

**MT. DIABLO UNIFIED SCHOOL DISTRICT
RESOLUTION NO. 10/11-60**

RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY TO ISSUE TAX AND REVENUE ANTICIPATION NOTES IN THE NAME OF THE MT. DIABLO UNIFIED SCHOOL DISTRICT FOR FISCAL YEAR 2010-11 IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$40,000,000 AND AUTHORIZING THE SALE THEREOF AND AUTHORIZING PREPARATION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH

WHEREAS, school districts organized and existing under the laws of the State of California are authorized by Article 7.6 (commencing with section 53850) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (the “Law”) to borrow money by the issuance of temporary notes, the proceeds of which may be used and expended for any purpose for which the school district is authorized to spend moneys; and

WHEREAS, pursuant to the Law, such notes may be issued in the name of such school district by the board of supervisors of the county, the county superintendent of which has jurisdiction over such school district, as soon as possible following receipt of a resolution of the governing board of such school district requesting such borrowing; and

WHEREAS, the District has determined that it is desirable that the District borrow funds in an amount not to exceed \$40,000,000 with respect to fiscal year 2010-11 for authorized purposes of the District;

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE MT. DIABLO UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Request. The Board of Supervisors (the “Board”) of Contra Costa County (the “County”) is hereby requested to issue tax and revenue anticipation notes in the name of the District in the principal amount of not to exceed \$40,000,000 (the “Notes”), under and pursuant to the provisions of the Law.

Section 2. Limitation on Maximum Amount. The principal amount of Notes, when added to the interest payable thereon, shall not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, revenue and other moneys of the District for the general fund of the District attributable to Fiscal Year 2010-11, and available for the payment of the notes and the interest thereon.

Section 3. Pledge. The Notes shall be obligations of the District and shall be secured by a pledge of and first lien and charge against the first “unrestricted moneys,” as hereinafter defined, in the amounts and in the months as shall be determined by any one of the Superintendent, the Chief Financial Officer or the Superintendent's designee (each a “Designated Officer”), not later than the date of sale of the Notes (the “Pledged Revenues”). To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the District lawfully available therefor. In the event that there are insufficient unrestricted moneys received by the District to permit the deposit in the Repayment Fund (as hereinafter

defined) of the full amount of the Pledged Revenues to be deposited in any month on the last business day of such month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the repayment of the Notes and interest thereon. The term “unrestricted moneys” shall mean taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

Section 4. Assistance of County. (a) The Board is hereby requested to assist the District in the issuance and sale of the Notes; in order to meet the requirements of law and the procedures of the County with respect to such a request, staff of the District is hereby directed to lodge a certified copy of this Resolution with the Clerk of the Board, together with distribution instructions, and the District represents and warrants to the County that administrative expenses associated with the Notes at the time outstanding shall be the sole responsibility of the District and the District shall reimburse the County’s costs and expenses incurred in connection with the issuance and sale of the Notes. The Notes are the general obligation of the District and do not constitute an obligation of the County except as set forth in the resolution to be adopted by the County Board authorizing the issuance of the Notes (the “Issuance Resolution”). The Notes shall be dated as of their date of delivery, shall mature (without option of prior redemption) on such date as shall be determined by a Designated Officer, prior to the date of sale of the Notes, and shall bear interest from their date, payable at maturity, and computed on a 30-day month/360-day year basis.

(b) The District acknowledges that the Issuance Resolution authorizes the investment of amounts held in the Proceeds Fund and the Repayment Fund (as defined in the Issuance Resolution) by the County in any one or more investments generally permitted to school districts under the laws of the State of California, consistent with the investment policy of the County and the Issuance Resolution (the “Permitted Investments”). The Permitted Investments shall specifically include: (i) the County Pooled Investment Fund maintained by the County Treasurer; (ii) at the request of the District, in investments permitted under section 53600 *et seq.* of the California Government Code; and (iii) in the sole discretion of the District, (A) the Local Agency Investment Fund maintained by the Treasurer of the State of California; and (B) investment agreements with financial institutions with financial institutions with senior unsecured credit ratings in one of the two highest rating categories (without regard to any refinement or gradation of such rating category by a plus or minus or a numeral) from one or more nationally recognized statistical rating organization then rating the Notes. However, in regard to any investments requested by the District specified in clause (b)(iii) above, the County may decline the request of the District upon any reasonable basis, including specifically, any concerns of the County regarding the legality, structure or appropriateness of the investment vehicle generally or the process for the bidding or execution of the investment.

Section 5. Form of Notes; Execution of Notes.

(a) The Notes shall be issued in fully registered form, without coupons, and shall be substantially in the form and substance set forth in Exhibit A attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures. The Notes shall be numbered from 1 consecutively upward, shall be in the denomination of \$1,000 each or any integral multiple thereof.

(b) The Notes shall be executed in the name of the District, with the manual or facsimile signature of the County Treasurer-Tax Collector or one or more of his duly authorized deputies and the manual or facsimile counter-signature of the Clerk of the Board of Supervisors (although at least one of such signatures shall be manual) with the seal of the Board impressed thereon, and said officers are hereby authorized to cause the blank spaces thereof to be filled in as may be appropriate.

Section 6. Official Statement. Bond Counsel is hereby authorized to prepare a Preliminary Official Statement and an Official Statement relating to the Notes, to be used in connection with the offering and sale of the Notes. The Designated Officers are hereby authorized and requested to execute and deliver the Official Statement; such execution shall conclusively evidence the District's approval of such Official Statement. The Authorized Officers are each also authorized to deem "final" pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934 the Official Statement prior to its distribution.

The Official Statement is approved for distribution in the offering and sale of the Notes.

Section 7. Approval of Contract of Purchase. The Notes shall be sold at negotiated sale. The form of Contract of Purchase for the Notes, substantially in the form presented to this meeting and on file with the Secretary/Clerk is hereby approved. Any Designated Officer, acting alone, is hereby authorized to execute and deliver the Contract of Purchase, and the Designated Officers are each hereby authorized and requested to acknowledge such Contract of Purchase, if necessary, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the maximum interest rate on the Notes shall not exceed the maximum interest rate permitted by law and that the Underwriter's discount shall not exceed seventy five thousandths of one percent (0.075%) of the par amount of the Notes. Each Designated Officer is hereby further authorized to determine the maximum principal amount of Notes to be specified in the Contract of Purchase, up to \$40,000,000 and to enter into and execute the Contract of Purchase with the Underwriter, if the conditions set forth in this Resolution are satisfied.

Section 8. Tax Covenants.

(a) *Private Activity Bond Limitation.* The District shall assure that the proceeds of the Notes are not so used as to cause the Notes to satisfy the private business tests of section 141(b) of the Code (as hereinafter defined) or the private loan financing test of section 141(c) of the Code.

(b) *Federal Guarantee Prohibition.* The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Notes to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) *Rebate Requirement.* The District shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Notes.

(d) *No Arbitrage.* The District shall not take, or permit or suffer to be taken any action with respect to the proceeds of the Notes which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Notes would have caused the Notes to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) *Maintenance of Tax-Exemption.* The District shall take all actions necessary to assure the exclusion of interest on the Notes from the gross income of the registered owners of the Notes to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the Notes.

For purposes of this Section 8, the term "Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Notes or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Notes, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

Section 9. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, any holder or beneficial owner of the Notes may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

For purposes of this Section 9, the term “Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Notes, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Section 10. No Temporary Transfers. It is hereby covenanted and warranted by the District pursuant to Article XVI, Section 6 of the Constitution of the State of California that subsequent to the issuance of the Notes it will not request the County Treasurer-Tax Collector to make temporary transfers of funds in the custody of the County Treasurer-Tax Collector to meet any obligations of the District during the 2010-11 fiscal year unless the full amount of Pledged Revenues has previously been deposited into the Repayment Fund.

Section 11. Further Authorization. All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Notes are hereby approved, and the Superintendent, Chief Financial Officer, the Secretary of the Board and any and all other officers of the District are hereby authorized and directed for and in the name and on behalf of the District, to do any and all things and take any and all actions relating to the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Notes in accordance with the Issuance Resolution and this resolution.

Section 12. Professionals Involved in the Offering. The District hereby authorizes the Designated Officers, and each of them individually, to execute an agreement for bond counsel services by and between the District and Matt Juhl-Darlington and Associates, and an agreement for financial advisory services by and between the District and Isom Advisors, Inc., a division of Urban Futures, which firms are hereby appointed to serve as bond counsel and financial advisor, respectively, for the Notes. All costs incurred by the Board or the District in connection with the issuance of the Notes, including but not limited to printing of any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, paying agent fees and expenses, the cost of printing the Notes, and any compensation owing to any officers or employees of the Board, the County or the District for their services rendered in connection with the issuance of the Notes, shall be payable by District.

Section 13. Indemnification. The District shall indemnify and hold harmless, to the extent permitted by law, the County and its officers and employees (“Indemnified Parties”), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject because of action or inaction related to the adoption of a resolution by the County Board of Supervisors providing for the issuance and sale of the Notes, or related to the proceedings for sale, award, issuance and delivery of the Notes in accordance therewith and herewith. The District shall also reimburse any such Indemnified Parties for any legal or other expenses incurred in connection with investigating or defending any such claims or actions.

Section 14. Effective Date. This resolution shall take effect from and after its adoption.

* * * * *

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Education of the Mt. Diablo Unified School District held on the 10th day of May, 2011, by the following vote:

AYES, and in favor of, Board Members:

NOES:

ABSENT:

By _____
Secretary of the Board of Education

EXHIBIT A

Board of Supervisors of Contra Costa County, California
in the Name of the
MT. DIABLO UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)

2010-11 TAX AND REVENUE ANTICIPATION NOTE

INTEREST RATE: _____ %	MATURITY DATE: _____, 2011	ISSUE DATE: _____, 2011	CUSIP: _____
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REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: _____ DOLLARS

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

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

The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, revenue and other moneys which are received by the County on behalf of the District for Repayment Fund of the District (as defined in the Resolution) for the Fiscal Year 2010-11. As security for the payment of the principal of and interest on the Notes, the Board, in the name of the District, has pledged the first "unrestricted moneys", as hereinafter defined (a) in an amount equal to _____ percent (___%) of the principal amount of the Notes to be received by the County on behalf of the District in _____, ____, (b) in an amount equal to _____ percent (___%) of the principal amount of the Notes to be received by the County on behalf of the District in _____, ____, (c) in an amount equal to _____ percent (___%) of the principal amount of the Notes to be received by the County on behalf of the District in _____, ____, (d) in an amount equal to _____ percent (___%) of the principal amount of the Notes to be received by the County on behalf of the District in _____, ____, and (e) in an amount equal to all interest due on the Notes at maturity to be received by the County on behalf of the District in _____,

_____ (such pledged amounts being hereinafter called the “Pledged Revenues”). The principal of the Notes and the interest thereon shall constitute a first lien and charge thereon and shall be paid from the Pledged Revenues. To the extent not so paid from the Pledged Revenues, the Notes shall be paid from any other moneys of the District lawfully available therefor. The term “unrestricted moneys” shall mean taxes, income, revenue and other moneys intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

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

The Notes are not subject to redemption prior to maturity.

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

The Board may treat the Owner hereof as the absolute owner hereof for all purposes and the Board shall not be affected by any notice to the contrary.

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

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

BOARD OF SUPERVISORS OF CONTRA
COSTA COUNTY

By _____
Treasurer-Tax Collector

Countersigned:

Clerk of the Board

ASSIGNMENT

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

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

the within registered Note and hereby irrevocably constitute(s) and appoints(s) _____

_____ attorney,

to transfer the same on the Note register of the Treasurer-Tax Collector with full power of substitution in

the premises.

Dated: _____

Signature:

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

Signature Guaranteed:

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