDITIONS

### 1. INCORPORATION.

1.1. Incorporation of Recitals. The foregoing recitals are true and correct and incorporated into the "Terms and Conditions" section of this Agreement as though set forth fully herein.

1.2. Incorporation of Exhibits. Exhibit "A" attached to this Agreement is hereby incorporated in this Agreement by reference.

### 2. EFFECTIVE DATE, TERMINATION AND COORDINATION WITH CITY OF CERES.

2.1. Effective Date. The term ("Term") of this Agreement shall commence upon its Effective Date as identified above, which date shall be the date of latter approval of this Agreement by the Governing Board of CUSD and the Governing Board of Modesto City Schools.

2.2. Termination. The Term of this Agreement shall terminate upon the date when the Parties' obligations under this Agreement have been fully performed. In the event that the District Reorganization is not approved prior to the Commencement of the Project (as hereinafter defined), this Agreement shall terminate upon the approval of a developer's first building permit for the Project, unless otherwise agreed to by the Parties. For purposes of this Agreement, the term "Commencement of the Project" shall mean that date upon which the first permit for the construction of improvements in the Project is issued by the City, and the term "Developer" shall mean any developer or builder, and/or their successors or assigns, that develops or constructs any portion of the Project.

2.3. Notice of Termination. Upon the termination of this Agreement, CUSD shall deliver to Modesto City Schools a notice of such termination in a recordable form reasonably acceptable to both CUSD and Modesto City Schools.

2.4. Coordination with City of Ceres. CUSD and Modesto City Schools shall cooperate among themselves and the City and undertake all efforts reasonably required to obtain recognition by the City of the terms and conditions of this Agreement, including but not limited to incorporating the terms and conditions of this Agreement into the form of any development agreement or other project approval issued by the City in regard to the Specific Plan.

3. CERES UNIFIED SCHOOL DISTRICT'S OBLIGATIONS.

3.1. School Fees. After the District Reorganization is approved and effective for all purposes, and after applicable appeal periods expire, but in no event later than the Commencement of the Project, CUSD shall levy all applicable school facility impact fees ("School Fees") upon development on the Property as authorized by law except as otherwise set forth herein.

3.2. Payment of School Fees Amount. The first One-Million Two-Hundred-and-Fifty-Five Thousand Seven-Hundred-and-Twelve Dollars (\$1,255,712) of School Fees levied by CUSD and applicable to development within the Project ("School Fees Amount"), whether for residential development and/or commercial/industrial development, shall be paid by any Developer directly to Modesto City Schools, rather than to CUSD. CUSD shall direct any Developer to make such payments, and shall ensure that any such Developer does make such payments to Modesto City Schools at the same time and in the same manner as if such fees had been paid directly to CUSD pursuant to the authority and procedures established by CUSD for such fees. Whenever any portion of the School Fees Amount is paid directly to Modesto City Schools pursuant to this Section 3.2, then Modesto City Schools shall promptly notify CUSD in writing of its receipt and the amount of such payment. Notwithstanding anything stated herein to the contrary, the School Fees Amount payable to Modesto City Schools hereunder shall be reduced in an amount equal to the Ad Valorem Property Taxes collected on the Remaining Areas and paid to Modesto City Schools pursuant to Section 3.3 below.

3.3. Receipt of Ad Valorem Property Taxes. In 2001, the voters of Modesto City School District approved Measure "S," a general obligation bond, and in the same year, the voters of Modesto City High School District approved another general obligation bond measure, Measure "T" (collectively, the "Modesto Bonds"). The entire Property is subject to the Modesto Bonds. The Parties acknowledge and agree that in the event the District Reorganization is successful, applicable ad valorem-based property taxes collected by the County and paid by the various existing parcels that constitute the Property in support of the Modesto Bonds ("Ad Valorem Property Taxes"), shall continue to be paid directly to Modesto City Schools as follows. Those parcels that pay Ad Valorem Property Taxes and that are already developed as of the Effective Date of this Agreement, and which parcels are identified on Exhibit "B" attached hereto (the "Existing Homes"), shall continue to pay the Ad Valorem Property Taxes collected by the County to Modesto City Schools, until such time as the Ad Valorem Property Taxes are paid in full for the existing Modesto Bonds. Except as so expressly stated, following District Reorganization, the Existing Homes shall be treated as within the boundaries of CUSD for all other taxing purposes. For all of the Property other than the Existing Homes (the "Remaining Areas"), the Ad Valorem Property Taxes shall continue to be paid directly to Modesto City Schools; provided however, such payments to Modesto City Schools shall automatically cease as soon as practicable following the date on which Modesto City Schools has received the total sum of the School Fees Amount as set forth above in Section 3.2, whether by payment of School Fees pursuant to Section 3.2, by payment of Ad Valorem Property Taxes by any portion of the Property to Modesto City Schools pursuant to this Section 3.3, or by a combination of both sources. Additionally, for any portion of the Remaining Areas for which the City approves a final subdivision map for development and at least one building permit is issued, the portion of

the Remaining Areas governed by said final subdivision map shall also cease to be subject to the Ad Valorem Property Taxes, commencing as soon as practicable following the approval of the first building permit within the final subdivision map area. The Parties agree to assist the County in planning for and implementing the process provided for in this Section 3.3.

3.4. True Up Accounting. Within ninety (90) days after Modesto City Schools ceases to receive the proceeds of Ad Valorem Property Taxes from the Remaining Areas pursuant to Section 3.3 above, Modesto City Schools shall cause to be performed and delivered to CUSD a true up accounting specifying the total amount of Ad Valorem Property Taxes collected from all portions of the Property and received by Modesto City Schools, and the total amount of School Fees that Modesto City Schools received pursuant to Section 3.2, commencing with the Effective Date of this Agreement and concluding with the date that the County ceased paying Modesto City Schools the proceeds of Ad Valorem Property Taxes collected from the Remaining Areas ("True Up Accounting"). If the True Up Accounting reveals that Modesto City Schools received more than the amount of the School Fees Amount set forth in Section 3.2, Modesto City Schools shall, within no more than an additional thirty (30) days after the date of the delivery of the True Up Accounting to CUSD, pay to CUSD the amount received by Modesto City Schools that is in excess of the School Fees Amount, less the verified and reasonable cost of preparing the True Up Accounting. The True Up Accounting shall be performed in accordance with generally accepted accounting principles.

#### 4. MODESTO CITY SCHOOLS' OBLIGATIONS.

4.1. Support for District Reorganization. Modesto City Schools shall act in good faith and take all steps reasonably necessary to obtain approval of the District Reorganization. Such steps shall include the provision of evidence in any documents petitioning for the District Reorganization that the proposed District Reorganization substantially meets all of the conditions set forth in Education Code section 35753, to the extent practical or possible. Modesto City Schools shall also reasonably cooperate with CUSD in drafting required documents and providing necessary information such that the requirements of Education Code section 35753 are addressed. In addition to these obligations, but subject to CUSD's compliance with the terms of this Agreement, Modesto City Schools shall not engage in any conduct, or incite or advise any person or entity to engage in any conduct, that impedes or opposes in any manner or degree the progress or process of obtaining approval of the District Reorganization. Modesto City Schools further agrees to reasonably cooperate with and assist CUSD in providing any information or approvals which are requested by any state or local agency responsible for approving the District Reorganization.

5. MISCELLANEOUS.

5.1. Successors and Assignees. All terms and conditions of this Agreement shall be binding upon the Parties, including without limitation their governing boards, officers, directors, successors-in-interest, and assignees. In regard to any obligations to pay School Fees in the manner set forth at Section 3 above, CUSD shall make reasonable efforts to ensure that the Developer provides written notice of such obligation to any of the Developer's future successors-in-interest or assigns, relating to all or a portion of the Project, and shall provide copies of any such written notification to CUSD and Modesto City Schools indicating the name and contact information of the successor or assign and the specific portion of the Project to which such written notice applies.

5.2. Governing Law and Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California applicable to contracts to be performed wholly within this State. Any dispute arising from the terms and conditions of this Agreement shall be heard in Stanislaus County.

5.3. Construction. The singular includes the plural, "shall" is mandatory, and "may" is permissive. The Parties acknowledge and agree the each of the Parties and each of the Parties' attorneys have participated fully in the negotiation and drafting of this Agreement. In cases of uncertainty as to the meaning, intent or interpretation of any provision of this Agreement, the Agreement shall be construed without regard to which of the Parties caused, or may have caused, the uncertainty to exist. No presumption shall arise from the fact that particular provisions were or may have been drafted by a specific Party, and prior versions or drafts of this Agreement may be used to interpret the meaning or intent of this Agreement or any provision thereof.

5.4. Notices. Any notice to be given hereunder to either Party shall be in writing and shall be given either by personal delivery (including express or courier service), by receipt-confirmed facsimile, or by registered or certified mail, with return receipt requested and postage prepaid (excluding electronic messaging) and addressed as follows:

5.4.1. To CUSD:

Ceres Unified School CUSD  
ATTN: SUPERINTENDENT  
2503 Lawrence Street  
Ceres, CA 95307

With a copy to Legal Counsel:

Harold Freiman, Esq.  
LOZANO SMITH  
2001 North Main Street, Suite 650  
Walnut Creek, CA 94596

5.4.2. To Modesto City Schools:

Modesto City Schools  
ATTN: SUPERINTENDENT  
426 Locust Street  
Modesto, CA 95355

With a copy to Legal Counsel:

Addison Covert, Esq.  
KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD  
400 Capitol Mall, 27<sup>th</sup> Floor  
Sacramento, CA 95814

5.5. No Joint Venture. The relationship of the Parties to this Agreement is determined solely by the provisions of this Agreement. This Agreement does not create and shall not be construed to create any agency, partnership, joint venture, trust or other relationship with duties or incidents different from those of parties to an arm's-length contract.

5.6. No Further Assurances. Nothing in this Agreement, whether express or implied, is intended to or shall do any of the following: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons or entities other than the express Parties to this Agreement; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any Party to this Agreement.

5.7. Time is of the Essence. Time is of the essence in the performance of each Party's respective obligations under this Agreement.

5.8. Amendments and Waivers. No amendment of, supplement to, or waiver of any obligations under this Agreement shall be enforceable or admissible unless set forth in writing signed by the Party against which enforcement or admission is sought. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted shall apply solely to the specific instance expressly stated in a writing signed by the Parties.

5.9. Entire Agreement. This Agreement sets forth the entire understanding of the Parties relating to the transactions it contemplates, and supersedes all prior understandings relating to them, whether written or oral, except for the provisions contained in that certain



agreement entitled "TERRITORY TRANSFER AGREEMENT," dated October 27, 2010. Except as otherwise provided, there are no obligations, commitments, representations, or warranties relating to this Agreement, except those expressly set forth in this Agreement, and except for those obligations contained in the Territory Transfer Agreement referenced in the previous sentence.

5.10. Severability. If any provision of this Agreement is held invalid, void or unenforceable by a court of competent jurisdiction, but the remainder of the Agreement can be enforced without failure of material consideration to any Party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended or modified by mutual consent of the Parties; provided, however, that if the invalidity or unenforceability of any provision of this Agreement results in a material failure of consideration, then the Party adversely affected thereby shall have the right in its sole discretion to terminate this Agreement upon providing written notice of such termination to the other Party.

5.11. Execution in Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and counterpart signature pages may be assembled to form a single document which shall be deemed an original document. Consolidated signature pages shall be compiled by CUSD and forwarded to Modesto City Schools to constitute Modesto City Schools' executed copy of the Agreement.

5.12. Signatures. By signing below, each of the signatories represents and warrants that he or she has been duly authorized to execute this Agreement on behalf of the Party on whose behalf he or she is signing.

5.13. Represented by Counsel. Each Party hereto acknowledges that it has been represented by legal counsel and fully understands the terms and obligations of this Agreement.

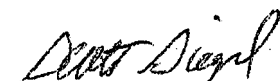
IN WITNESS WHEREOF, this Agreement has been entered into by and between the CUSD and Modesto City Schools.

**CERES UNIFIED SCHOOL DISTRICT**

**MODESTO CITY SCHOOLS**

Date: October 27, 2010

Date: October 25, 2010

By:   
Its: Superintendent


By:   
Its: Superintendent

Exhibit "A-1"

Legal Description of Property

That real property bounded on the north by Whitmore Avenue, on the west by Ustick Road, on the south by Service Road, and on the east by Crows Landing Road, consisting of approximately 640 acres, all as more particularly illustrated on the attached map below.

Said area can also be described as, and comprises the entirety of, Section 17 in Township 4 South, Range 9, East, M.D.B.& M.

The following are all of the Assessors Parcel Numbers that comprise the entirety of the Property:

056-055-001	056-056-008
056-055-002	056-056-009
056-055-003	056-056-010
056-055-004	056-056-011
056-055-006	056-056-012
056-055-007	056-056-013
056-055-008	056-056-014
056-055-009	056-056-015
056-055-010	056-056-017
056-055-011	056-056-018
056-055-012	056-056-019
056-055-013	056-056-020
056-055-014	056-056-021
056-055-019	056-056-022
056-055-021	056-056-023
056-055-022	056-056-024
056-055-023	056-056-025
056-055-025	056-056-026
056-055-026	056-056-027
056-055-027	056-056-028
056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	

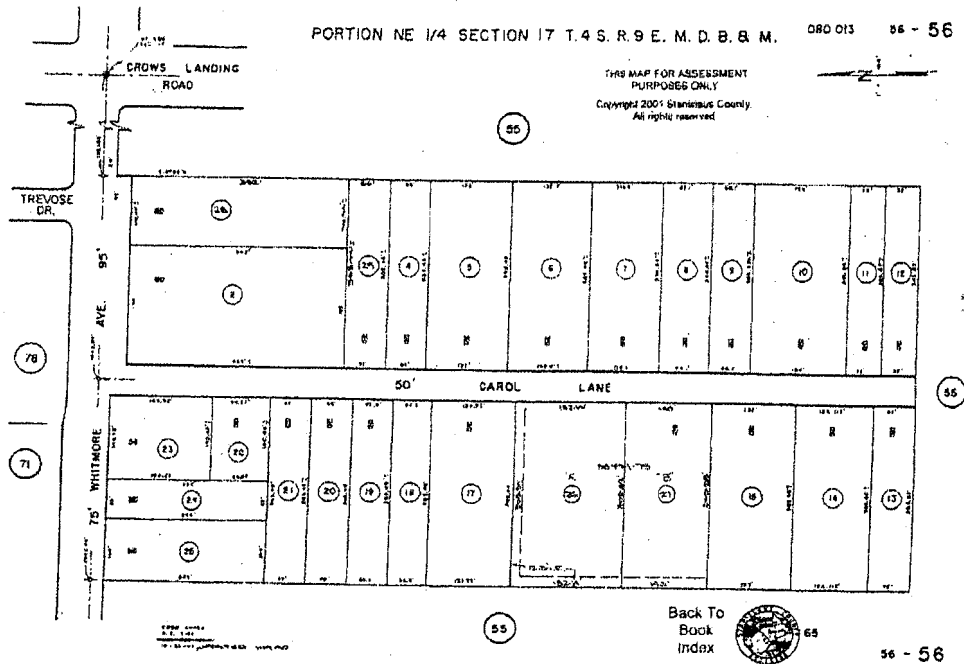


Exhibit "B"

Existing Homes

The following are all of the Assessors Parcel Numbers that comprise the entirety of the Existing Homes, all of which are also more fully illustrated on the following parcel map:

056-056-002	056-056-017
056-056-004	056-056-018
056-056-005	056-056-019
056-056-006	056-056-020
056-056-007	056-056-021
056-056-008	056-056-022
056-056-009	056-056-023
056-056-010	056-056-024
056-056-011	056-056-025
056-056-012	056-056-026
056-056-013	056-056-027
056-056-014	056-056-028
056-056-015	056-056-029



**ADDENDUM TO AGREEMENT BETWEEN CERES UNIFIED  
SCHOOL DISTRICT AND MODESTO CITY SCHOOLS**

This addendum dated as of the last date set forth below ("Addendum") is an addendum to that certain agreement ("Agreement") previously entered into by and among Ceres Unified School District, Modesto City Elementary School District and Modesto City High School District.

**RECITALS**

A. Ceres Unified School District ("CUSD") along with Modesto City Elementary School District and Modesto High School District (collectively "Modesto City Schools") previously entered into the Agreement for the purpose of setting forth certain of their rights and duties relating to the potential transfer of certain Property from Modesto City School's boundaries to CUSD's boundaries. CUSD and Modesto City Schools may hereafter be referred to individually as "Party" or collectively as "Parties."

B. Among other things, the Agreement provides for a mechanism whereby certain Ad Valorem Property Taxes applicable to the Property is to be allocated for payment to Modesto City Schools after the transfer of such Property from Modesto City School's boundaries to CUSD's boundaries.

C. CUSD and Modesto City Schools seek to enter into this Addendum for the purpose of assuring, to the greatest extent possible, that the revenue from the Ad Valorem Property Taxes referred to above, is paid to Modesto City Schools, consistent with, and subject to, the terms and conditions of the Agreement.

NOW, THEREFORE, in consideration of the promises, covenants and provisions set forth herein, the receipt and adequacy of which the Parties acknowledge, the Parties agree as follows:

**TERMS AND CONDITIONS**

1. **INCORPORATION AND EFFECT OF ADDENDUM.**

1.1. Incorporation of Recitals. The foregoing recitals are true and correct and are hereby incorporated into the "Terms and Conditions" section of this Addendum as though set forth fully herein.

1.2. Effect of Addendum. The terms and conditions of this Addendum shall be added to and incorporated into the Agreement with the same force and effect as each pre-existing term and condition set forth in the Agreement. In the event that the terms of this Addendum conflict with the terms of the Agreement, and such terms cannot be reconciled, the terms of this Addendum shall prevail.

1.3. Defined Terms. All capitalized terms in this Addendum shall have the same meaning as defined in the Agreement unless a separate definition is set forth in this Addendum.

2. EFFECTIVE DATE AND TERMINATION.

2.1. Effective Date. This Addendum shall be effective on the date of latter approval by either the Governing Board of CUSD or the Governing Board of Modesto City Schools, as indicated below.

2.2. Termination. This Addendum shall terminate upon termination of the Agreement pursuant to Section 2.2 of the Agreement.

3. CERES UNIFIED SCHOOL DISTRICT'S OBLIGATIONS.

3.1 Receipt of Ad Valorem Property Taxes. In order to clarify the respective rights and obligations of the Parties hereto regarding the receipt of Ad Valorem Property Taxes for the Existing Homes, Section 3.3 of the Agreement is hereby deleted and replaced in its entirety with the following:

"In 2001, the voters of Modesto City Elementary School District approved Measure "S," a general obligation bond, and in the same year, the voters of Modesto City High School District approved another general obligation bond measure, Measure "T" (collectively, the "Modesto Bonds"). The entire Property is subject to the Modesto Bonds. The Parties acknowledge and agree that in the event the District Reorganization is successful, applicable ad valorem-based property taxes collected by the County and paid by the various existing parcels that constitute the Property in support of the Modesto Bonds ("Ad Valorem Property Taxes"), shall continue to be paid directly to Modesto City Schools as follows:

(a) Those parcels that pay Ad Valorem Property Taxes and that are already developed as of the Effective Date of this Agreement, and which parcels are identified on Exhibit "B" attached hereto (the "Existing Homes"), shall continue to pay the Ad Valorem Property Taxes collected by the County to Modesto City Schools, until the date on which Modesto City Schools has received the total sum of the School Fees Amount as set forth above in Section 3.2, whether by payment of the School Fees pursuant to Section 3.2, by payment of Ad Valorem Property Taxes by any portion of the Property to Modesto City Schools pursuant to this Section 3.3, or by a combination of both sources. The Parties may agree to substitute a more detailed Exhibit "B" at a future date. Except as so expressly stated, following District Reorganization, the Existing Homes shall be treated as within the boundaries of CUSD for all other taxing purposes.

(b) For all of the Property other than the Existing Homes (the "Remaining Areas"), the Ad Valorem Property Taxes shall continue to be paid directly to Modesto City Schools, provided however, such payments to Modesto City Schools shall automatically cease as soon as practicable following the date on which Modesto City Schools has received the total sum of the School Fees Amount as set forth above in Section 3.2, whether by payment of School Fees pursuant to Section 3.2, by payment of Ad Valorem Property Taxes by any portion of the Property to Modesto City Schools pursuant to this Section 3.3, or

by a combination of both sources. Additionally, for any portion of the Remaining Areas for which the City approves a final subdivision map for development and at least one building permit is issued, the portion of the Remaining Areas governed by said final subdivision map shall also cease to be subject to the Ad Valorem Property Taxes, commencing as soon as practicable following the approval of the first building permit within the final subdivision map area.

The Parties agree to assist the County in planning for and implementing the process provided for in this Section 3.3. It is the intent of the Parties that the revenue from the Ad Valorem Property Taxes shall be credited to Modesto City Schools by the Office of the Stanislaus County Assessor, Auditor/Controller and Treasurer/Tax Collector ("Stanislaus County") in order to achieve the allocations set forth in this Section 3.3. In the event that it is not feasible for Stanislaus County to credit the Ad Valorem Property Taxes on behalf of Modesto City Schools during any year in which such revenue is owed to Modesto City Schools under the terms and conditions of this Agreement, CUSD shall pay to Modesto City Schools, within ninety (90) days receipt of a written invoice from Modesto City Schools, an amount equivalent to the total Ad Valorem Property Tax otherwise owing to Modesto City Schools for the tax year for the relevant territory as described in this Section 3.3. The written invoice from Modesto City Schools shall provide supporting information conclusively establishing the amount sought by the invoice. The commitment of CUSD to make payments to Modesto City Schools equivalent to the proceeds of any annual Ad Valorem Property Tax amount applicable under the terms of this Agreement but not otherwise paid to Modesto City Schools shall be absolute, subject to the terms, conditions and limitations of this Agreement."

#### 4. MISCELLANEOUS.

4.1. Entire Agreement. The Agreement, as now modified by this Addendum, sets forth the entire understanding of the Parties relating to the transactions it contemplates, and supersedes all prior understandings relating to them, whether written or oral, except for the provisions contained in that certain agreement entitled "TERRITORY TRANSFER AGREEMENT," dated October 27, 2010. Except as otherwise provided, there are no obligations, commitments, representations, or warranties relating to the Agreement, except those expressly set forth in this Addendum, and except for those obligations contained in the Territory Transfer Agreement referenced in the previous sentence.

4.2. Execution in Counterparts. This Addendum may be executed in multiple counterparts, each of which shall be deemed an original, and counterpart signature pages may be assembled to form a single document which shall be deemed an original document. Consolidated signature pages shall be compiled by CUSD and forwarded to Modesto City Schools to constitute Modesto City Schools' executed copy of this Addendum.

4.3. Signatures. By signing below, each of the signatories represents and warrants that he or she has been duly authorized to execute this Addendum on behalf of the Party on whose behalf he or she is signing.

4.4. Represented by Counsel. Each Party hereto acknowledges that it has been represented by legal counsel.

4.5. Intent of the Parties. It is the intent of this Addendum that Modesto City Schools be made whole in its bond debt for amounts it would have otherwise collected toward that debt from the territory being transferred to CUSD as described at Section 3.3 of the Agreement. This amount, based on the estimated rate of development of the territory is \$1,255,712.

**IN WITNESS WHEREOF**, this Addendum has been entered into by and between CUSD and Modesto City Schools:


**CERES UNIFIED SCHOOL DISTRICT**

**MODESTO CITY SCHOOLS**

Date: October 27, 2010

Date: October 25, 2010, 2010

By:   
Its: Superintendent

By:   
Its: Superintendent

951803\_1



BEFORE THE COUNTY SUPERINTENDENT OF SCHOOLS

STANISLAUS COUNTY, CALIFORNIA

In the Matter of Petition to Transfer Territory  
from the Modesto City Schools to the Ceres  
Unified School District

DETERMINATION OF  
SUFFICIENCY OF THE PETITION  
(Ed. Code §§ 35700 and 35704)

On October 25, 2010 and October 27, 2010, the Boards of Trustees of the Modesto City Schools ("Modesto") and the Ceres Unified School District ("Ceres") respectively passed and signed a Petition to transfer territory from the Modesto City Schools to the Ceres Unified School District. On November 9, 2010, Modesto and Ceres caused the Petition to be filed in the Office of the Stanislaus County Superintendent of Schools. This Petition requests action upon the proposal to transfer territory between school districts which are within the territory of the Stanislaus County Superintendent of Schools. A copy of this Petition is marked Exhibit "A" and is attached hereto and by this reference is made a part of this DETERMINATION OF THE SUFFICIENCY OF THE PETITION.

Pursuant to the provisions of Education Code sections 35700 and 35704, the Stanislaus County Superintendent of Schools has examined the attached Petition, and accordingly, the undersigned finds, determines and declares the attached Petition to be sufficient and signed as required by law.

November 24, 2010

STANISLAUS COUNTY SUPERINTENDENT  
OF SCHOOLS

Tom Changnon  
Tom Changnon

**BEFORE THE COUNTY COMMITTEE  
ON SCHOOL DISTRICT ORGANIZATION  
OF STANISLAUS COUNTY, CALIFORNIA**

In the Matter of the Transfer of Territory From  
the Modesto City Schools of Stanislaus County  
to the Ceres Unified School District of  
Stanislaus county

**APPROVAL of Petition to Transfer  
Territory and ORDER Granting  
Petition**

(Ed. Code, § 35709)

**WHEREAS**, on October 25, 2010 and October 27, 2010, the governing boards of the Modesto City Schools and the Ceres Unified School District, respectively, caused to be filed a petition with Stanislaus County Superintendent of Schools seeking to transfer territory from Modesto City Schools to the Ceres Unified School District. This territory is more particularly described and detailed on Exhibits A and B attached hereto.

**WHEREAS**, on January 19, 2011, the Stanislaus County Committee on School District Organization met and held public hearings in each affected school district.

**WHEREAS**, on February 16, 2011, the Stanislaus County committee on School District Organization reviewed and adopted a Petition Study pursuant to Education Code section 35753.

**WHEREAS**, on March 23, 2011, the Stanislaus County Committee on School District Organization reviewed the California Environmental Quality Act (CEQA) and took formal action to adopt a Negative Declaration with regard to the proposed transfer to territories between the districts.

**WHEREAS**, the Stanislaus County Committee on School District Organization determined that the conditions set forth in section 35753(a) are substantially met as follows:

- |   | YES          | NO  |
|---|--------------|-----|
| 1. The reorganized districts will be adequate in terms of number of pupils enrolled.  | <u>  x  </u> | ___ |
| 2. The districts are organized on the basis of a substantial community identify.  | <u>  x  </u> | ___ |
| 3. The proposal will result in an equitable division of property and facilities of the original district or districts.  | <u>  x  </u> | ___ |
| 4. The reorganization of the districts will preserve each affected district's ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation.                 | <u>  x  </u> | ___ |
| 5. Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization and will not result in any substantial increase in cost to the state. | <u>  x  </u> | ___ |

- 6. The proposed organization will continue to promote sound educational performance and will not significantly disrupt the educational programs in the districts affected by the proposed reorganization.   x
- 7. Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.   x
- 8. The proposed reorganization is primarily designed for purposes other than to significantly increase property values.   x
- 9. The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the proposed district or any existing district affected by the proposed reorganization.   x

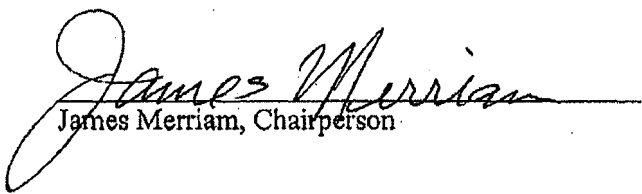
WHEREAS, the Stanislaus County Committee on School District Organization has determined that the territory to be transferred is inhabited and constitutes less than ten (10) percent of the assessed valuation of either the Modesto City Schools or the Ceres Unified School District, and the governing boards of the two school districts have consented to the transfer.

THEREFORE, the Stanislaus County Committee on School District Organization HEREBY ADOPTS the Petition to transfer territory from the Modesto City Schools to the Ceres Unified School District, both of Stanislaus County, California, and **ORDERS THE PETITION GRANTED**, and directs the secretary of the Stanislaus County Committee on School District Organization to so notify the Stanislaus County Board of Supervisors and to have prepared new boundary descriptions and maps of the Modesto City Schools and the Ceres Unified School District as revised by this territory transfer. The territory to be transferred is more particularly described on Exhibit "A" (legal descriptions of territory to be transferred) and Exhibit "B" (map depicting territory to be transferred.)

Adopted on the 23rd day of March 2011 by the following vote of the Stanislaus County Committee on School District Organization, to wit:

AYES:               6      
 NOES:               0      
 ABSENT:             5    

STANISLAUS COUNTY COMMITTEE ON  
 SCHOOL DISTRICT ORGANIZATION

  
 James Merriam, Chairperson

**Exhibit "A"**

**Legal Description of the Territory to be Transferred**

**From the Modesto City Schools to the Ceres Unified School District**

That real property bounded on the north by Whitmore Avenue, on the west by Ustick Road, on the south by Service Road, and on the east by Crows Landing Road, consisting of approximately 640 acres, all as more particularly illustrated on the attached map below.

Said area can also be described as, and comprises the entirety of, Section 17 in Township 4 South, Range 9, East, M.D.B. & M.

The following are all of the Assessors Parcel Numbers that comprise the entirety of the Property:

056-055-001	056-056-008
056-055-002	056-056-009
056-055-003	056-056-010
056-055-004	056-056-011
056-055-006	056-056-012
056-055-007	056-056-013
056-055-008	056-056-014
056-055-009	056-056-015
056-055-010	056-056-017
056-055-011	056-056-018
056-055-012	056-056-019
056-055-013	056-056-020
056-055-014	056-056-021
056-055-019	056-056-022
056-055-021	056-056-023
056-055-022	056-056-024
056-055-023	056-056-025
056-055-025	056-056-026
056-055-026	056-056-027
056-055-027	056-056-028
056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	



**BEFORE THE BOARD OF SUPERVISORS**

**COUNTY OF STANISLAUS, STATE OF CALIFORNIA**

In the Matter of

**RESOLUTION NO.** \_\_\_\_\_

TRANSFER OF TERRITORY BETWEEN THE  
MODESTO CITY SCHOOLS AND THE CERES  
UNIFIED SCHOOL DISTRICT

**WHEREAS**, the Stanislaus County Board of Supervisors has received proper documentation from the Stanislaus County Office of Education evidencing the transfer of territory from the Modesto City Schools to the Ceres Unified School District ("School Districts"); and

**WHEREAS**, California Education Code section 35765 requires the Board to approve and validate this action by formally adopting an order to change the boundaries of the affected School Districts; and

**WHEREAS**, no election is required; and

**WHEREAS**, the Superintendent of Schools shall forthwith file or cause to be filed this Resolution and a statement of the change of boundaries of the School Districts, pursuant to California Government Code section 54900 et seq., with the Stanislaus County Assessor's Office for assessment roll purposes, the Stanislaus County Auditor, the State Board of Equalization, and the Superintendent of Public Instruction.

**NOW, THEREFORE, BE IT RESOLVED** that the Stanislaus County Board of Supervisors does hereby order the change in the boundaries of the School Districts in accordance with the attached legal description and map affecting parcels:

056-055-001	056-056-008
056-055-002	056-056-009
056-055-003	056-056-010
056-055-004	056-056-011
056-055-006	056-056-012
056-055-007	056-056-013
056-055-008	056-056-014
056-055-009	056-056-015
056-055-010	056-056-017
056-055-011	056-056-018
056-055-012	056-056-019
056-055-013	056-056-020
056-055-014	056-056-021
056-055-019	056-056-022
056-055-021	056-056-023
056-055-022	056-056-024
056-055-023	056-056-025
056-055-025	056-056-026
056-055-026	056-056-027
056-055-027	056-056-028
056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	

**I, Christine Ferraro Tallman**, Clerk of the Board of Supervisors of the County of Stanislaus, State of California, do hereby certify that the foregoing resolution was regularly introduced, passed, and adopted by said Board at a regular meeting thereof held on \_\_\_\_\_, 2011, by the following vote:

SUPERVISORS:

AYES:

NOES:

ABSENT:

WITNESS my hand and Seal of this Board this \_\_\_\_ day of \_\_\_\_\_, 2011.

Christine Ferraro Tallman, CLERK

By: \_\_\_\_\_  
Deputy

**TERRITORY TO BE TRANSFERRED FROM THE MODESTO CITY SCHOOLS  
TO THE CERES UNIFIED SCHOOL DISTRICT**

**LEGAL DESCRIPTION**

All that certain real property, situate and being Section 17, Township 4 South, Range 9 East, Mount Diablo Base and Meridian, in the County of Stanislaus, State of California, described as follows:

**BEGINNING** at the southwest corner of said Section 17;

Thence, along the west line of said Section 17, (1) North 00°29'36" East 2643.21 feet to the west 1/4 corner of said Section 17;

Thence, continuing along the west line of said Section 17, (2) North 00°29'56" East 2643.11 feet to the northwest corner of said Section 17;

Thence, along the north line of said Section 17, (3) South 89°13'08" East 2643.37 feet to the north 1/4 corner of said Section 17;

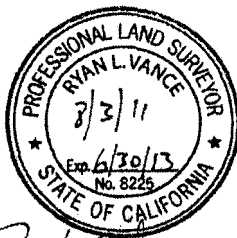
Thence, continuing along the north line of said Section 17, (4) South 89°12'54" East 2643.42 feet to the northeast corner of said Section 17;

Thence, along the east line of said Section 17, (5) South 00°23'08" West 2644.20 feet to the east 1/4 corner of said Section 17;

Thence, continuing along the east line of said Section 17, (6) South 00°23'08" West 2644.20 feet to the southeast corner of said Section 17;

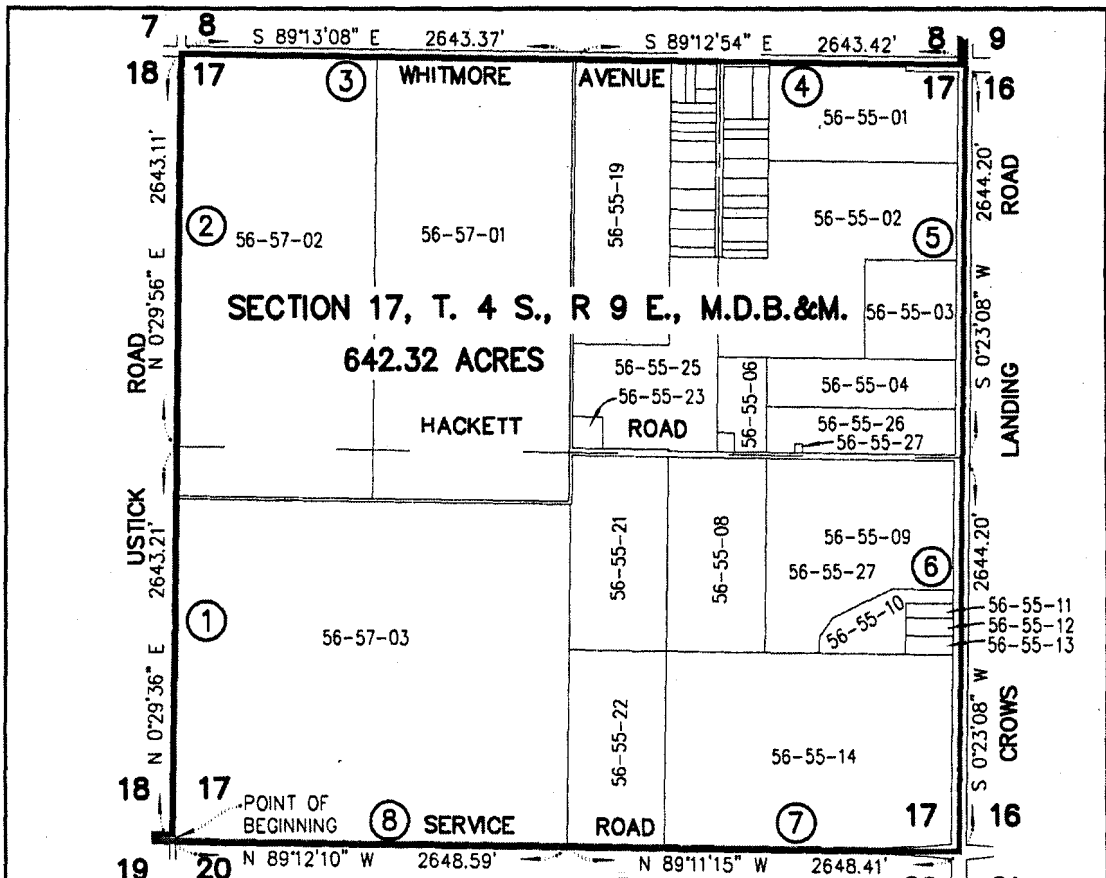
Thence, along the south line of said Section 17, (7) North 89°11'15" West 2648.41 feet to the south 1/4 corner of said Section 17;

Thence, continuing along the south line of said Section 17, (8) North 89°12'10" West 2648.59 feet to the **Point of Beginning** and containing 642.32 acres of land more or less.

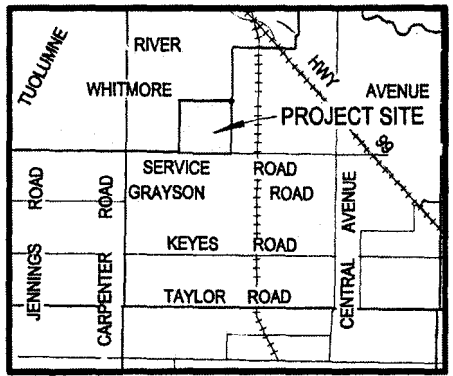


*Ryan L. Vance*

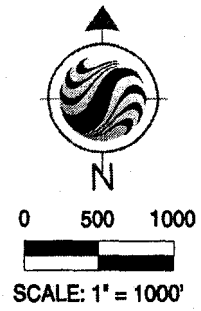




EXISTING CERES USD BOUNDARY  
 PROPOSED CERES USD BOUNDARY



WHITMORE AVENUE	
56-56-23	56-56-23
56-56-24	56-56-22
56-56-21	56-56-02
56-56-20	56-56-29
56-56-19	56-56-04
56-56-18	56-56-05
56-56-17	56-56-06
56-56-26	56-56-07
56-56-27	56-56-08
56-56-15	56-56-09
56-56-14	56-56-10
56-56-13	56-56-11
	56-56-12



ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

5075 HOPYARD ROAD, SUITE 210  
PLEASANTON, CALIFORNIA 94588-2797  
(925) 227-9200

FAX (925) 227-9202  
WWW.AALRR.COM

**COPY**

RIVERSIDE  
(951) 683-1122  
FAX (951) 683-1144

SACRAMENTO  
(916) 923-1200  
FAX (916) 923-1222

SAN DIEGO  
(858) 485-9526  
FAX (858) 485-9412

CERRITOS  
(562) 653-3200  
FAX (562) 653-3333

FRESNO  
(559) 225-6700  
FAX (559) 225-3416

IRVINE  
(949) 453-4260  
FAX (949) 453-4262

OUR FILE NUMBER:

005408.00047  
5313717V1

November 23, 2011

***VIA FEDERAL EXPRESS***

Lauren Klein, CPA  
Stanislaus County Auditor-Controller  
1010 Tenth Street, Suite 5100  
Modesto, CA 95354

David E. Cogdill, Sr., MAI, RM  
Stanislaus County Assessor  
1010 Tenth Street, Suite 2400  
Modesto, CA 95354-0863

Tom Torlakson  
State Superintendent of Public Instruction  
California Department of Education  
1430 N Street  
Sacramento, CA 95814

**Re: Statement of Boundary Changes**

- Transfer of Territory from Modesto City Schools to Ceres Unified School District

Dear Sirs and Madam:

Please file a copy of our enclosed November 23, 2011, letter to the State Board of Equalization which includes the following exhibits:

- (1) Statement of Boundary Change (BOE-400-TA) form,
- (2) List of Assessor's Parcel Numbers,
- (3) Map of Territory Transfer Area including Vicinity Map and "geographic description" to supplement the Statement of Boundary Change,
- (4) Petitions by Modesto City Schools and Ceres Unified School District with maps and legal description,

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Lauren Klein, Stanislaus County Auditor-Controller  
David E. Cogdill, Sr., Stanislaus County Assessor  
Tom Torlakson, State Superintendent of Public Instruction  
November 23, 2011  
Page 2

(5) Agreements (3) between Modesto City Schools and Ceres Unified School District filed concurrently with Petition at Stanislaus County Office of Education,


(6) County Committee's Approval and Order, and

(7) Certified copy of Stanislaus County Board of Supervisors' Resolution No. 2011-664 dated November 1, 2011, approving the territory transfer.

Please return the extra copy with an acknowledgment of receipt in the enclosed, stamped, self-addressed envelope.

Very truly yours,

ATKINSON, ANDELSON, LOYA,  
RUUD & ROMO

By   
Elizabeth B. Hearey

EBH/deb

Attachment

cc: Tom Changnon, County Superintendent of Schools  
Pam Able, Superintendent, Modesto City Schools  
Scott Siegel, Superintendent, Ceres Unified School District  
John P. Doering, Stanislaus County Counsel  
Attn: Dean Wright, Deputy County Counsel  
Christine Ferraro Tallman, Clerk, Stanislaus County Board of Supervisors  
David O. Romano  
Ralph Davis, State Board of Equalization (without attachment)

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

**COPY**

CERRITOS  
(562) 653-3200  
FAX (562) 653-3333

FRESNO  
(559) 225-6700  
FAX (559) 225-3416

IRVINE  
(949) 453-4260  
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(951) 683-1122  
FAX (951) 683-1144

SACRAMENTO  
(916) 923-1200  
FAX (916) 923-1222

SAN DIEGO  
(619) 485-9526  
FAX (619) 485-9412

OUR FILE NUMBER:

005408.00047  
5313701VI

November 23, 2011

***VIA FEDERAL EXPRESS***

State Board of Equalization  
Tax Area Services Section  
450 N Street, MIC: 59  
Sacramento, CA 95814

Re: Transfer of Territory from Modesto City Schools to Ceres Unified School District  
(Stanislaus County)

Dear Sir or Madam:

This office serves as general legal counsel for the Stanislaus County Office of Education ("SCOE"), the lead agency in charge of the above-referenced territory transfer pursuant to Government Code sections 54900 et seq.

Enclosed please find an SCOE check for Two Thousand Five Hundred Dollars (\$2,500.00) payable to the "Board of Equalization" with reference to Tax Area Services Section MIC: 59 to cover the transfer fees and the following documents:

1. Exhibit 1: Statement of Boundary Change (BOE-400-TA) form;
2. Exhibit 2: List of Assessor's Parcel Numbers;
3. Exhibit 3: Map of Territory Transfer Area including Vicinity Map and "geographic description" to support the Statement of Boundary Change;
4. Exhibit 4: Petition by Ceres Unified School District and Modesto City Schools with maps and legal description;
5. Exhibit 5: Agreements (3) between Modesto City Schools and Ceres Unified School District concurrently filed with Petition at Stanislaus County Office of Education;
6. Exhibit 6: County Committee's Approval and Order; and,
7. Exhibit 7: Certified copy of Stanislaus County Board of Supervisors' Resolution No. 2011-664 dated November 1, 2011, approving the territory transfer.

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

State Board of Equalization, MIC:59

November 23, 2011

Page 2

In addition to the attached Exhibits, we are enclosing a copy of the Exhibit 3 map in electronic form (CD) for the State Board of Equalization only.

\*Note that no election was required to effectuate this territory transfer because the territory consists of less than ten (10) percent of the assessed valuation of the district from which the territory is being transferred. Therefore, we have not included "election results."

Please note that this territory transfer was initiated by the affected school districts and approved by the Stanislaus County Committee on School District Organization on March 23, 2011. No appeal was filed.

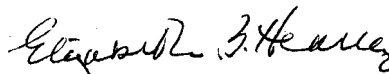
The action to complete the reorganization of school districts is finalized when the Board of Supervisors makes an order to change the districts and establish new boundaries. (California Education Code sections 35530 and 35765.)

Please conform and return as soon as possible the extra set of documents together with any form you may use to confirm the filing so that I may serve copies on state and local officials as required by statute. A stamped, self-addressed envelope is enclosed for your convenience.

Thank you for your assistance in this matter. If you have any questions, please let me know.

Very truly yours,

ATKINSON, ANDELSON, LOYA,  
RUUD & ROMO

By   
Elizabeth B. Hearey

EBH/deb  
Enclosures

cc: **Sent with Exhibits:**

Tom Changnon, Superintendent of Schools, Stanislaus County  
Pam Able, Superintendent, Modesto City Schools  
Scott Siegel, Superintendent, Ceres Unified School District  
Lee Lundrigan, Clerk Recorder, Stanislaus County Registrar of Voters  
Lauren Klein, Stanislaus County Auditor-Controller  
David E. Cogdill, Sr., Stanislaus County Assessor  
Tom Torlakson, State Superintendent of Public Instruction  
Gordon B. Ford, Stanislaus County Treasurer/Tax Collector  
John P. Doering, Stanislaus County Counsel, Attention: Dean Wright  
State Board of Education  
State Allocation Board  
Larry Shirey, California Department of Education  
Stanislaus Local Agency Formation Commission  
Christine Ferraro Tallman, Clerk, Stanislaus County Board of Supervisors  
David O. Romano

**STATEMENT OF BOUNDARY CHANGE**

Please mail to: State Board of Equalization, Tax Area Services Section,  
450 N Street, MIC:59, P.O. Box 942879, Sacramento, CA 94279-0059.



**STATE OF CALIFORNIA  
BOARD OF EQUALIZATION**  
www.boe.ca.gov

BOE File No.: \_\_\_\_\_

COUNTY <b>Stanislaus</b>	COUNTY NUMBER <b>50</b>	ACREAGE <b>640</b>	FEE <b>\$2,500</b>	Res./Ord. NUMBER
CONDUCTING AUTHORITY				LAFCo. RES.
SHORT FORM DESIGNATION				EFFECTIVE DATE

**SECTION 1: TYPE OF ACTION (CHECK ONE ONLY)**

- |  |  |  |  |
|--|--|--|--|
| <input type="checkbox"/> City - Annexation (02)      | <input type="checkbox"/> District - Formation (09)                           | <input type="checkbox"/> District - Name Change (11)               | <input checked="" type="checkbox"/> School District - Transfer of Territory (13) |
| <input type="checkbox"/> City - Detachment (14)      | <input type="checkbox"/> District - Annexation (01)                          | <input type="checkbox"/> Redevelopment - New Project (15)          |  |
| <input type="checkbox"/> City - Incorporation (04)   | <input type="checkbox"/> District - Detachment (07)                          | <input type="checkbox"/> Redevelopment - Amendment to Project (10) |  |
| <input type="checkbox"/> Consolidation of TRA's (06) | <input type="checkbox"/> District - Consolidation (05)                       | <input type="checkbox"/> School District - Merger (17)             | <input type="checkbox"/> School District - Unification (18)                      |
| <input type="checkbox"/> County Boundary Change (16) | <input type="checkbox"/> District - Dissolution/Removal from Board Roll (08) | <input type="checkbox"/> School District - Thompson Unified (19)   |  |

**SECTION 2: PRINCIPAL CITY/DISTRICT(S) AFFECTED BY ACTION [ENTER DISTRICT NAME(S)]**

Modesto City Schools ("Modesto CS")	
Ceres Unified School District ("Ceres USD")	

**SECTION 3: AFFECTED TERRITORY**

- |   |   |   |
|---|---|---|
| <input checked="" type="checkbox"/> Inhabited | <input checked="" type="checkbox"/> Developed | <input checked="" type="checkbox"/> Will be taxed for existing bonded indebtedness or contractual obligations as set forth by the terms and conditions as stated in the resolution. See also Agreements between Modesto CS & Ceres USD. |
| <input type="checkbox"/> Uninhabited          | <input type="checkbox"/> Undeveloped          | <input type="checkbox"/> Will not be taxed for existing bonded indebtedness or contractual obligations.   |
- Number of Areas: 1

**SECTION 4: ELECTION**

- An election authorizing this action was held on \_\_\_\_\_ (mm/dd/yyyy) date
- This action is exempt from election.

**SECTION 5: ENCLOSED ARE THE FOLLOWING ITEMS REQUIRED AT THE TIME OF FILING**

- |  |  |   |
|--|--|---|
| <input checked="" type="checkbox"/> Fees [\$2,500]                     | <input type="checkbox"/> Certificate of Completion (LAFCo. only)                         | <input type="checkbox"/> County auditor's letter of TRA assignment (consolidated counties only) |
| <input checked="" type="checkbox"/> Legal description                  | <input checked="" type="checkbox"/> Map(s) and supporting documents including Agreements |   |
| <input checked="" type="checkbox"/> Resolution of conducting authority | <input checked="" type="checkbox"/> Assessor parcel number(s) of affected territory      |   |

**SECTION 6: CITY BOUNDARY CHANGES ONLY**

- Map of limiting addresses (2 copies)
- Alphabetical list of all streets within the affected area to include beginning and ending street numbers
- Vicinity maps (2 copies)

Estimated Population: \_\_\_\_\_ Total assessed value of all property in subject territory: \_\_\_\_\_

**REQUIRED: According to section 54902 of the Government Code, copies of these documents must be filed with the county auditor and county assessor.**

Board of Equalization will acknowledge receipt of filing to:	<b>BOE USE ONLY</b>
NAME Elizabeth B. Hearey	chk #:
TITLE Legal Counsel	
AGENCY Stanislaus County Office of Education	amt:
STREET 1100 H Street	
CITY Modesto, CA	ltr #:
ZIP CODE 95354	
TELEPHONE NUMBER (include area code) (209) 238-1700	
FAX NUMBER (include area code) (209) 238-4201	
E-MAIL ADDRESS ehearey@aalrr.com	
SIGNATURE OF AGENCY OFFICER <i>Elizabeth B. Hearey</i>	
DATE 11/22/11	

## ASSESSOR'S PARCEL NUMBERS

TRANSFER OF TERRITORY BETWEEN THE MODESTO CITY SCHOOLS AND THE  
CERES UNIFIED SCHOOL DISTRICT

056-055-001	056-056-008
056-055-002	056-056-009
056-055-003	056-056-010
056-055-004	056-056-011
056-055-006	056-056-012
056-055-007	056-056-013
056-055-008	056-056-014
056-055-009	056-056-015
056-055-010	056-056-017
056-055-011	056-056-018
056-055-012	056-056-019
056-055-013	056-056-020
056-055-014	056-056-021
056-055-019	056-056-022
056-055-021	056-056-023
056-055-022	056-056-024
056-055-023	056-056-025
056-055-025	056-056-026
056-055-026	056-056-027
056-055-027	056-056-028
056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	

**TERRITORY TO BE TRANSFERRED FROM THE MODESTO CITY SCHOOLS  
TO THE CERES UNIFIED SCHOOL DISTRICT**

**LEGAL DESCRIPTION**

All that certain real property, situate and being Section 17, Township 4 South, Range 9 East, Mount Diablo Base and Meridian, in the County of Stanislaus, State of California, described as follows:

**BEGINNING** at the southwest corner of said Section 17;

Thence, along the west line of said Section 17, (1) North 00°29'36" East 2643.21 feet to the west 1/4 corner of said Section 17;

Thence, continuing along the west line of said Section 17, (2) North 00°29'56" East 2643.11 feet to the northwest corner of said Section 17;

Thence, along the north line of said Section 17, (3) South 89°13'08" East 2643.37 feet to the north 1/4 corner of said Section 17;

Thence, continuing along the north line of said Section 17, (4) South 89°12'54" East 2643.42 feet to the northeast corner of said Section 17;

Thence, along the east line of said Section 17, (5) South 00°23'08" West 2644.20 feet to the east 1/4 corner of said Section 17;

Thence, continuing along the east line of said Section 17, (6) South 00°23'08" West 2644.20 feet to the southeast corner of said Section 17;

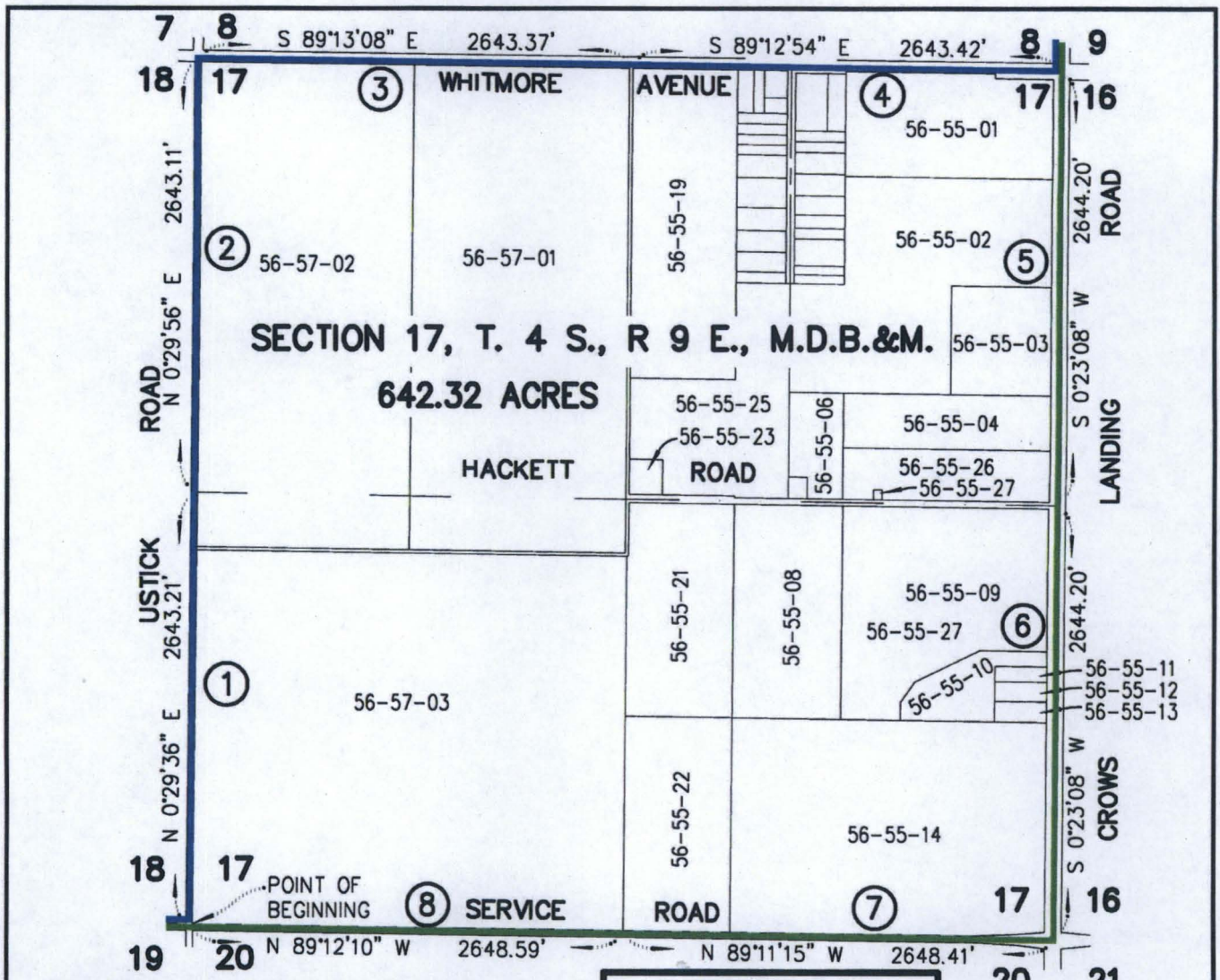
Thence, along the south line of said Section 17, (7) North 89°11'15" West 2648.41 feet to the south 1/4 corner of said Section 17;

Thence, continuing along the south line of said Section 17, (8) North 89°12'10" West 2648.59 feet to the **Point of Beginning** and containing 642.32 acres of land more or less.

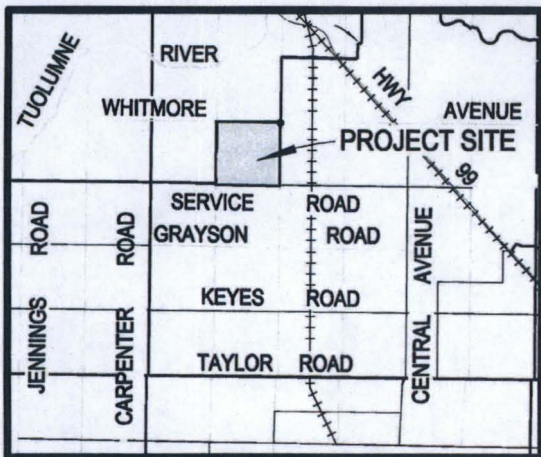


*R. Vance*





— EXISTING CERES USD BOUNDARY  
— PROPOSED CERES USD BOUNDARY



VICINITY MAP

WHITMORE AVENUE	
56-56-25	56-56-23
56-56-24	56-56-22
56-56-21	56-56-02
56-56-20	56-56-29
56-56-19	56-56-04
56-56-18	56-56-05
56-56-17	56-56-06
56-56-26	56-56-07
56-56-27	56-56-08
56-56-15	56-56-09
56-56-14	56-56-10
56-56-13	56-56-11
	56-56-12



0 500 1000



SCALE: 1" = 1000'



Stantec Consulting Services Inc.  
 1016 12th Street  
 Modesto, CA U.S.A.  
 95354  
 Tel. 209.521.8986  
 Fax. 209.521.9045  
 www.stantec.com

V:\1843\active\1843334100\dwg\CUSD - MUSD transfer Plot.dwg NManrique 8/4/11 8:13

NM

JULY 11

**CERES UNIFIED SCHOOL DISTRICT ADDITION**  
**SECTION 17, T 4 S., R 9 E., M.D.B. & M.**  
**STANISLAUS COUNTY**

EXHIBIT NO.

**A**

## PETITION FOR REORGANIZATION

To the Superintendent of Schools of Stanislaus County:

Education Code Section 35700, subdivision (d), authorizes a majority of the members of each of the governing boards of affected school districts to agree to jointly initiate a petition to the applicable county superintendent of schools to reorganize the boundaries of each affected school districts.

Pursuant to Education Code section 35700, subdivision (d), the undersigned, constituting the majority of the members of the governing boards of the Ceres Unified School District, (hereinafter "CUSD"), along with the Modesto City School District and the Modesto High School District (collectively hereinafter "Modesto City Schools"), jointly petition the Stanislaus County Superintendent of Schools to reorganize that certain portion of the Modesto City Schools, as hereinafter described, so that such portion lies within the boundaries of CUSD. The Districts are located within Stanislaus County.

This Petition for Reorganization, if approved, would place within CUSD's boundaries approximately 640 acres of land currently located within Modesto City Schools' boundaries and which land is located in an area that is coterminous with the territory of CUSD. The area proposed for reorganization is depicted in Exhibit "1" hereto (the "Territory").

Modesto City Schools' current boundaries are depicted in Exhibit "2" hereto, and CUSD's current boundaries are depicted in Exhibit "3" hereto. Modesto City Schools' proposed reorganized boundaries are depicted in Exhibit "4" hereto, CUSD's proposed reorganized boundaries are depicted in Exhibit "5" hereto. Exhibits "1" through "5", inclusive, are attached hereto and incorporated herein by reference.

### **STATEMENT OF REASONS**

The CSUD along with Modesto City Schools (collectively the "Districts") hereby request that the territory and the boundaries of the Districts be reorganized as set forth in Exhibits "4" and "5" hereto for the following reasons:

1. The Territory is proposed for development within the City of Ceres, and the resulting development will have a community identity affiliated with the City of Ceres and CUSD. Additionally, orderly provision of public services to future residents of the Territory will best be accomplished if all such services are coordinated through the City of Ceres and CUSD.
2. The population growth from proposed new housing development within the Territory will justify construction of additional school facilities within the Territory and CUSD has indicated that it is prepared to plan and undertake such construction.

3. CUSD intends that such reorganization will result in neighborhood schools that can serve the proposed residential development for the Territory. The reorganization will also reduce the distance pupils would otherwise have to travel should the Districts not be reorganized as petitioned, allowing students to stay within their community, and more opportunity for pedestrian travel, reducing vehicle traffic.
4. Reorganization will not adversely affect the Districts, the residents of the Districts, the State of California, the Stanislaus County Office of Education, or any other agency or person.

The Districts' Governing Boards have determined, with respect to the proposal and related studies for reorganization, that all of the following conditions are substantially met:

- (1) The reorganized Districts will be adequate in terms of number of pupils enrolled.
- (2) The Districts are each organized on the basis of a substantial community identity.
- (3) The proposal will result in an equitable division of property and facilities within the Districts.
- (4) The reorganization of the Districts will preserve each affected District's ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation.
- (5) Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization.
- (6) The proposed reorganization will continue to promote sound education performance and will not significantly disrupt the educational programs in the Districts.
- (7) Any increase in school facilities costs as a result of the proposed reorganization will be offset by statutorily authorized school fees and other mitigation measures in connection with the proposed residential development.
- (8) The proposed reorganization is primarily designed for purposes other than to significantly increase property values.
- (9) The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the Districts.

Pursuant to Education Code section 35709 (b)(2), the Territory consists of less than 10 percent of the assessed valuation of Modesto City Schools, and all of the Governing Boards of the Districts consent to the transfer, as a result of which, no election is required for approval of the transfer.

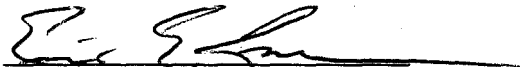
The following individuals are the Chief Petitioners for the purpose of receiving notice of any public hearing, or any other matter, in regard to this Petition:


Scott Siegel  
Superintendent  
Ceres Unified School District  
2503 Lawrence Street  
Ceres CA, 95307

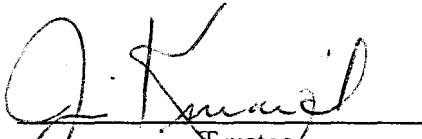
Arturo Flores  
Superintendent  
Modesto City Schools  
426 Locust Street  
Modesto, CA 95351-2699

**GOVERNING BOARD OF CERES UNIFIED  
SCHOOL DISTRICT**

Name

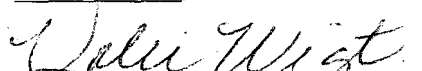
  
\_\_\_\_\_  
President

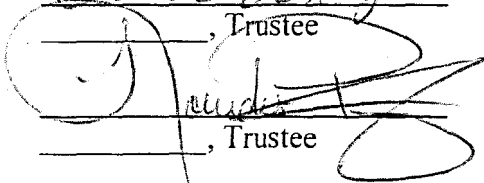
  
\_\_\_\_\_  
Clerk

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

  
\_\_\_\_\_  
Trustee

I attest under penalty of perjury per the laws of the State of California, that all signatures on this petition are genuine and were obtained in my presence:



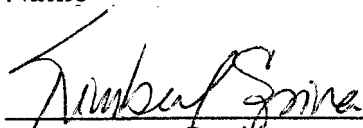
\_\_\_\_\_  
Scott Siegel, Superintendent  
Ceres Unified School District

October 27, 2010

Date

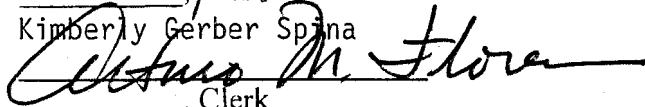
### GOVERNING BOARD OF THE MODESTO CITY SCHOOLS

Name



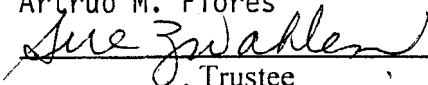
\_\_\_\_\_  
, President

Kimberly Gerber Spina



\_\_\_\_\_  
, Clerk

Artruo M. Flores




\_\_\_\_\_  
, Trustee

Sue Zwahlen



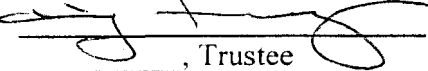
\_\_\_\_\_  
, Trustee

Nancy Cline



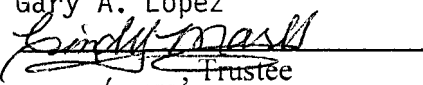
\_\_\_\_\_  
, Trustee

Steven Grenbeaux



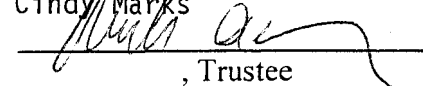
\_\_\_\_\_  
, Trustee

Gary A. Lopez



\_\_\_\_\_  
, Trustee

Cindy Marks



\_\_\_\_\_  
, Trustee

Ruben A. Villalobos

I attest under penalty of perjury per the laws of the State of California, that all signatures on this petition are genuine and were obtained in my presence:

A handwritten signature in black ink, appearing to read "Arturo Flores", written over a horizontal line.

Arturo Flores, Superintendent  
Modesto City Schools

October 25, 2010  
Date

EXHIBIT 1

[INSERT map/description of area proposed for transfer]

That real property bounded on the north by Whitmore Avenue, on the west by Ustick Road, on the south by Service Road, and on the east by Crows Landing Road, consisting of approximately 640 acres, all as more particularly illustrated on the attached map below.

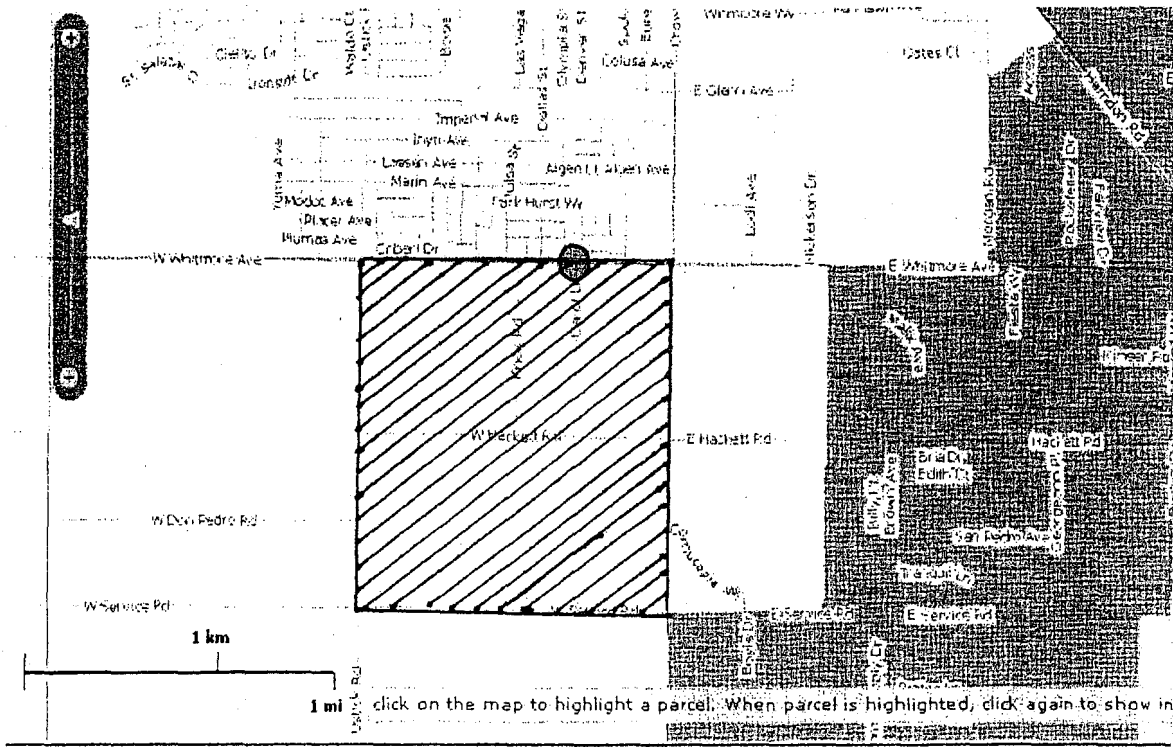
Said area can also be described as, and comprises the entirety of, Section 17 in Township 4 South, Range 9, East, M.D.B. & M.

The following are all of the Assessors Parcel Numbers that comprise the entirety of the Property:

056-055-001	056-056-008
056-055-002	056-056-009
056-055-003	056-056-010
056-055-004	056-056-011
056-055-006	056-056-012
056-055-007	056-056-013
056-055-008	056-056-014
056-055-009	056-056-015
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056-055-025	056-056-026
056-055-026	056-056-027
056-055-027	056-056-028
056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	

[EXHIBIT 1 continued on following page]

EXHIBIT 1 [continued]



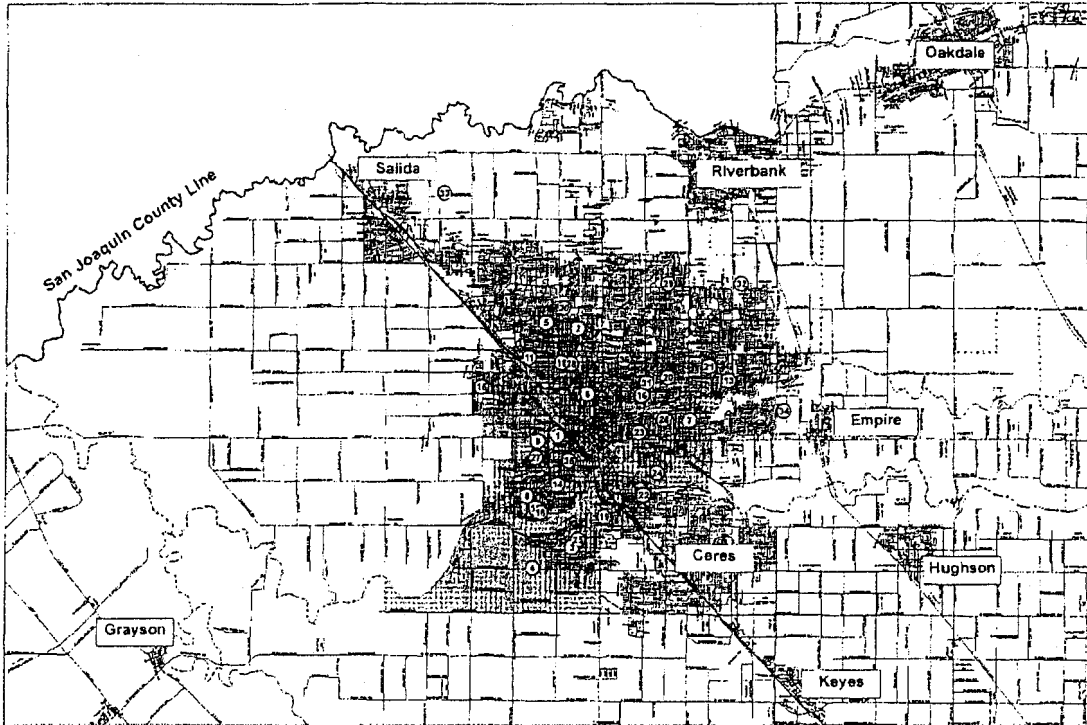
© Copyright 2006, StanislausCounty



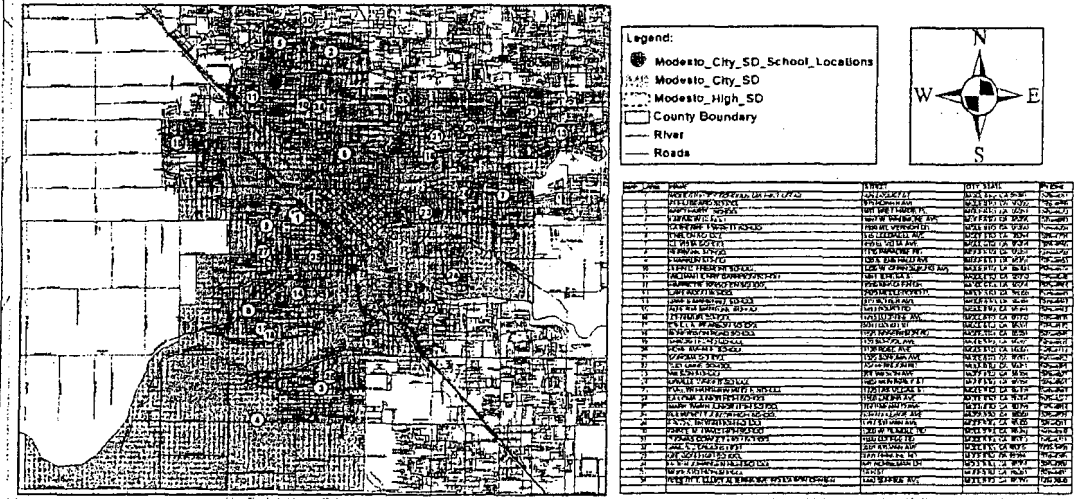
EXHIBIT 2

[INSERT map of the current boundaries of Modesto City Schools]

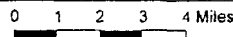
**MODESTO CITY & MODESTO HIGH - SCHOOL DISTRICTS  
STANISLAUS COUNTY - FALL 2009**



**MODESTO CITY SCHOOL DISTRICT INSERT**



Stanislaus County  
Modesto City - SD  
Fall 2009



Graphic 11. 2009

EXHIBIT 3  
 [INSERT map of the current boundaries of the CUSD]

**CERES UNIFIED SCHOOL DISTRICT  
 STANISLAUS COUNTY - FALL 2009**

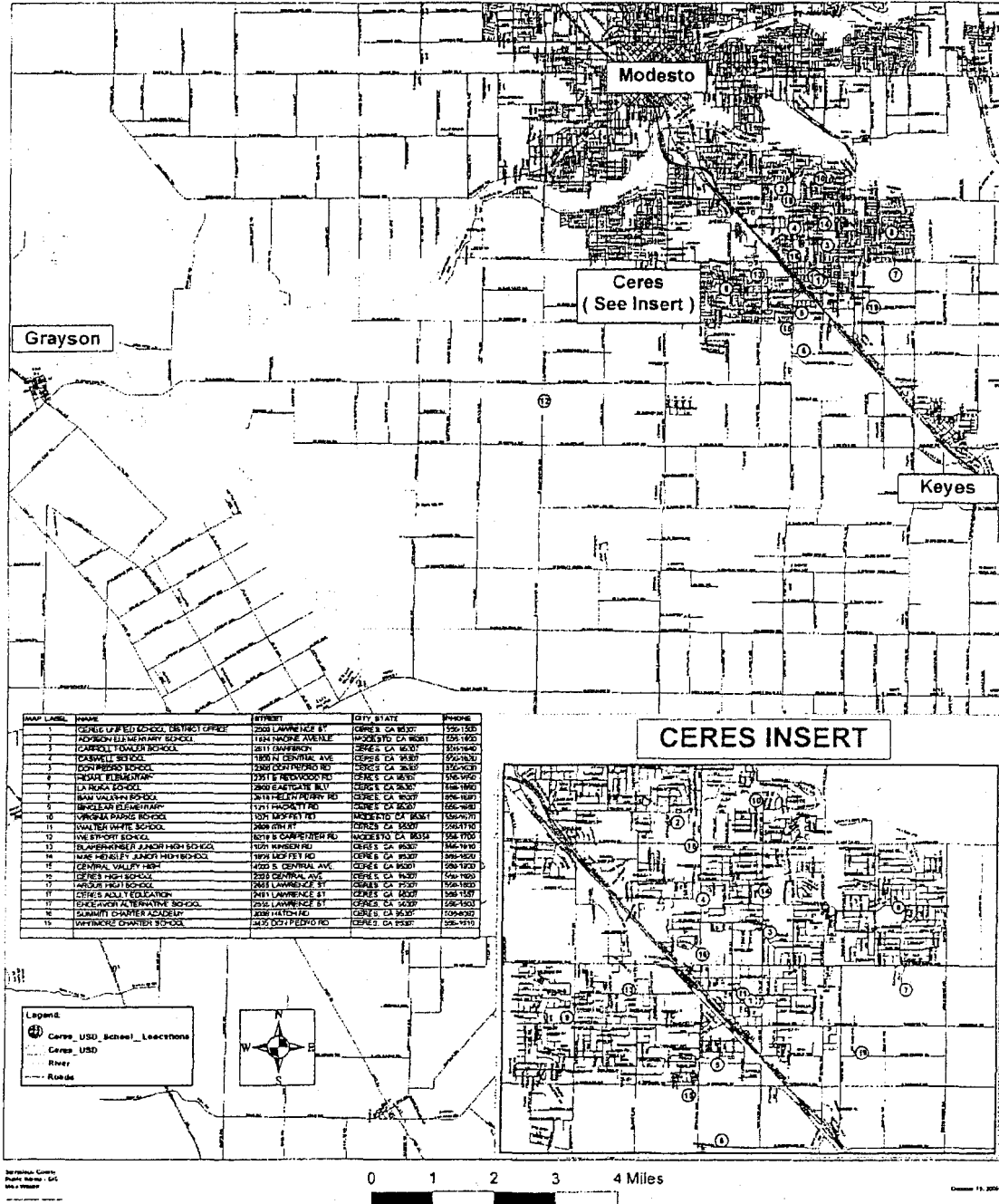
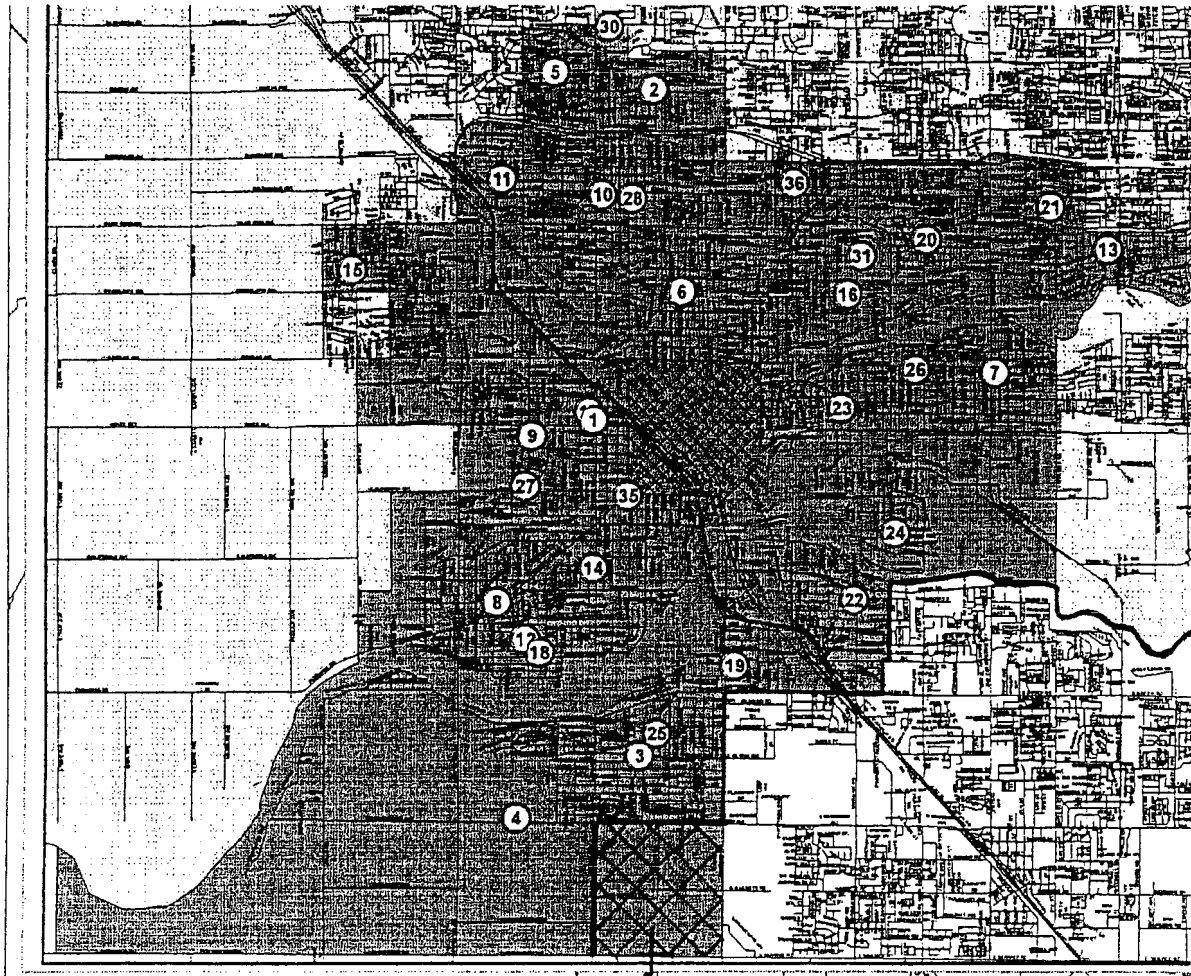


EXHIBIT 4

[INSERT map of the proposed boundaries of Modesto City Schools]

[**Note:** The darkest shaded area illustrates the current boundaries of Modesto City Schools. The cross-hatched area illustrates the location of the Territory, which will be excluded from the Modesto City Schools' boundaries after the territory transfer.]



Stanislaus County  
Public Works - GIS  
Mike Wilson

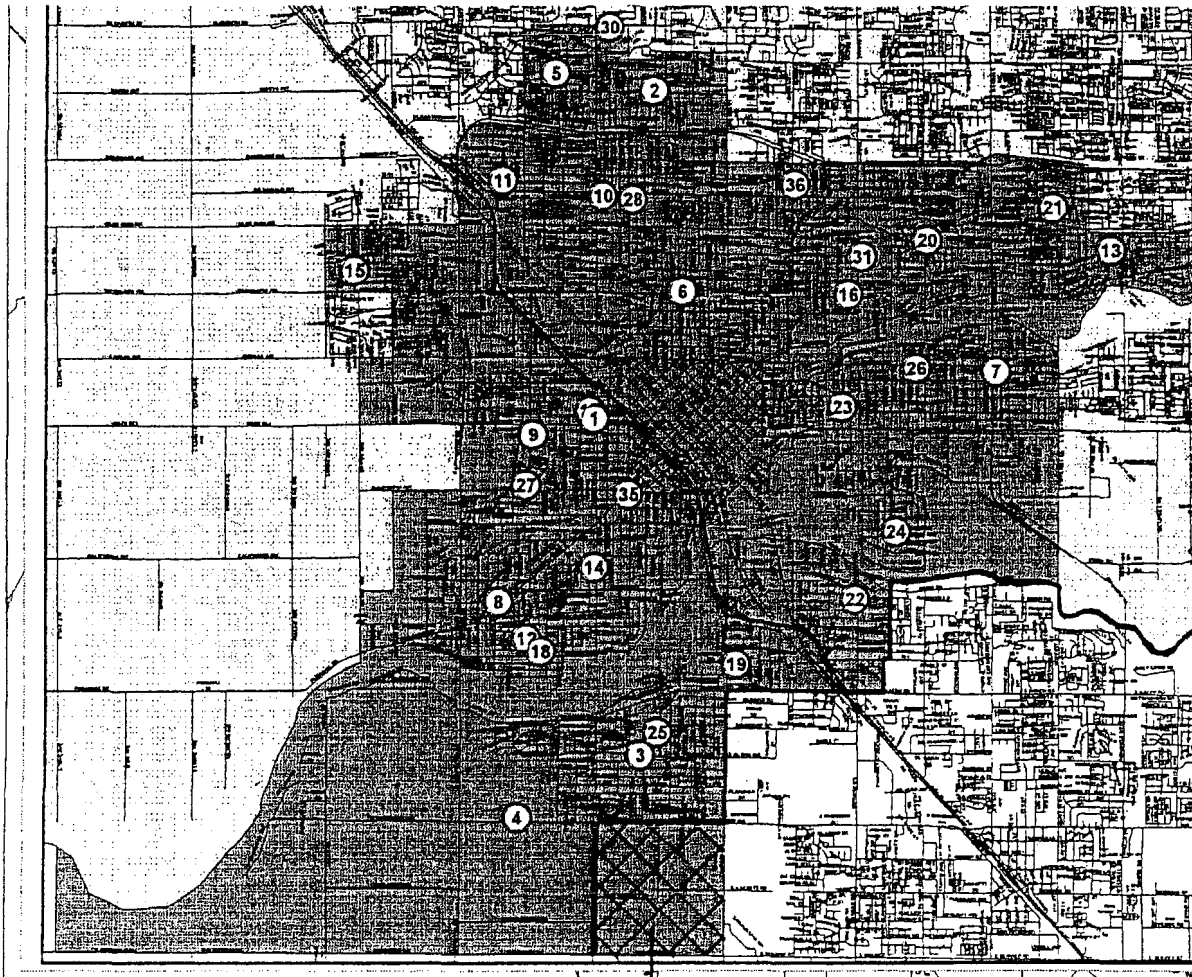
0 1 2 3

Cross-hatched area  
to be included in  
CUSD boundary.

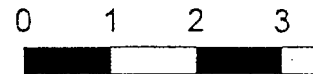
EXHIBIT 5

[INSERT map of the proposed boundaries of the CUSD]

[**Note:** The non-shaded area in the lower right-hand corner of the following map illustrates a portion of the current boundaries of Ceres Unified School District. The cross-hatched area illustrates the location of the Territory, which will be included in Ceres Unified School District's boundaries after the territory transfer.]



Stanislaus County  
Public Works - GIS  
Mike Wilson



*Cross-hatched area  
to be included in  
CUSD boundary.*

# TERRITORY TRANSFER AGREEMENT

By and Between

CERES UNIFIED SCHOOL DISTRICT

and

MODESTO CITY SCHOOLS

This TERRITORY TRANSFER AGREEMENT ("Agreement"), is entered into on October 27, 2010 ("Effective Date"), by and between the Ceres Unified School District ("CUSD"), on the one hand, and the Modesto City School District and the Modesto City High School District (together the "Modesto City Schools"), on the other hand (collectively the "Districts"). Each of the Districts is organized and existing under the laws of the State of California. This Agreement is predicated upon the following:

## WITNESSETH:

WHEREAS, a portion of the territory of Modesto City Schools is located within the boundaries of the City of Ceres ("City"), which portion is comprised of approximately six hundred forty acres (640) of partially inhabited territory bounded by Whitmore Avenue on the north, Crows Landing Road on the east, Service Road on the south, and Ustick Road on the west ("Territory") (a map of the boundaries of the Territory is attached hereto as Exhibit A and incorporated herein by reference);

WHEREAS, the Territory is comprised of less than 10 percent of the assessed valuation of Modesto City Schools;

WHEREAS, the Governing Board of CUSD seeks to transfer the Territory into CUSD to allow for orderly school facility planning within the City;

WHEREAS, the City has expressed its support for the transfer of the Territory into CUSD to allow the City to maintain its community identity, as the Territory is within the City's sphere of influence;

WHEREAS, the Governing Board of Modesto City Schools supports the transfer of the Territory to CUSD, subject to CUSD's agreement to certain conditions;

WHEREAS, Education Code Section 35700(d) authorizes a majority of the members of each District's governing board to agree jointly to initiate a petition to reorganize the Districts through a transfer of territories; and

WHEREAS, the Districts acknowledge that those procedures of the Education Code governing in part the process for reorganization of school districts, namely Education Code sections 35700 through 35768, provide further guidance and authority for the anticipated transfer

of the Territory, and it is the intent of the parties to this Agreement to agree on how to carry out the process for reorganization as contemplated by the parties hereto.

NOW THEREFORE, in consideration of the mutual agreements set forth herein, the Districts do hereby agree as follows:

AGREEMENT:

1. Recitals. The above recitals are true and correct and are incorporated herein by reference.
2. Initiation of Territory Transfer. Within thirty (30) days after the Effective Date of this Agreement (as hereinafter defined), the parties anticipate that their respective governing boards will promptly initiate the process for transfer of the Territory by way of a reorganization petition ("Petition") signed by the majority of the membership of each District's governing board in accordance with the procedures set forth in Education Code section 35700(d). The Petition shall be in the form attached hereto as Exhibit B. The parties acknowledge that the process of reorganization shall include the review, preparation and approval by the Stanislaus County Committee on School District Organization ("Committee") and, if required, the State Board of Education ("SBE"), of the Petition. The Districts agree to cooperate fully with each other and promptly provide any information requested by the Committee and/or the SBE in furtherance of the proposed transfer of the Territory to CUSD.
3. Term. The term ("Term") of this Agreement shall commence upon its Effective Date as identified above, which date shall be the date of latter approval of this Agreement by the Governing Board of CUSD and the Governing Board of Modesto City Schools. The Term of this Agreement shall terminate upon the earlier of the following: (1) the date on which the transfer of the Territory becomes fully effective; or (2) the date on which the Committee, or in the event of an appeal to the SBE pursuant to Education Code section 35710.5, *et seq.*, the SBE, disapproves the Petition.
4. Designation of Chief Petitioners. Pursuant to Education Code section 35701, the Districts shall each designate in the Petition one individual who shall be responsible for receiving notice of any public hearings to be held on the Petition.
5. Conditions for Approval. Each District shall include in the Petitions evidence that the proposed transfer of the Territory substantially meets all of the conditions set forth in Education Code section 35753, to the extent practical or possible. The Districts shall cooperate with each other in drafting the Petitions to ensure that the Petitions, among other things, adequately address the requirements of Education Code section 35753.
6. Consent to Construction of School. Modesto City Schools acknowledges that CUSD plans immediately to take all necessary actions to obtain funding and approvals from the state to construct a school facility within the Territory, which actions may be undertaken by CUSD prior to the date on which the Committee (or, in the event of an appeal, the SAB) approves the Petition. Accordingly, Modesto City Schools consents to CUSD commencing this process and agrees to acknowledge its consent in a separate writing if requested by CUSD.

Modesto City Schools further agrees to cooperate with and assist CUSD in providing any information or approvals which are requested by any state agency responsible for issuing the necessary funding, site selection, or construction approvals.

7. Indemnification. CUSD agrees to indemnify, defend and hold harmless Modesto City Schools, its officers, officials, agents, employees and representatives, from any and all claims, losses, liabilities, damages, demands, or expenses, including reasonable attorneys' fees and costs, arising out of or in connection with CUSD's failure to comply with any of its obligations under state and local laws with respect to this Agreement, except such loss or damage which is caused by the active negligence, sole negligence, or willful misconduct of Modesto City Schools.

8. Notices. Any written communications to be given by one party to the other shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope deposited in a United States Post Office for delivery by registered or certified mail addressed to the Districts at the following address:

Ceres Unified School District: 2503 Lawrence Street  
Ceres CA, 95307  
Attn: Superintendent

With a copy to: Lozano Smith  
2001 North Main St., Suite 650  
Walnut Creek, CA 94596  
Attn: Harold Freiman, Esq.

Modesto City Schools: 426 Locust Street  
Modesto, CA 95351-2699  
Attn: Superintendent

With a copy to: Kronick, Moskovitz, Tiedemann & Girard  
400 Capitol Mall, 27<sup>th</sup> Floor  
Sacramento, CA 95814  
Attn: Addison Covert, Esq.

9. Choice of Law. This Agreement is made under and will in all respects be interpreted, enforced, and governed by the laws of the State of California, without regard to rules regarding conflict of interest law. Any litigation by either District to enforce or interpret the terms of this agreement shall be brought in Stanislaus County, California.

10. Construction. This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against either of the Districts.

11. Severability. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the Agreement shall remain in full force and effect.


12. Construction. The singular includes the plural, "shall" is mandatory, and "may" is permissive. The Parties acknowledge and agree that each of the Parties and each of the Parties' attorneys have participated fully in the negotiation and drafting of this Agreement. In cases of uncertainty as to the meaning, intent or interpretation of any provision of this Agreement, the Agreement shall be construed without regard to which of the Parties caused, or may have caused, the uncertainty to exist. No presumption shall arise from the fact that particular provisions were or may have been drafted by a specific Party, and prior versions or drafts of this Agreement may be used to interpret the meaning or intent of this Agreement or any provision thereof.

IN WITNESS WHEREOF, the Districts have caused this Agreement to be executed by their respective officers thereunto duly authorized, all as of the Effective Date first written above.

**CERES UNIFIED SCHOOL DISTRICT**

By:   
Title: Superintendent

**MODESTO CITY SCHOOLS**

By:   
Title: Superintendent



**EXHIBIT A**

**Map/Description of Boundaries of the Territory**

That real property bounded on the north by Whitmore Avenue, on the west by Ustick Road, on the south by Service Road, and on the east by Crows Landing Road, consisting of approximately 640 acres, all as more particularly illustrated on the attached map below.

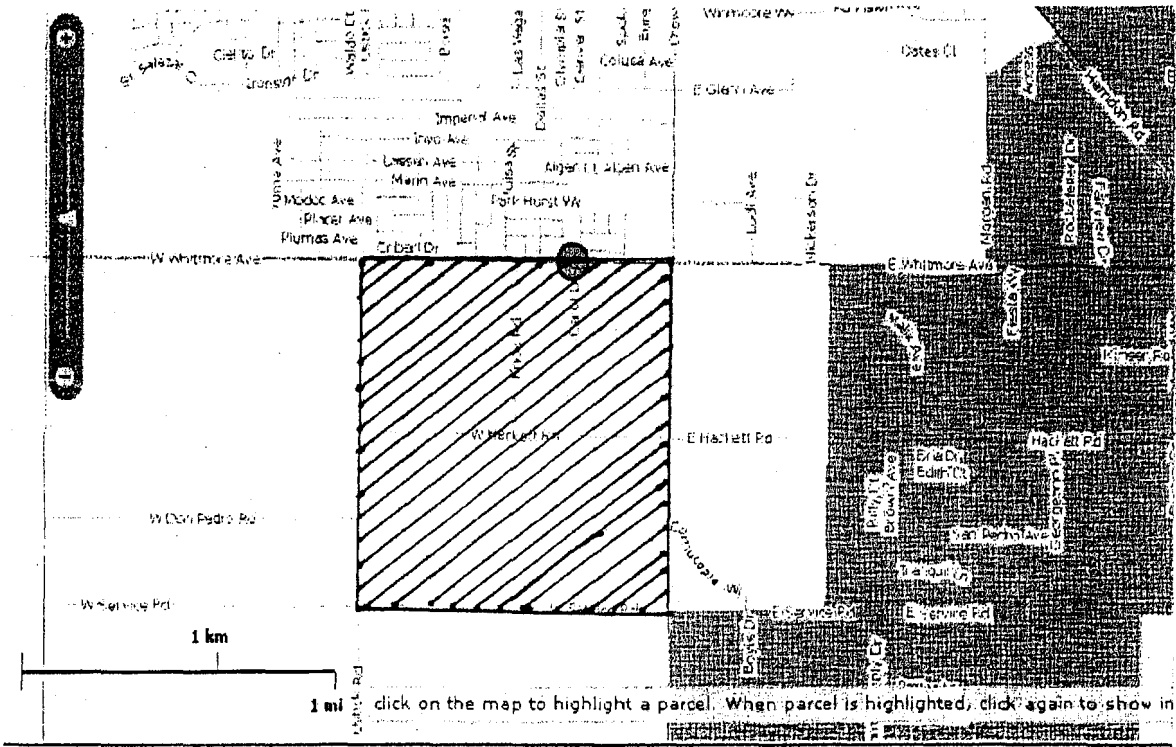
Said area can also be described as, and comprises the entirety of, Section 17 in Township 4 South, Range 9, East, M.D.B.& M.

The following are all of the Assessors Parcel Numbers that comprise the entirety of the Property:

056-055-001	056-056-008
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056-055-006	056-056-012
056-055-007	056-056-013
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056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	

[Exhibit A continued on following page]

EXHIBIT A [continued]



© Copyright 2006, Stanislaus County

**EXHIBIT B**

**Reorganization Petition**

## AGREEMENT BETWEEN CERES UNIFIED SCHOOL DISTRICT, AND MODESTO CITY SCHOOLS

This agreement (the "Agreement") is entered into on October 27, 2010 ("Effective Date") by and between Ceres Unified School District ("CUSD"), on the one hand and Modesto City School District and Modesto City High School District (collectively "Modesto City Schools") on the other hand. CUSD and Modesto City Schools may hereafter be referred to individually as "Party" or collectively as "Parties".

### RECITALS

A. CUSD is a California public school district serving grades kindergarten through twelve in portions of Stanislaus County ("County").

B. Modesto City Schools are governed by a common governing board and serve grades kindergarten through twelve in portions of the County.

C. The City of Ceres ("City") is preparing a Specific Plan to govern the development of approximately 640 acres of real property that is both partially developed and undeveloped, currently located within Modesto City Schools' boundaries ("Property"). The Property is more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

D. City will consider approving the Specific Plan and authorizing annexation of the Property to the City for the purpose of permitting the development of up to 2,325 single family dwellings, 1,310 multi-family dwellings, and approximately 2,000,000 square feet of commercial, office and light industrial development on the Property. Development on the Property, in whatever number of units or square footage are ultimately proposed, approved, or developed, is hereafter referred to as the "Project."

E. CUSD and Modesto City Schools are jointly seeking to reorganize their jurisdictional boundaries so that the Property, and hence the Project, will be located within the boundaries of CUSD ("District Reorganization").

F. The Parties acknowledge that, following approval of the District Reorganization, the Project will impact CUSD's facilities and will create the need for new school facilities to serve the Project area.

G. The Property is encumbered by certain bonded indebtedness imposed by Modesto City Schools, which obligations Modesto City Schools must continue to comply with. In the event the District Reorganization is approved and becomes effective, Modesto City Schools will lose revenue anticipated to be in the amount of One-Million Two-Hundred-and-Fifty-Five-Thousand Seven-Hundred-and-Twelve Dollars (\$1,255,712) which is necessary for the purpose of retiring the Property's share of Modesto City Schools' existing bonded indebtedness.

NOW THEREFORE, in consideration of the promises, covenants and provisions set forth herein, the receipt and adequacy of which the Parties acknowledge, the Parties agree as follows:

## TERMS AND CONDITIONS

### 1. INCORPORATION.

1.1. Incorporation of Recitals. The foregoing recitals are true and correct and incorporated into the "Terms and Conditions" section of this Agreement as though set forth fully herein.

1.2. Incorporation of Exhibits. Exhibit "A" attached to this Agreement is hereby incorporated in this Agreement by reference.

### 2. EFFECTIVE DATE, TERMINATION AND COORDINATION WITH CITY OF CERES.

2.1. Effective Date. The term ("Term") of this Agreement shall commence upon its Effective Date as identified above, which date shall be the date of latter approval of this Agreement by the Governing Board of CUSD and the Governing Board of Modesto City Schools.

2.2. Termination. The Term of this Agreement shall terminate upon the date when the Parties' obligations under this Agreement have been fully performed. In the event that the District Reorganization is not approved prior to the Commencement of the Project (as hereinafter defined), this Agreement shall terminate upon the approval of a developer's first building permit for the Project, unless otherwise agreed to by the Parties. For purposes of this Agreement, the term "Commencement of the Project" shall mean that date upon which the first permit for the construction of improvements in the Project is issued by the City, and the term "Developer" shall mean any developer or builder, and/or their successors or assigns, that develops or constructs any portion of the Project.

2.3. Notice of Termination. Upon the termination of this Agreement, CUSD shall deliver to Modesto City Schools a notice of such termination in a recordable form reasonably acceptable to both CUSD and Modesto City Schools.

2.4. Coordination with City of Ceres. CUSD and Modesto City Schools shall cooperate among themselves and the City and undertake all efforts reasonably required to obtain recognition by the City of the terms and conditions of this Agreement, including but not limited to incorporating the terms and conditions of this Agreement into the form of any development agreement or other project approval issued by the City in regard to the Specific Plan.

3. CERES UNIFIED SCHOOL DISTRICT'S OBLIGATIONS.

3.1. School Fees. After the District Reorganization is approved and effective for all purposes, and after applicable appeal periods expire, but in no event later than the Commencement of the Project, CUSD shall levy all applicable school facility impact fees ("School Fees") upon development on the Property as authorized by law except as otherwise set forth herein.

3.2. Payment of School Fees Amount. The first One-Million Two-Hundred-and-Fifty-Five Thousand Seven-Hundred-and-Twelve Dollars (\$1,255,712) of School Fees levied by CUSD and applicable to development within the Project ("School Fees Amount"), whether for residential development and/or commercial/industrial development, shall be paid by any Developer directly to Modesto City Schools, rather than to CUSD. CUSD shall direct any Developer to make such payments, and shall ensure that any such Developer does make such payments to Modesto City Schools at the same time and in the same manner as if such fees had been paid directly to CUSD pursuant to the authority and procedures established by CUSD for such fees. Whenever any portion of the School Fees Amount is paid directly to Modesto City Schools pursuant to this Section 3.2, then Modesto City Schools shall promptly notify CUSD in writing of its receipt and the amount of such payment. Notwithstanding anything stated herein to the contrary, the School Fees Amount payable to Modesto City Schools hereunder shall be reduced in an amount equal to the Ad Valorem Property Taxes collected on the Remaining Areas and paid to Modesto City Schools pursuant to Section 3.3 below.

3.3. Receipt of Ad Valorem Property Taxes. In 2001, the voters of Modesto City School District approved Measure "S," a general obligation bond, and in the same year, the voters of Modesto City High School District approved another general obligation bond measure, Measure "T" (collectively, the "Modesto Bonds"). The entire Property is subject to the Modesto Bonds. The Parties acknowledge and agree that in the event the District Reorganization is successful, applicable ad valorem-based property taxes collected by the County and paid by the various existing parcels that constitute the Property in support of the Modesto Bonds ("Ad Valorem Property Taxes"), shall continue to be paid directly to Modesto City Schools as follows. Those parcels that pay Ad Valorem Property Taxes and that are already developed as of the Effective Date of this Agreement, and which parcels are identified on Exhibit "B" attached hereto (the "Existing Homes"), shall continue to pay the Ad Valorem Property Taxes collected by the County to Modesto City Schools, until such time as the Ad Valorem Property Taxes are paid in full for the existing Modesto Bonds. Except as so expressly stated, following District Reorganization, the Existing Homes shall be treated as within the boundaries of CUSD for all other taxing purposes. For all of the Property other than the Existing Homes (the "Remaining Areas"), the Ad Valorem Property Taxes shall continue to be paid directly to Modesto City Schools, provided however, such payments to Modesto City Schools shall automatically cease as soon as practicable following the date on which Modesto City Schools has received the total sum of the School Fees Amount as set forth above in Section 3.2, whether by payment of School Fees pursuant to Section 3.2, by payment of Ad Valorem Property Taxes by any portion of the Property to Modesto City Schools pursuant to this Section 3.3, or by a combination of both sources. Additionally, for any portion of the Remaining Areas for which the City approves a final subdivision map for development and at least one building permit is issued, the portion of

the Remaining Areas governed by said final subdivision map shall also cease to be subject to the Ad Valorem Property Taxes, commencing as soon as practicable following the approval of the first building permit within the final subdivision map area. The Parties agree to assist the County in planning for and implementing the process provided for in this Section 3.3.

3.4. True Up Accounting. Within ninety (90) days after Modesto City Schools ceases to receive the proceeds of Ad Valorem Property Taxes from the Remaining Areas pursuant to Section 3.3 above, Modesto City Schools shall cause to be performed and delivered to CUSD a true up accounting specifying the total amount of Ad Valorem Property Taxes collected from all portions of the Property and received by Modesto City Schools, and the total amount of School Fees that Modesto City Schools received pursuant to Section 3.2, commencing with the Effective Date of this Agreement and concluding with the date that the County ceased paying Modesto City Schools the proceeds of Ad Valorem Property Taxes collected from the Remaining Areas (“True Up Accounting”). If the True Up Accounting reveals that Modesto City Schools received more than the amount of the School Fees Amount set forth in Section 3.2, Modesto City Schools shall, within no more than an additional thirty (30) days after the date of the delivery of the True Up Accounting to CUSD, pay to CUSD the amount received by Modesto City Schools that is in excess of the School Fees Amount, less the verified and reasonable cost of preparing the True Up Accounting. The True Up Accounting shall be performed in accordance with generally accepted accounting principles.

#### 4. MODESTO CITY SCHOOLS’ OBLIGATIONS.

4.1. Support for District Reorganization. Modesto City Schools shall act in good faith and take all steps reasonably necessary to obtain approval of the District Reorganization. Such steps shall include the provision of evidence in any documents petitioning for the District Reorganization that the proposed District Reorganization substantially meets all of the conditions set forth in Education Code section 35753, to the extent practical or possible. Modesto City Schools shall also reasonably cooperate with CUSD in drafting required documents and providing necessary information such that the requirements of Education Code section 35753 are addressed. In addition to these obligations, but subject to CUSD’s compliance with the terms of this Agreement, Modesto City Schools shall not engage in any conduct, or incite or advise any person or entity to engage in any conduct, that impedes or opposes in any manner or degree the progress or process of obtaining approval of the District Reorganization. Modesto City Schools further agrees to reasonably cooperate with and assist CUSD in providing any information or approvals which are requested by any state or local agency responsible for approving the District Reorganization.

5. MISCELLANEOUS.

5.1. Successors and Assignees. All terms and conditions of this Agreement shall be binding upon the Parties, including without limitation their governing boards, officers, directors, successors-in-interest, and assignees. In regard to any obligations to pay School Fees in the manner set forth at Section 3 above, CUSD shall make reasonable efforts to ensure that the Developer provides written notice of such obligation to any of the Developer's future successors-in-interest or assigns, relating to all or a portion of the Project, and shall provide copies of any such written notification to CUSD and Modesto City Schools indicating the name and contact information of the successor or assign and the specific portion of the Project to which such written notice applies.

5.2. Governing Law and Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California applicable to contracts to be performed wholly within this State. Any dispute arising from the terms and conditions of this Agreement shall be heard in Stanislaus County.

5.3. Construction. The singular includes the plural, "shall" is mandatory, and "may" is permissive. The Parties acknowledge and agree the each of the Parties and each of the Parties' attorneys have participated fully in the negotiation and drafting of this Agreement. In cases of uncertainty as to the meaning, intent or interpretation of any provision of this Agreement, the Agreement shall be construed without regard to which of the Parties caused, or may have caused, the uncertainty to exist. No presumption shall arise from the fact that particular provisions were or may have been drafted by a specific Party, and prior versions or drafts of this Agreement may be used to interpret the meaning or intent of this Agreement or any provision thereof.

5.4. Notices. Any notice to be given hereunder to either Party shall be in writing and shall be given either by personal delivery (including express or courier service), by receipt-confirmed facsimile, or by registered or certified mail, with return receipt requested and postage prepaid (excluding electronic messaging) and addressed as follows:

5.4.1. To CUSD:

Ceres Unified School CUSD  
ATTN: SUPERINTENDENT  
2503 Lawrence Street  
Ceres, CA 95307



With a copy to Legal Counsel:

Harold Freiman, Esq.  
LOZANO SMITH  
2001 North Main Street, Suite 650  
Walnut Creek, CA 94596

5.4.2. To Modesto City Schools:

Modesto City Schools  
ATTN: SUPERINTENDENT  
426 Locust Street  
Modesto, CA 95355

With a copy to Legal Counsel:

Addison Covert, Esq.  
KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD  
400 Capitol Mall, 27<sup>th</sup> Floor  
Sacramento, CA 95814

5.5. No Joint Venture. The relationship of the Parties to this Agreement is determined solely by the provisions of this Agreement. This Agreement does not create and shall not be construed to create any agency, partnership, joint venture, trust or other relationship with duties or incidents different from those of parties to an arm's-length contract.

5.6. No Further Assurances. Nothing in this Agreement, whether express or implied, is intended to or shall do any of the following: (a) confer any benefits, rights or remedies under or by reason of this Agreement on any persons or entities other than the express Parties to this Agreement; (b) relieve or discharge the obligation or liability of any person not an express party to this Agreement; or (c) give any person not an express party to this Agreement any right of subrogation or action against any Party to this Agreement.

5.7. Time is of the Essence. Time is of the essence in the performance of each Party's respective obligations under this Agreement.

5.8. Amendments and Waivers. No amendment of, supplement to, or waiver of any obligations under this Agreement shall be enforceable or admissible unless set forth in writing signed by the Party against which enforcement or admission is sought. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted shall apply solely to the specific instance expressly stated in a writing signed by the Parties.

5.9. Entire Agreement. This Agreement sets forth the entire understanding of the Parties relating to the transactions it contemplates, and supersedes all prior understandings relating to them, whether written or oral, except for the provisions contained in that certain

agreement entitled "TERRITORY TRANSFER AGREEMENT," dated October 27, 2010. Except as otherwise provided, there are no obligations, commitments, representations, or warranties relating to this Agreement, except those expressly set forth in this Agreement, and except for those obligations contained in the Territory Transfer Agreement referenced in the previous sentence.

5.10. Severability. If any provision of this Agreement is held invalid, void or unenforceable by a court of competent jurisdiction, but the remainder of the Agreement can be enforced without failure of material consideration to any Party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended or modified by mutual consent of the Parties; provided, however, that if the invalidity or unenforceability of any provision of this Agreement results in a material failure of consideration, then the Party adversely affected thereby shall have the right in its sole discretion to terminate this Agreement upon providing written notice of such termination to the other Party.

5.11. Execution in Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and counterpart signature pages may be assembled to form a single document which shall be deemed an original document. Consolidated signature pages shall be compiled by CUSD and forwarded to Modesto City Schools to constitute Modesto City Schools' executed copy of the Agreement.

5.12. Signatures. By signing below, each of the signatories represents and warrants that he or she has been duly authorized to execute this Agreement on behalf of the Party on whose behalf he or she is signing.

5.13. Represented by Counsel. Each Party hereto acknowledges that it has been represented by legal counsel and fully understands the terms and obligations of this Agreement.


IN WITNESS WHEREOF, this Agreement has been entered into by and between the CUSD and Modesto City Schools.

**CERES UNIFIED SCHOOL DISTRICT**

**MODESTO CITY SCHOOLS**

Date: October 27, 2010

Date: October 25, 2010

By:   
Its: Superintendent


By:   
Its: Superintendent

Exhibit "A-1"

Legal Description of Property

That real property bounded on the north by Whitmore Avenue, on the west by Ustick Road, on the south by Service Road, and on the east by Crows Landing Road, consisting of approximately 640 acres, all as more particularly illustrated on the attached map below.

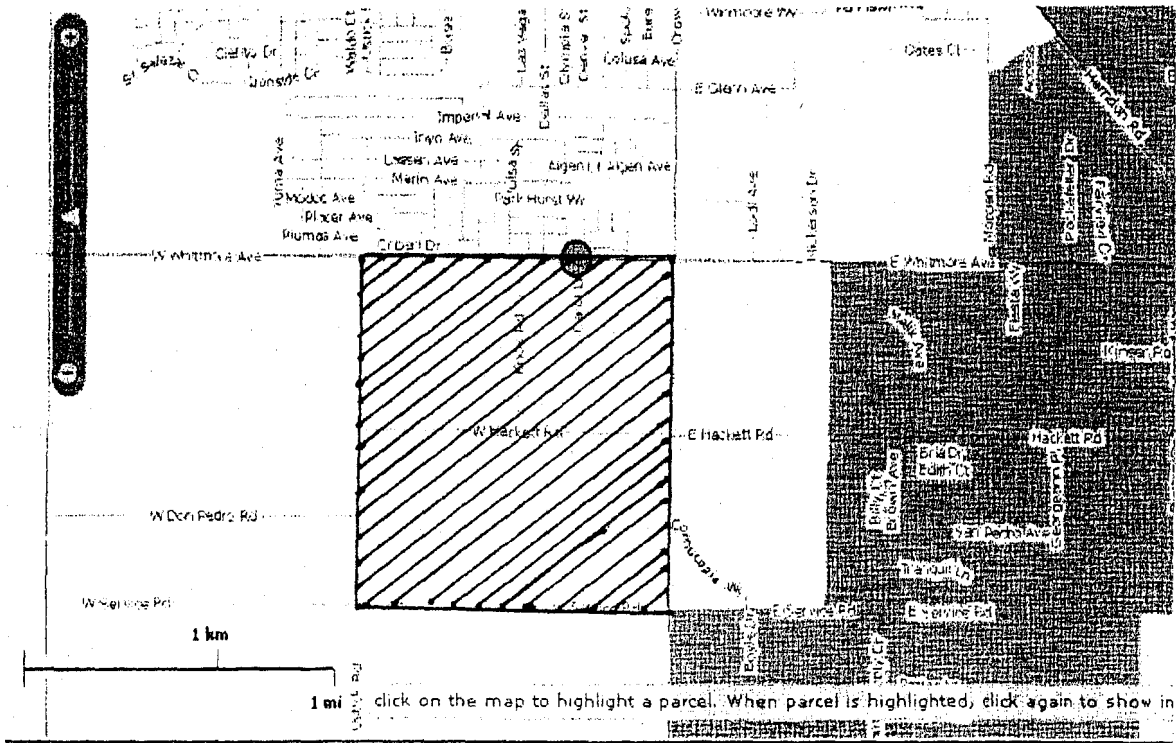
Said area can also be described as, and comprises the entirety of, Section 17 in Township 4 South, Range 9, East, M.D.B. & M.

The following are all of the Assessors Parcel Numbers that comprise the entirety of the Property:

056-055-001	056-056-008
056-055-002	056-056-009
056-055-003	056-056-010
056-055-004	056-056-011
056-055-006	056-056-012
056-055-007	056-056-013
056-055-008	056-056-014
056-055-009	056-056-015
056-055-010	056-056-017
056-055-011	056-056-018
056-055-012	056-056-019
056-055-013	056-056-020
056-055-014	056-056-021
056-055-019	056-056-022
056-055-021	056-056-023
056-055-022	056-056-024
056-055-023	056-056-025
056-055-025	056-056-026
056-055-026	056-056-027
056-055-027	056-056-028
056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	

Exhibit "A-2"

Map of Property



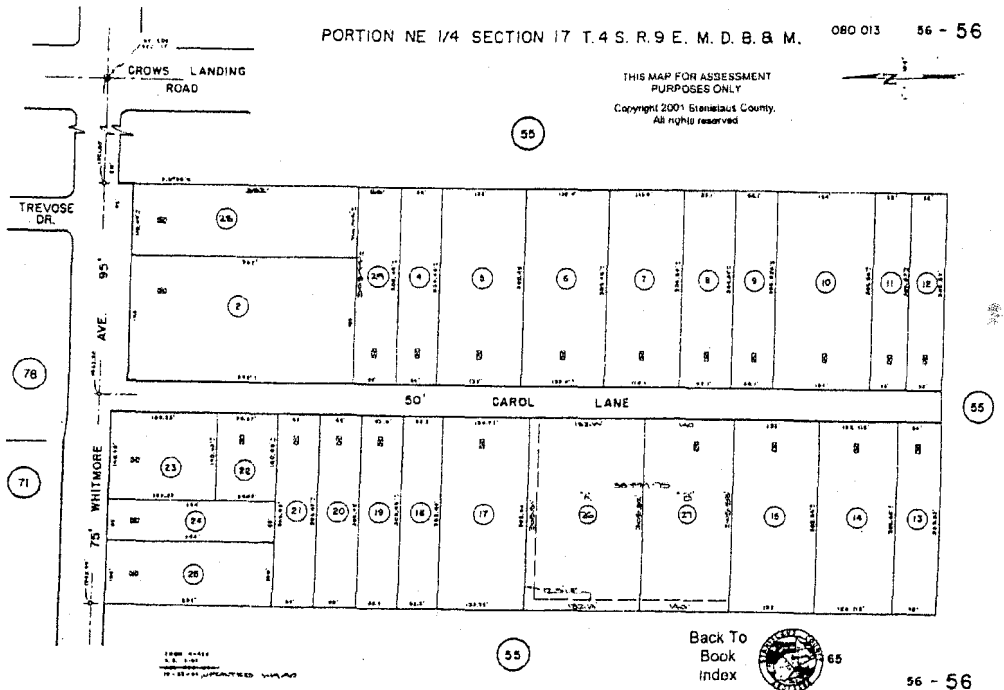
© Copyright 2006, Stanislaus County

Exhibit "B"

Existing Homes

The following are all of the Assessors Parcel Numbers that comprise the entirety of the Existing Homes, all of which are also more fully illustrated on the following parcel map:

056-056-002	056-056-017
056-056-004	056-056-018
056-056-005	056-056-019
056-056-006	056-056-020
056-056-007	056-056-021
056-056-008	056-056-022
056-056-009	056-056-023
056-056-010	056-056-024
056-056-011	056-056-025
056-056-012	056-056-026
056-056-013	056-056-027
056-056-014	056-056-028
056-056-015	056-056-029



**ADDENDUM TO AGREEMENT BETWEEN CERES UNIFIED  
SCHOOL DISTRICT AND MODESTO CITY SCHOOLS**

This addendum dated as of the last date set forth below (“Addendum”) is an addendum to that certain agreement (“Agreement”) previously entered into by and among Ceres Unified School District, Modesto City Elementary School District and Modesto City High School District.

**RECITALS**

A. Ceres Unified School District (“CUSD”) along with Modesto City Elementary School District and Modesto High School District (collectively “Modesto City Schools”) previously entered into the Agreement for the purpose of setting forth certain of their rights and duties relating to the potential transfer of certain Property from Modesto City School’s boundaries to CUSD’s boundaries. CUSD and Modesto City Schools may hereafter be referred to individually as “Party” or collectively as “Parties.”

B. Among other things, the Agreement provides for a mechanism whereby certain Ad Valorem Property Taxes applicable to the Property is to be allocated for payment to Modesto City Schools after the transfer of such Property from Modesto City School’s boundaries to CUSD’s boundaries.

C. CUSD and Modesto City Schools seek to enter into this Addendum for the purpose of assuring, to the greatest extent possible, that the revenue from the Ad Valorem Property Taxes referred to above, is paid to Modesto City Schools, consistent with, and subject to, the terms and conditions of the Agreement.

NOW, THEREFORE, in consideration of the promises, covenants and provisions set forth herein, the receipt and adequacy of which the Parties acknowledge, the Parties agree as follows:

**TERMS AND CONDITIONS**

1. **INCORPORATION AND EFFECT OF ADDENDUM.**

1.1. **Incorporation of Recitals.** The foregoing recitals are true and correct and are hereby incorporated into the “Terms and Conditions” section of this Addendum as though set forth fully herein.

1.2. **Effect of Addendum.** The terms and conditions of this Addendum shall be added to and incorporated into the Agreement with the same force and effect as each pre-existing term and condition set forth in the Agreement. In the event that the terms of this Addendum conflict with the terms of the Agreement, and such terms cannot be reconciled, the terms of this Addendum shall prevail.

1.3. **Defined Terms.** All capitalized terms in this Addendum shall have the same meaning as defined in the Agreement unless a separate definition is set forth in this Addendum.

2. EFFECTIVE DATE AND TERMINATION.

2.1. Effective Date. This Addendum shall be effective on the date of latter approval by either the Governing Board of CUSD or the Governing Board of Modesto City Schools, as indicated below.

2.2. Termination. This Addendum shall terminate upon termination of the Agreement pursuant to Section 2.2 of the Agreement.

3. CERES UNIFIED SCHOOL DISTRICT'S OBLIGATIONS.

3.1 Receipt of Ad Valorem Property Taxes. In order to clarify the respective rights and obligations of the Parties hereto regarding the receipt of Ad Valorem Property Taxes for the Existing Homes, Section 3.3 of the Agreement is hereby deleted and replaced in its entirety with the following:

“In 2001, the voters of Modesto City Elementary School District approved Measure “S,” a general obligation bond, and in the same year, the voters of Modesto City High School District approved another general obligation bond measure, Measure “T” (collectively, the “Modesto Bonds”). The entire Property is subject to the Modesto Bonds. The Parties acknowledge and agree that in the event the District Reorganization is successful, applicable ad valorem-based property taxes collected by the County and paid by the various existing parcels that constitute the Property in support of the Modesto Bonds (“Ad Valorem Property Taxes”), shall continue to be paid directly to Modesto City Schools as follows:

(a) Those parcels that pay Ad Valorem Property Taxes and that are already developed as of the Effective Date of this Agreement, and which parcels are identified on Exhibit “B” attached hereto (the “Existing Homes”), shall continue to pay the Ad Valorem Property Taxes collected by the County to Modesto City Schools, until the date on which Modesto City Schools has received the total sum of the School Fees Amount as set forth above in Section 3.2, whether by payment of the School Fees pursuant to Section 3.2, by payment of Ad Valorem Property Taxes by any portion of the Property to Modesto City Schools pursuant to this Section 3.3, or by a combination of both sources. The Parties may agree to substitute a more detailed Exhibit “B” at a future date. Except as so expressly stated, following District Reorganization, the Existing Homes shall be treated as within the boundaries of CUSD for all other taxing purposes.

(b) For all of the Property other than the Existing Homes (the “Remaining Areas”), the Ad Valorem Property Taxes shall continue to be paid directly to Modesto City Schools, provided however, such payments to Modesto City Schools shall automatically cease as soon as practicable following the date on which Modesto City Schools has received the total sum of the School Fees Amount as set forth above in Section 3.2, whether by payment of School Fees pursuant to Section 3.2, by payment of Ad Valorem Property Taxes by any portion of the Property to Modesto City Schools pursuant to this Section 3.3, or

by a combination of both sources. Additionally, for any portion of the Remaining Areas for which the City approves a final subdivision map for development and at least one building permit is issued, the portion of the Remaining Areas governed by said final subdivision map shall also cease to be subject to the Ad Valorem Property Taxes, commencing as soon as practicable following the approval of the first building permit within the final subdivision map area.

The Parties agree to assist the County in planning for and implementing the process provided for in this Section 3.3. It is the intent of the Parties that the revenue from the Ad Valorem Property Taxes shall be credited to Modesto City Schools by the Office of the Stanislaus County Assessor, Auditor/Controller and Treasurer/Tax Collector (“Stanislaus County”) in order to achieve the allocations set forth in this Section 3.3. In the event that it is not feasible for Stanislaus County to credit the Ad Valorem Property Taxes on behalf of Modesto City Schools during any year in which such revenue is owed to Modesto City Schools under the terms and conditions of this Agreement, CUSD shall pay to Modesto City Schools, within ninety (90) days receipt of a written invoice from Modesto City Schools, an amount equivalent to the total Ad Valorem Property Tax otherwise owing to Modesto City Schools for the tax year for the relevant territory as described in this Section 3.3. The written invoice from Modesto City Schools shall provide supporting information conclusively establishing the amount sought by the invoice. The commitment of CUSD to make payments to Modesto City Schools equivalent to the proceeds of any annual Ad Valorem Property Tax amount applicable under the terms of this Agreement but not otherwise paid to Modesto City Schools shall be absolute, subject to the terms, conditions and limitations of this Agreement.”

4. MISCELLANEOUS.

4.1. Entire Agreement. The Agreement, as now modified by this Addendum, sets forth the entire understanding of the Parties relating to the transactions it contemplates, and supersedes all prior understandings relating to them, whether written or oral, except for the provisions contained in that certain agreement entitled “TERRITORY TRANSFER AGREEMENT,” dated October 27, 2010. Except as otherwise provided, there are no obligations, commitments, representations, or warranties relating to the Agreement, except those expressly set forth in this Addendum, and except for those obligations contained in the Territory Transfer Agreement referenced in the previous sentence.

4.2. Execution in Counterparts. This Addendum may be executed in multiple counterparts, each of which shall be deemed an original, and counterpart signature pages may be assembled to form a single document which shall be deemed an original document. Consolidated signature pages shall be compiled by CUSD and forwarded to Modesto City Schools to constitute Modesto City Schools’ executed copy of this Addendum.

4.3. Signatures. By signing below, each of the signatories represents and warrants that he or she has been duly authorized to execute this Addendum on behalf of the Party on whose behalf he or she is signing.



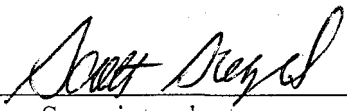
4.4. Represented by Counsel. Each Party hereto acknowledges that it has been represented by legal counsel.

4.5. Intent of the Parties. It is the intent of this Addendum that Modesto City Schools be made whole in its bond debt for amounts it would have otherwise collected toward that debt from the territory being transferred to CUSD as described at Section 3.3 of the Agreement. This amount, based on the estimated rate of development of the territory is \$1,255,712.

**IN WITNESS WHEREOF**, this Addendum has been entered into by and between CUSD and Modesto City Schools.

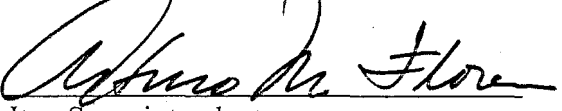
**CERES UNIFIED SCHOOL DISTRICT**

Date: October 27, 2010

By:   
Its: Superintendent

**MODESTO CITY SCHOOLS**

Date: October 25, 2010, 2010

By:   
Its: Superintendent

951803\_1

**BEFORE THE COUNTY COMMITTEE  
ON SCHOOL DISTRICT ORGANIZATION  
OF STANISLAUS COUNTY, CALIFORNIA**

In the Matter of the Transfer of Territory From  
the Modesto City Schools of Stanislaus County  
to the Ceres Unified School District of  
Stanislaus county

**APPROVAL of Petition to Transfer  
Territory and ORDER Granting  
Petition**

**(Ed. Code, § 35709)**

**WHEREAS**, on October 25, 2010 and October 27, 2010, the governing boards of the Modesto City Schools and the Ceres Unified School District, respectively, caused to be filed a petition with Stanislaus County Superintendent of Schools seeking to transfer territory from Modesto City Schools to the Ceres Unified School District. This territory is more particularly described and detailed on Exhibits A and B attached hereto.

**WHEREAS**, on January 19, 2011, the Stanislaus County Committee on School District Organization met and held public hearings in each affected school district.

**WHEREAS**, on February 16, 2011, the Stanislaus County committee on School District Organization reviewed and adopted a Petition Study pursuant to Education Code section 35753.

**WHEREAS**, on March 23, 2011, the Stanislaus County Committee on School District Organization reviewed the California Environmental Quality Act (CEQA) and took formal action to adopt a Negative Declaration with regard to the proposed transfer to territories between the districts.

**WHEREAS**, the Stanislaus County Committee on School District Organization determined that the conditions set forth in section 35753(a) are substantially met as follows:

- |   | YES          | NO  |
|---|--------------|-----|
| 1. The reorganized districts will be adequate in terms of number of pupils enrolled.  | <u>  x  </u> | ___ |
| 2. The districts are organized on the basis of a substantial community identify.  | <u>  x  </u> | ___ |
| 3. The proposal will result in an equitable division of property and facilities of the original district or districts.  | <u>  x  </u> | ___ |
| 4. The reorganization of the districts will preserve each affected district's ability to educate students in an integrated environment and will not promote racial or ethnic discrimination or segregation.                 | <u>  x  </u> | ___ |
| 5. Any increase in costs to the state as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization and will not result in any substantial increase in cost to the state. | <u>  x  </u> | ___ |

- 6. The proposed organization will continue to promote sound educational performance and will not significantly disrupt the educational programs in the districts affected by the proposed reorganization. \_x\_
- 7. Any increase in school facilities costs as a result of the proposed reorganization will be insignificant and otherwise incidental to the reorganization. \_x\_
- 8. The proposed reorganization is primarily designed for purposes other than to significantly increase property values. \_x\_
- 9. The proposed reorganization will continue to promote sound fiscal management and not cause a substantial negative effect on the fiscal status of the proposed district or any existing district affected by the proposed reorganization. \_x\_

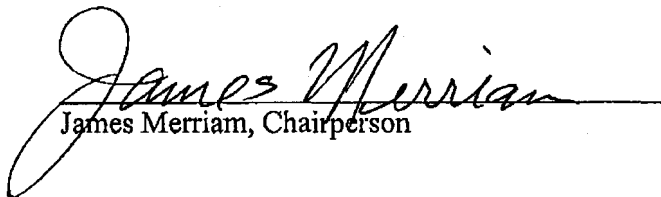
WHEREAS, the Stanislaus County Committee on School District Organization has determined that the territory to be transferred is inhabited and constitutes less than ten (10) percent of the assessed valuation of either the Modesto City Schools or the Ceres Unified School District, and the governing boards of the two school districts have consented to the transfer.

THEREFORE, the Stanislaus County Committee on School District Organization HEREBY ADOPTS the Petition to transfer territory from the Modesto City Schools to the Ceres Unified School District, both of Stanislaus County, California, and ORDERS THE PETITION GRANTED, and directs the secretary of the Stanislaus County Committee on School District Organization to so notify the Stanislaus County Board of Supervisors and to have prepared new boundary descriptions and maps of the Modesto City Schools and the Ceres Unified School District as revised by this territory transfer. The territory to be transferred is more particularly described on Exhibit "A" (legal descriptions of territory to be transferred) and Exhibit "B" (map depicting territory to be transferred.)

Adopted on the 23rd day of March 2011 by the following vote of the Stanislaus County Committee on School District Organization, to wit:

AYES: 6  
 NOES: 0  
 ABSENT: 5

STANISLAUS COUNTY COMMITTEE ON  
 SCHOOL DISTRICT ORGANIZATION

  
 James Merriam, Chairperson

## Exhibit "A"

### Legal Description of the Territory to be Transferred

#### From the Modesto City Schools to the Ceres Unified School District

That real property bounded on the north by Whitmore Avenue, on the west by Ustick Road, on the south by Service Road, and on the east by Crows Landing Road, consisting of approximately 640 acres, all as more particularly illustrated on the attached map below.

Said area can also be described as, and comprises the entirety of, Section 17 in Township 4 South, Range 9, East, M.D.B. & M.

The following are all of the Assessors Parcel Numbers that comprise the entirety of the Property:

056-055-001	056-056-008
056-055-002	056-056-009
056-055-003	056-056-010
056-055-004	056-056-011
056-055-006	056-056-012
056-055-007	056-056-013
056-055-008	056-056-014
056-055-009	056-056-015
056-055-010	056-056-017
056-055-011	056-056-018
056-055-012	056-056-019
056-055-013	056-056-020
056-055-014	056-056-021
056-055-019	056-056-022
056-055-021	056-056-023
056-055-022	056-056-024
056-055-023	056-056-025
056-055-025	056-056-026
056-055-026	056-056-027
056-055-027	056-056-028
056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	



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

DEPT: County Counsel

BOARD AGENDA # \*E-2

Urgent  Routine

AGENDA DATE Nov. 1, 2011

CEO Concur with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval of Territory Transfer from Modesto City Schools to Ceres Unified School District

STAFF RECOMMENDATIONS:

1. Adopt the resolution authorizing the transfer of territory from Modesto City Schools to the Ceres Unified School District.
2. Authorize the chairman of the Board of Supervisors to sign the resolution and county staff to take all actions necessary to implement the resolution.

FISCAL IMPACT:

None.

BOARD ACTION AS FOLLOWS:

No. 2011-664

On motion of Supervisor O'Brien Seconded by Supervisor De Martini

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, De Martini, and Chairman Monteith

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1)  Approved as recommended

2)  Denied

3)  Approved as amended

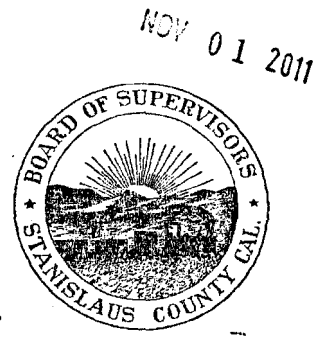
4)  Other:

MOTION:

I hereby certify that the foregoing is a full, true and correct copy of the Original entered In the Minutes of the Board of Supervisors.

CHRISTINE FERRARO TALLMAN  
Clerk of the Board of Supervisors of the County of Stanislaus, State of California

By [Signature]



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of Territory Transfer from Modesto City Schools to Ceres Unified School District.  
Page 2

**DISCUSSION:**

The county committee on school district organization of Stanislaus has approved and granted a petition, pursuant to Education Code, section 37079, in order to transfer territory from Modesto City Schools to Ceres Unified School District.

To complete the process of reorganizing these districts, it is necessary for the board to approve these actions and the attached resolution. Pursuant to California Education Code sections 35530 and 35765, the action to complete the reorganization is finalized when the Board takes action to reorganize the districts. See attached resolution.

**POLICY ISSUES:**

The Board of Supervisors approval of the resolution is required by state law and county staff is not aware why the Board should not approve the resolution.

**STAFFING IMPACTS:**

No impact.

ATTACHMENTS AVAILABLE  
FROM YOUR CLERK

**BEFORE THE BOARD OF SUPERVISORS**  
**COUNTY OF STANISLAUS, STATE OF CALIFORNIA**

In the Matter of

**RESOLUTION NO. 2011-664**

**TRANSFER OF TERRITORY BETWEEN THE  
MODESTO CITY SCHOOLS AND THE CERES  
UNIFIED SCHOOL DISTRICT**

**WHEREAS**, the Stanislaus County Board of Supervisors has received proper documentation from the Stanislaus County Office of Education evidencing the transfer of territory from the Modesto City Schools to the Ceres Unified School District ("School Districts"); and

**WHEREAS**, California Education Code section 35765 requires the Board to approve and validate this action by formally adopting an order to change the boundaries of the affected School Districts; and

**WHEREAS**, no election is required; and

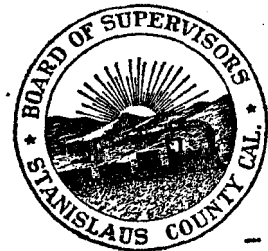
**WHEREAS**, the Superintendent of Schools shall forthwith file or cause to be filed this Resolution and a statement of the change of boundaries of the School Districts, pursuant to California Government Code section 54900 et seq., with the Stanislaus County Assessor's Office for assessment roll purposes, the Stanislaus County Auditor, the State Board of Equalization, and the Superintendent of Public Instruction.

**NOW, THEREFORE, BE IT RESOLVED** that the Stanislaus County Board of Supervisors does hereby order the change in the boundaries of the School Districts in accordance with the attached legal description and map affecting parcels:

056-055-001	056-056-008
056-055-002	056-056-009
056-055-003	056-056-010
056-055-004	056-056-011
056-055-006	056-056-012
056-055-007	056-056-013
056-055-008	056-056-014
056-055-009	056-056-015
056-055-010	056-056-017
056-055-011	056-056-018
056-055-012	056-056-019
056-055-013	056-056-020
056-055-014	056-056-021
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056-055-021	056-056-023
056-055-022	056-056-024
056-055-023	056-056-025
056-055-025	056-056-026
056-055-026	056-056-027
056-055-027	056-056-028
056-056-002	056-056-029
056-056-004	056-057-001
056-056-005	056-057-002
056-056-006	056-057-003
056-056-007	

I hereby certify that the foregoing is a full,  
true and correct copy of the Original entered  
in the Minutes of the Board of Supervisors.  
**CHRISTINE FERRARO TALLMAN**  
Clerk of the Board of Supervisors of the  
County of Stanislaus, State of California

By \_\_\_\_\_





I, **Christine Ferraro Tallman**, Clerk of the Board of Supervisors of the County of Stanislaus, State of California, do hereby certify that the foregoing resolution was regularly introduced, passed, and adopted by said Board at a regular meeting thereof held on November 1, 2011, by the following vote:

SUPERVISORS:

AYES: O'Brien, Chiesa, Withrow, De Martini, and Chairman Monteith

NOES: None

ABSENT: None

WITNESS my hand and Seal of this Board this 1st day of November, 2011.

Christine Ferraro Tallman, CLERK

By: Christine Ferraro  
~~Deputy~~

**TERRITORY TO BE TRANSFERRED FROM THE MODESTO CITY SCHOOLS  
TO THE CERES UNIFIED SCHOOL DISTRICT**

**LEGAL DESCRIPTION**

All that certain real property, situate and being Section 17, Township 4 South, Range 9 East, Mount Diablo Base and Meridian, in the County of Stanislaus, State of California, described as follows:

**BEGINNING** at the southwest corner of said Section 17;

Thence, along the west line of said Section 17, (1) North 00°29'36" East 2643.21 feet to the west 1/4 corner of said Section 17;

Thence, continuing along the west line of said Section 17, (2) North 00°29'56" East 2643.11 feet to the northwest corner of said Section 17;

Thence, along the north line of said Section 17, (3) South 89°13'08" East 2643.37 feet to the north 1/4 corner of said Section 17;

Thence, continuing along the north line of said Section 17, (4) South 89°12'54" East 2643.42 feet to the northeast corner of said Section 17;

Thence, along the east line of said Section 17, (5) South 00°23'08" West 2644.20 feet to the east 1/4 corner of said Section 17;

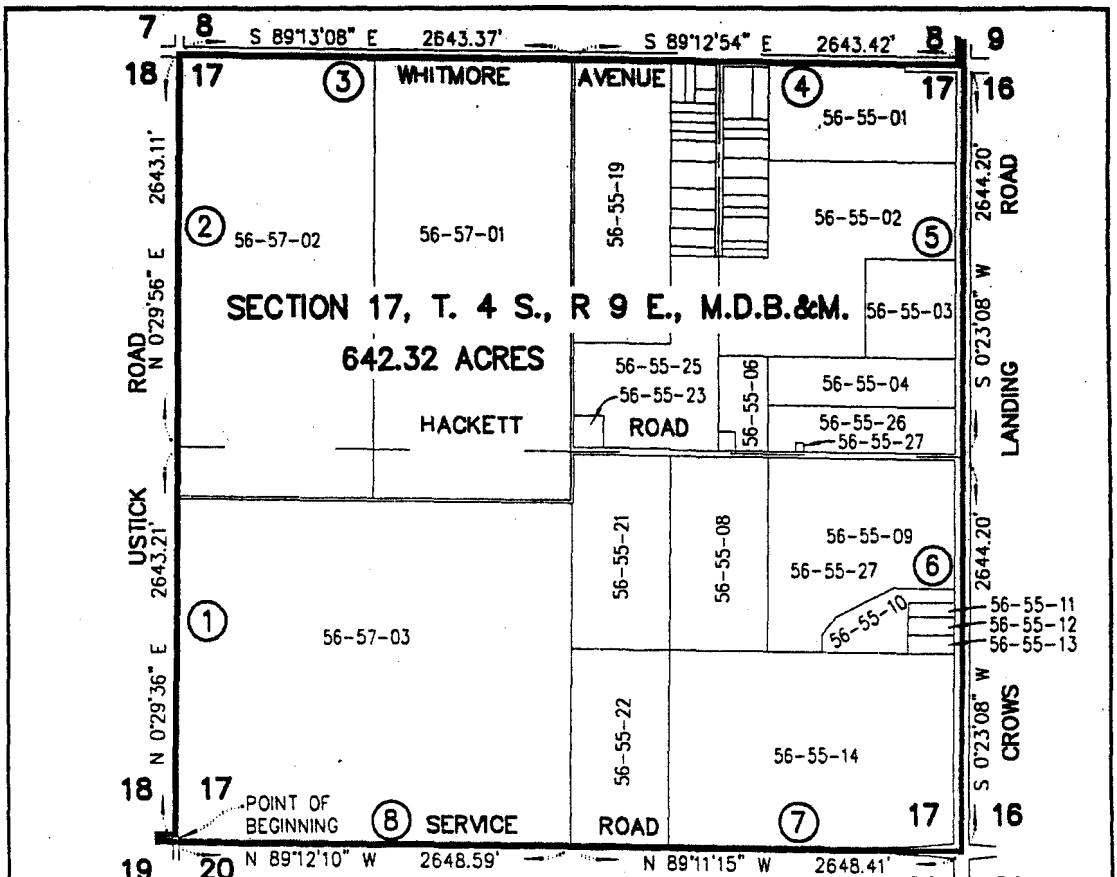
Thence, continuing along the east line of said Section 17, (6) South 00°23'08" West 2644.20 feet to the southeast corner of said Section 17;

Thence, along the south line of said Section 17, (7) North 89°11'15" West 2648.41 feet to the south 1/4 corner of said Section 17;

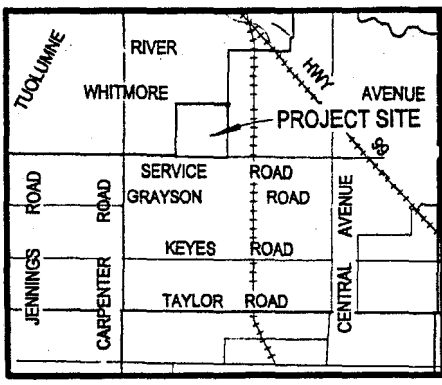
Thence, continuing along the south line of said Section 17, (8) North 89°12'10" West 2648.59 feet to the **Point of Beginning** and containing 642.32 acres of land more or less.



*R. L. Vance*

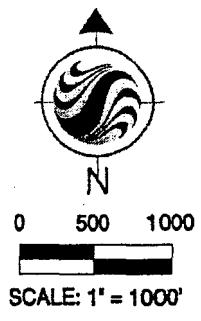


——— EXISTING CERES USD BOUNDARY  
 ——— PROPOSED CERES USD BOUNDARY



VICINITY MAP

WHITMORE AVENUE	
56-56-25	56-56-23
56-56-24	56-56-22
56-56-21	56-56-21
56-56-20	56-56-20
56-56-19	56-56-19
56-56-18	56-56-18
56-56-17	56-56-17
56-56-26	56-56-26
56-56-27	56-56-27
56-56-15	56-56-15
56-56-14	56-56-14
56-56-13	56-56-13




 Stantec Consulting Services Inc.  
 1615 12th Street  
 Boulder, CO 80502  
 Tel: 303.440.8888  
 Fax: 303.440.9045  
 www.stantec.com

W:\1843\active\1843334100\map\GISD - MUSD transfer Proj.dwg 8/4/11 8:13  
**CERES UNIFIED SCHOOL DISTRICT ADDITION**  
 SECTION 17, T 4 S., R. 9 E., M.D.B. & M.  
 STANISLAUS COUNTY

NM  
 JULY 11  
 EXHIBIT NO.  
**A**

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW

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FAX (916) 923-1222

SAN DIEGO  
(858) 485-9526  
FAX (858) 485-9412

OUR FILE NUMBER:

005408.00047  
5312986v1

October 11, 2011

Christine Ferraro Tallman, Clerk  
Stanislaus County Board of Supervisors  
1010 10<sup>th</sup> Street, Suite 6700  
Modesto, CA 95354

**Re: Board of Supervisors' Approval of Territory Transfer from Modesto City  
Schools to Ceres Unified School District**

Dear Ms. Tallman:

This office serves as legal counsel for the Stanislaus County Office of Education. The Modesto City Schools and the Ceres Unified City School District petitioned to transfer territory to the Ceres Unified School District. The County Committee on School District Organization of Stanislaus approved and granted the Petition on March 23, 2011, pursuant to Education Code section 35709. Because the territory constitutes less than ten (10) percent of the assessed valuation of either the Modesto City Schools or the Ceres Unified School District and the governing boards of all affected districts consented, no election is required.

To complete the process of reorganizing these districts, I am notifying the Board of Supervisors and requesting that an action item be placed on the next available Board of Supervisors' agenda. Pursuant to California Education Code sections 35530 and 35765, the action to complete the reorganization of school districts is finalized when the Board of Supervisors receives proper evidence that an action to reorganize school districts has been approved as provided by law and makes the order. The order shall be entered into the county's record of school districts.

Enclosed please find documents relating to this transfer of territory between the two districts, plus a draft copy of an order that the Board of Supervisors may use. After action is taken, please provide three (3) certified copies of the Board of Supervisors' Resolution so the County Superintendent may file them as required by Government Code sections 54900 and 54902. Please note that we have inserted a new legal description and map in a form sufficient to meet the requirements of the State Board of Equalization.

2011 OCT 13 A 10:54  
BOARD OF SUPERVISORS

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

Stanislaus County Board of Supervisors

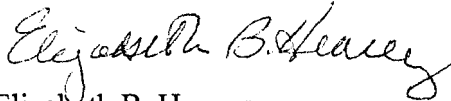
October 11, 2011

Page 2

Thank you for your assistance in this matter. If you have any questions, please feel free to call me at (925) 227-9200.

Sincerely yours,

ATKINSON, ANDELSON, LOYA,  
RUUD & ROMO

By   
Elizabeth B. Hearey

EBH/deb

Enclosures:

Petition on behalf of Ceres Unified School District and Modesto City Schools  
Territory Transfer Agreement (Ceres Unified School District and Modesto City Schools)  
Agreement between Ceres Unified School District and Modesto City Schools  
Addendum to Agreement between Ceres Unified School District and Modesto City  
Schools  
Determination of Sufficiency of the Petition  
County Committee's Approval of Petition and Order Granting Petition  
Draft Board of Supervisors' Resolution (our doc. # 5311947)

cc: Tom Changnon, Superintendent, Stanislaus County Office of Education (w/enc.)  
(via email [tchangnon@stancoe.org](mailto:tchangnon@stancoe.org))

Pam Able, Superintendent, Modesto City Schools (w/enc.)

Scott Siegel, Superintendent, Ceres Unified School District (w/enc.)

John P. Doering, Stanislaus County Counsel, Attn: Dean Wright, Deputy County Counsel (w/enc.)

Chet Quaide, Esq. (via email [cquaide@aalrr.com](mailto:cquaide@aalrr.com))