
MT. DIABLO UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 10/11- **64**

A RESOLUTION OF THE BOARD OF EDUCATION
AUTHORIZING THE ISSUANCE OF
NOT TO EXCEED \$22,000,000 PRINCIPAL AMOUNT OF
COMMUNITY FACILITIES DISTRICT NO. 1
(CONTRA COSTA COUNTY, CALIFORNIA)
SERIES 2011 SPECIAL TAX REFUNDING BONDS

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Exhibit A: Form of Series 2011 Special Tax Bond

RECITALS

WHEREAS, the Board of Education (the "Board") of the Mt. Diablo Unified School District (the "School District") on behalf of Mt. Diablo Unified School District Community Facilities District No. 1 ("CFD No. 1") has duly adopted Resolution No. 1:8-7-90-91 (the "Original Resolution") on August 7, 1990, which Resolution authorized the issuance of \$90,000,000 principal amount of Mt. Diablo Unified School District Community Facilities District No. 1 Special Tax Bonds, as amended and supplemented by Resolution No. 01/02-62 (the "Fourth Supplemental Resolution") adopted by the Board on May 14, 2002 wherein the Board authorized the issuance of Not to Exceed \$29,000,0000 principal amount of is Series 2002 Special Tax Refunding Bonds; and

WHEREAS, the Board has determined to prescribe the conditions, terms and form of not to exceed \$22,000,000 of special tax refunding bonds to refund all or a portion of the existing Series 2002 Bonds pursuant to the law, the Resolution and the Fourth Supplemental Resolution;

WHEREAS, it is in the public interest and for the benefit of the School District, the District, the persons responsible for the payment of the special taxes and holders of the Series 2002 Bonds that the School District adopt this resolution to provide for the issuance of refunding special tax bonds and all matters properly relating thereto; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE MT. DIABLO UNIFIED SCHOOL DISTRICT, AS FOLLOWS:

ARTICLE 1.

DEFINITIONS

Section 1.01 Definitions.

(a) All terms which are defined in Section 1.01 of the Resolution (as hereafter defined) shall have the same definitions, respectively, in this Seventh Supplemental Resolution (as hereafter defined) that are given to such terms in Section 1.01 of the Resolution.

(b) Unless the context otherwise requires, the terms defined in this subsection shall for all purposes hereof and of the Resolution and of the Series 2011 Bonds and of any certificate, opinion, report, request or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

"Authorized Official" means the Superintendent, the Chief Financial Officer, the President and the Clerk of the Board and such other officer of the School District as may be authorized to act for the School District by the Board.

"Costs of Issuance" means the items of expense payable or reimbursable directly or indirectly by the School District and related to the authorization, sale and issuance of the Series 2011 Bonds, including, but not limited to, costs of preparation, printing, reproduction, binding and dissemination of documents, closing costs, filing and recording fees, initial fees and charges of

the Paying Agent and Series 2011 Escrow Agent, including financial advisory, bond counsel, disclosure counsel fees and charges, bond insurance or surety bond premiums and rating costs, escrow bank or agent fees and set-up charges, verification agent fees and the allocable costs of the School District related thereto.

"First Supplemental Resolution" means Resolution No. 92/93-11 adopted by the Board on August 25, 1992, under and pursuant to the Law and pursuant to Articles IT and IX of the Original Resolution.

"Seventh Supplemental Resolution" means this Resolution adopted by the Board under and pursuant to the Law and pursuant to Articles II and IX of the Original Resolution.

"Original Resolution" means Resolution No. 1:8-7-90-91 adopted by the Board on August 7, 1990, under and pursuant to the Law.

"Resolution" means the Original Resolution as amended and supplemented, including as amended and supplemented by the First Supplemental Resolution and the Seventh Supplemental Resolution.

"Series 2011 Bonds" means the bonds designated "Mt. Diablo Unified School District, Community Facilities District No. 1, (Contra Costa County, California), Series 2011 Special Tax Refunding Bonds" authorized to be issued under Article II of this Seventh Supplemental Resolution.

"Series 2011 Escrow Agent" means U.S. Bank National Association.

"Series 2011 Escrow Agreement" means that certain Escrow Deposit and Trust Agreement, dated as of June 1, 2011 by and between the School District and the Series 2011 Escrow Agent.

"Series 2011 Insurer" means the bond insurance company, if any, specified in the Sale Certificate as the "Series 2011 Bonds Insurer" attached hereto and hereby made a part hereof.

"Series 2011 Insurance Policy" means the municipal bond insurance policy, if any, issued by the Series 2011 Bonds Insurer that guarantees the payment when due of the interest on and the principal of the Series 2011 Bonds as provided therein.

"Series 2011 Purchase Agreement" shall mean the Bond Purchase Agreement, by and between the District and the Representative, relating to the Series 2011 Bonds.

"Series 2011 Representative" means Stone & Youngberg LLC.

"Series 2011 Sinking Fund Account" means the account referred to by that name established in Section 2.03, consisting of the subaccount(s) to receive Minimum Sinking Fund Account Payments for the Series 2011 Term Bonds maturing on as specified in the Sale Certificate.

"Series 2011 Surety Bond" means that reserve fund surety bond, if any, issued by an insurance company rated in the highest rating category by Moody's Investors Service and Standard and

Poor's, and if rated by A.M. Best & Company, is rated in the highest rating category by A.M. Best & Company.

"Series 2011 Term Bonds" means the Series 2011 Bonds maturing as provided in the Sale Certificate.

"Series 2011 Underwriter" means, collectively, Stone & Youngberg LLC and George K. Baum & Company.

ARTICLE 2.
ISSUANCE OF SERIES 2011 BONDS

Section 2.01 Authorization and Designation of Series 2011 Bonds. The Board has reviewed all proceedings heretofore taken relative to the authorization of the Series 2011 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, happen and be performed precedent to and in the issuance of the Series 2011 Bonds do exist, have happened and have been performed in due time, form and manner as required by the Law and the School District is now authorized, pursuant to each and every requirement of the Law and hereof, to issue the Series 2011 Bonds in the aggregate principal amount of not to exceed Twenty-Two Million Dollars (\$22,000,000), in the form and manner provided herein, which Series 2011 Bonds shall be entitled to the benefit, protection and security of the provisions hereof and shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "Mt. Diablo Unified School District Community Facilities District No. 1 (Contra Costa County, California), Series 2011 Special Tax Refunding Bonds," (the "Series 2011 Bonds").

The Board hereby determines that: (a) the issuance of the Series 2011 Bonds under this Seventh Supplemental Resolution would be prudent in the management of the Board's fiscal affairs; (b) the Series 2011 Bonds constitute "refunding bonds" within the meaning of the Law because the proceeds thereof shall be used to refund the Series 2002 Bonds; and (c) the total net interest cost to maturity of the Series 2011 Bonds plus the principal amount of the Series 2011 Bonds is less than the total net interest cost to maturity of the Series 2002 Bonds plus the principal amount of the Series 2002 Bonds.

The Board hereby designates the costs of issuing the Series 2011 Bonds to include all expenses incident to the calling, retiring and paying of the costs of the Series 2002 Bonds, including the payment of any redemption premium thereon, the costs of providing notices of redemption, the costs of paying or other agents to provide for the processing and payments of such Series 2002 Bonds and all expenses incidental to the issuance of the Series 2011 Bonds, including financial advisory and bond counsel services, bond insurance and rating agency fees, paying agency fees and the costs of issuance and registration of securities.

Section 2.02 Definitions of Series 2011 Bonds. The Series 2011 Bonds shall be issued as fully registered Bonds in the denomination of five thousand dollars (\$5,000) or any integral multiple of five thousand dollars (\$5,000) principal or maturity amount (not exceeding the principal amount of Series 2011 Bonds maturing at any one time), except one capital appreciation bond may be issued in an odd amount.

Section 2.03 Maturity Dates of and Interest Rates of and Minimum Sinking Fund Account Payments for Series 2011 Bonds. The Series 2011 Bonds shall be their date of delivery (or other such date designated in the Series 2011 Purchase Agreement, the "Dated Date"). The Series 2011 Bonds shall bear or accrete interest at rates not to exceed the maximum rate permitted by law, payable on any Series 2011 Bonds bearing current interest on the dates as may be set forth in the Series 2011 Purchase Agreement, and accreting with respect to any Series

2011 Bonds which are issued as capital appreciation bonds, payable upon maturity, shall mature on August 1 of each of the years as set forth in the Series 2011 Purchase Agreement, or such other maturity date as may be set forth in the Series 2011 Purchase Agreement, through a date no later than the final maturity date of the Series 2002 Bonds, or otherwise upon such other terms and conditions as shall be established for the Series 2011 Bonds by the Series 2011 Purchase Agreement. The Series 2011 Purchase Agreement may provide for Series 2011 Bonds to be issued as current interest bonds or capital appreciation bonds. The Series 2011 Purchase Agreement may provide for the purchase of Series 2011 Bonds in any combination of the foregoing structures and shall provide for optional, mandatory sinking fund and other types and terms of redemption for the Series 2011 Bonds as shall prove most advantageous in marketing said Series 2011 Bonds for the District.

Any Authorized Official is hereby authorized and directed to complete and approve any of the terms of the Series 2011 Bonds to be set forth in the Series 2011 Purchase Agreement and the terms specified by the Series 2011 Bond Insurer and as required for the provision of the Series 2011 Insurance Policy and to take all actions and execute all instruments, documents and certificates required to complete the actual sale and delivery of the Series 2011 Bonds to the purchasers thereof.

Section 2.04 Interest Payment Dates of Series 2011 Bonds. Interest on the Series 2011 Bonds shall be payable on August 1, 2011 (or other such date designated in the Series 2011 Purchase Agreement), and semiannually thereafter on August 1 and February in each year or as set forth in the Series 2011 Purchase Agreement. The Series 2011 Bonds shall bear interest from the interest payment date next preceding the date of registration thereof, unless they are registered on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both inclusive, in which event they shall bear interest from such interest payment date, or unless they are registered on a day on or before the fifteenth (15th) day of the month next preceding the first interest payment date, in which event they shall bear interest from the Dated Date; provided, that if at the time of registration of any Series 2011 Bond interest is then in default on the outstanding Series 2011 Bonds, such Series 2011 Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on the Outstanding Series 2011 Bonds.

Section 2.05 Redemption Prices and Terms of Series 2011 Bonds. Reference is hereby made to the Series 2011 Purchase Agreement for redemption prices and terms of the Series 2011 Bonds.

Section 2.06 Form of Series 2011 Bonds The Series 2011 Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the form thereof set forth in Exhibit A hereto.

Section 2.07 Application of Proceeds of Sale of Series 2011 Bonds. Upon the receipt of payment for the Series 2011 Bonds when the same shall have been duly sold by the School District, the Treasurer shall set aside and deposit the proceeds of sale of the Series 2011 Bonds in the following accounts and fund in the following order:

(a) Into the Redemption Account (or other escrow account to be specified in the Sale Certificate) a sum which is sufficient to redeem the outstanding Series 2011 Bonds;

(b) Into the Bond Reserve Account a sum which is sufficient to increase the amount of money on deposit in the Bond Reserve Account to an amount equal to the Required Bond Reserve as required by the Resolution if, and to the extent that, the Required Bond Reserve has not already been met by the deposit of a Series 2011 Surety Bond; and

(c) Into any such other funds or accounts, Fund the remainder of the proceeds of the sale of the Series 2011 Bonds as the School District deems necessary to deposit for purposes permitted by the Resolution.

ARTICLE 3. MISCELLANEOUS

Section 3.01 Authority for the Seventh Supplemental Resolution. The Seventh Supplemental Resolution is adopted under and pursuant to the provisions of the Law and is supplemental to the Original Resolution and is adopted in accordance with Articles II and IX of the Original Resolution.

Section 3.02 Tax Covenants.

(a) *Private Activity Bond Limitation.* The School District shall assure that the proceeds of the Series 2011 Bonds are not so used as to cause the Series 2011 Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

(b) *Federal Guarantee Prohibition.* The School 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 Series 2011 Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

(c) *Rebate Requirement.* The School 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 Series 2011 Bonds.

(d) *No Arbitrage.* The School District shall not take, or permit or suffer to be taken by the Paying Agent or otherwise, any action with respect to the proceeds of the Series 2011 Bonds 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 Series 2011 Bonds would have caused the Series 2011 Bonds to be "arbitrage bonds" within the meaning of section 148 of the Code.

(e) *Maintenance of Tax-Exemption.* The School District shall take all actions necessary to assure the exclusion of interest on the Series 2011 Bonds from the gross income of the Owners of the Series 2011 Bonds 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 Series 2011 Bonds. In addition, the School District shall not take any action or fail to take any action if the action or failure adversely affect the exclusion of interest on the 2002 Bonds from the gross income of the owners of the 2002 Bonds to the same extent as such interest was permitted to be excluded from gross income for federal income tax purposes on the date of issuance of the 2002 Bonds.

Section 3.03 Sale of Series 2011 Bonds. The Board hereby approves of the sale of the Bonds on a negotiated basis to the Underwriter. The School District has determined that conditions in the municipal marketplace are sufficiently complex that the increased flexibility the Underwriter can provide in structuring and planning the sale of the Bonds dictates sale on a negotiated basis. The Bonds shall be sold at a negotiated sale upon the direction of an Authorized Official. The costs of sale of the Bonds, consisting of Costs of Issuance, not including any fees for credit enhancement, are estimated at 2.00% of the principal amount of the Bonds. The Bonds shall be sold pursuant to the terms and conditions set forth in the Series 2011 Purchase Agreement, as described above.

Section 3.04 Approval of Series 2011 Purchase Agreement. The form of Series 2011 Purchase Agreement for the Series 2011 Bonds, substantially in the form presented to this meeting and on file with the Secretary/Clerk is hereby approved. Any Authorized Official, acting alone, is hereby authorized to execute and deliver the Series 2011 Purchase Agreement, and the Authorized Officials are each hereby authorized and requested to acknowledge such Series 2011 Purchase Agreement, 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 Series 2011 Bonds shall not exceed the maximum interest rate permitted by law and that the Underwriter's discount shall not exceed seven tenths of one percent (0.7%) of the par amount of the Series 2011 Bonds. Each Authorized Official is hereby further authorized to determine the maximum principal amount of Series 2011 Bonds to be specified in the Series 2011 Purchase Agreement, up to \$22,000,000 and to enter into and execute the Series 2011 Purchase Agreement with the Series 2011 Representative, if the conditions set forth in this Resolution are satisfied.

Section 3.05 Official Statement. Bond Counsel is hereby authorized to prepare a Preliminary Official Statement and an Official Statement relating to the Series 2011 Bonds, to be used in connection with the offering and sale of the Series 2011 Bonds. The Authorized Officials are hereby authorized and requested to execute and deliver the Official Statement; such execution shall conclusively evidence the School 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 Series 2011 Bonds.

Section 3.06 Continuing Disclosure. It is hereby expressly provided that for the Series 2011 Bonds, the School District covenants and agrees that it will comply with and carry out all

of the provisions of the Continuing Disclosure Agreement, a form of which is filed as part of the Official Statement and which Continuing Disclosure Agreement is hereby approved.

Notwithstanding any other provision of this Seventh Supplemental Resolution, failure of the School District to comply with the Continuing Disclosure Agreement shall not be considered as a breach of any covenant or an event of default under the Resolution. However, the Paying Agent may (and at the request of any Participating Underwriter (as that term is defined in the Continuing Disclosure Agreement) or the Holders of at least 25% of the aggregate principal amount of outstanding Series 2011 Bonds, shall) or any Holder or beneficial owner of the Series 2011 Bonds, may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order of the obligations of the Continuing Disclosure Agreement.

Section 3.07 Approval of Series 2011 Escrow Agreement. Bond Counsel is here by authorized to prepare a Series 2011 Escrow Agreement, with such forms, terms and provisions as may be approved by an Authorized Official if, in the opinions of Bond Counsel to the District and the Representative, a Series 2011 Escrow Agreement would assist in the refunding of all or a portion of the Series 2002 Bonds. The Authorized Officials are hereby authorized on behalf of the Board and in its name to execute and deliver such Series 2011 Escrow Agreement to the Series 2011 Escrow Agent, with such changes therein as may be approved by the Authorized Official executing the same, such approval to be conclusively evidenced by the execution thereof.

Section 3.08 Terms of Series 2011 Bonds Subject to the Resolution. Except as in the Seventh Supplemental Resolution expressly provided, every term and condition contained in the Resolution shall apply to the Seventh Supplemental Resolution and to the Series 2011 Bonds with the same force and effect as if the same were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to the Seventh Supplemental Resolution.

Section 3.09 Effectiveness of Seventh Supplemental Resolution. This Seventh Supplemental Resolution shall take effect from and after its passage and adoption.

The foregoing resolution was, on the ____ day of ____, 2011, adopted by the Board of Education of the Mt. Diablo Unified School District at a regular meeting by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

Clerk of the Board of Education of the Mt. Diablo
Unified School District

By: _____

EXHIBIT A

FORM OF SERIES 2011 SPECIAL TAX REFUNDING BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA

STATE OF CALIFORNIA

MT. DIABLO UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 1
2011 SERIES SPECIAL TAX REFUNDING BOND

\$ _____

No. _____

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
____%	August 1, 20__	_____, 2011	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Mt. Diablo Unified School District, a unified school district duly organized and existing under and pursuant to the Constitution and laws of the State of California (the "School District"), for value received hereby promises to pay (but only out of the proceeds of the Special Tax hereinafter referred to) to the registered owner set forth above on the maturity date set forth above (subject to any right of prior redemption hereinafter provided for) the principal amount set forth above, together with interest thereon from the interest payment date next preceding the date of registration of this Bond (unless this Bond is registered on a day during the period from the sixteenth (16th) day of the month next preceding an interest payment date to such interest payment date, both inclusive, in which event it shall bear interest from such interest payment date, or unless it is registered on a day on or before the fifteenth (15th) day of the month next

preceding the first interest payment date, in which event it shall bear interest from the Dated Date set forth above) until the principal hereof shall have been paid, at the interest rate per annum set forth above, payable on August 1, 20__, and semiannually thereafter on August 1 and February 1 in each year. The interest on and principal of and redemption premium, if any, on this Bond are payable in lawful money of the United States of America at the corporate trust office of U.S. Bank National Association, in San Francisco, California, the Paying Agent of the School District for the Bonds. The interest on this Bond due before the maturity or prior redemption hereof shall be payable only to the person whose name appears in the registration books required to be kept by the Paying Agent as the registered owner hereof at the close of business as of the fifteenth (15th) day of the month next preceding each interest payment date, such interest to be paid by check mailed to such registered owner at his address as it appears on such books or at such other address as he may have filed with the Paying Agent for that purpose, except that in the case of a registered owner of one million dollars (\$1,000,000) or more in principal amount of Bonds then outstanding, payment shall be made at such owner's option by wire transfer of immediately available funds according to written instructions provided by such owner to the Paying Agent at least fifteen (15) days before such interest payment date. The interest on this Bond due on the maturity or prior redemption hereof and the principal of and redemption premium, if any, on this Bond shall be payable only to the person whose name appears in such registration books as the registered owner hereof, such interest and principal and redemption premium, if any, to be paid only on the surrender of this Bond at the office of the Paying Agent at maturity or on redemption prior to maturity.

This Bond is one of a duly authorized issue of Bonds in the aggregate principal amount of ninety million dollars (\$90,000,000) issued by the Board of Education of the School District for the Mt. Diablo Unified School District Community Facilities District No. 1 ("CFD No. 1") located in the School District, designated the "Mt. Diablo Unified School District Community Facilities District No. 1 Special Tax Bonds" (the "Bonds"), which Bonds are issued in various series under and pursuant to The Mello-Roos Community Facilities Act of 1992 (being Sections 53311 *et seq.* of the Government Code of the State of California, as amended) and all laws amendatory thereof or supplemental thereto (the "Law"), and under and pursuant to Resolution No. 1:8-7-90.91 adopted by the Board of Education of the School District on August 7, 1990, as supplemented by Resolution No. 10/11- __ adopted by the Board of Education of the School District on _____, 2011 (collectively, the "Resolution"), and is one of a series of Bonds of various maturities designated as the "Series 2011 Bonds" in the aggregate principal amount of _____ million dollars (\$_____) issued under and pursuant to the Law and the Resolution, all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, denominations, maturities, interest rates or redemption provisions). All the Series 2011 Bonds are equally and ratably secured in accordance with the terms and conditions of the Resolution (copies of which are on file at the office of the Clerk of the Board of Education of the School District and at the above-mentioned office of the Paying Agent), and reference is hereby made to the Law and to the Resolution and any and all amendments thereof and supplements thereto for a description of the terms on which the Series 2011 Bonds are issued and for the rights of the registered owners of the Series 2011 Bonds; and all the terms of the Law and the Resolution are hereby incorporated herein and constitute a contract between the School District and the registered owner from time to time of this 2011 Bond, to all the provisions of which the registered owner of this 2011 Bond, by his acceptance hereof, agrees and consents; and each

taker and subsequent registered owner hereof shall have recourse to all the provisions of the law and the Resolution and shall be bound by all the terms and conditions thereof.

The Series 2011 Bonds will provide funds to refund all of the outstanding Community Facilities District No. 1 Series 2002 Special Tax Bonds and to pay costs incident thereto. The Series 2011 Bonds are special tax obligations of the School District, and the interest on and principal of and redemption premiums, if any, on the Series 2011 Bonds are payable solely from the proceeds of the Special Tax (as that term is defined in the Resolution, and herein the "Special Tax"), as provided in the Resolution, and the School District is not obligated to pay them except from the proceeds of the Special Tax as so provided. The general fund of the School District is not liable and the full faith and credit of the School District is not pledged for the payment of the interest on or principal of or redemption premiums, if any, on the Series 2011 Bonds, and no tax or assessment other than the Special Tax shall ever be levied or collected to pay the interest on or principal of or redemption premiums, if any, on the Series 2011 Bonds.

The Series 2011 Bonds are not secured by a legal or equitable pledge of or charge, lien or encumbrance upon any property of the School District or any of its income or receipts except the money in the Special Tax Fund established under the Resolution as provided in the Resolution, and neither the payment of the interest on or principal of or redemption premiums, if any, on the Series 2011 Bonds is a general debt, liability or obligation of the School District. Additional Bonds payable from the proceeds of the Special Tax may be issued which will rank equally as to security with the Series 2011 Bonds, but only subject to the conditions and limitations contained in the Resolution.

The Series 2011 Bonds maturing on August 1, 20__ , are subject to mandatory redemption by the School District prior to their maturity date in part on any August 1 on or after August 1, 20__ , to and including August 1, 20__ and the Series 2011 Bonds maturing on August 1, 20__ are subject to mandatory redemption by the School District prior to their maturity date in part on any August 1 on or after August 1, 20__ to including August 1, 20__ , in each case solely from Minimum Sinking Fund Account Payments deposited in the Series 2011 Sinking Fund Account (as those terms are defined in and as provided in the Resolution), upon published and mailed notice as hereinafter provided, at the principal amount thereof together with accrued interest thereon to the date of redemption.

The Series 2011 Bonds maturing on or after August 1, 20__ , are subject to optional redemption by the School District prior to their maturity dates as a whole or in part on any interest payment date on or after August 1, 20__ , from funds derived by the School District from any source other than such Minimum Sinking Fund Account Payments, upon published and mailed notice as hereinafter provided, at the following redemption prices (computed upon the principal amount of the Series 2011 Bonds or portions thereof called for redemption) together with accrued interest thereon to the date of redemption, to wit:

10_ % if redeemed on August 1, 20__ , or February 1, 20__ ; and
10_ % if redeemed on or after August 1, 20__ , and prior to maturity.

If less than all the outstanding Series 2011 Bonds are to be redeemed at the option of the School District at anyone time, the Series 2011 Bonds of the latest maturity date or dates shall be

redeemed prior to or simultaneously with the redemption of the Series 2011 Bonds maturing prior thereto, and if less than all the outstanding Series 2011 Bonds of any one maturity date are to be redeemed at any one time, the School District shall select the Series 2011 Bonds or the portions thereof of such maturity date to be redeemed in integral multiples of five thousand dollars (\$5,000) by lot in any manner that it deems appropriate and fair.

Notice of redemption of this Series 2011 Bond or any portion hereof shall be published once in a newspaper of general circulation circulated in the School District not less than thirty (30) days not more than ninety (90) days before the redemption date and shall be mailed not less than thirty (30) days nor more than sixty (60) days before the redemption date to the registered owner hereof and to those securities depositories and securities information services selected by the School District in accordance with the Resolution, but neither failure to receive any such mailed notice nor any immaterial defect contained therein shall affect the sufficiency or validity of such proceedings for redemption. If notice of redemption has been duly given as aforesaid, then this Series 2011 Bond or the portion thereof to be redeemed shall, on the redemption date designated in such notice, become due and payable at the above-described redemption price; and from and after the date so designated interest on this Series 2011 Bond or the portion thereof to be redeemed shall cease to accrue and the registered owner of this Series 2011 Bond shall have no rights in respect hereof except to receive payment of the redemption price of this Series 2011 Bond or the portion thereof to be redeemed, and upon surrender of this Series 2011 Bond if redeemed in part only, the School District shall execute and the Paying Agent shall authenticate and deliver to the registered owner hereof at the expense of the School District a new Series 2011 Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of this Series 2011 Bond so surrendered.

The School District has covenanted that, so long as any Series 2011 Bonds are outstanding, it will annually levy against all Taxable Land (as that term is defined in the Resolution) in CFD No. 1 and make provision for the collection of the Special Tax in amounts which will be sufficient, after making reasonable allowances for contingencies and errors in the estimates, to yield proceeds equal to the amounts required for compliance with the agreements, conditions, covenants and terms contained in the Resolution, and which in any event will be sufficient to pay the interest on and the principal of and such Minimum Sinking Fund Account Payments for and the redemption premiums, if any, on the Series 2011 Bonds as they become due and payable and to replenish the Bond Reserve Account, established under the Resolution and to pay all current Expenses (as that term is defined in the Resolution) as they become due and payable in accordance with the provisions and terms of the Resolution.

The Series 2011 Bonds are issuable in the form of fully registered Bonds in the denomination of five thousand dollars (\$5,000) or any integral multiple of five thousand dollars (\$5,000) (not exceeding the principal amount of Series 2011 Bonds maturing at any one time).

The registered owner of any Series 2011 Bond or Bonds may surrender the same (together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or his duly authorized attorney) in exchange for an equal aggregate principal amount of Series 2011 Bonds of the same maturity date of any other authorized denominations in the manner, subject to the conditions and upon payment of the charges provided in the Resolution.

The registration of this Series 2011 Bond is transferable on the registration books kept by the Paying Agent by the registered owner hereof or by his duly authorized attorney upon surrender of this Series 2011 Bond together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the registered owner or his duly authorized attorney, and thereupon a new 2011 Bond or Bonds of the same maturity date of authorized denominations in the same aggregate principal amount will be issued to the transferee in exchange therefor in the manner, subject to the conditions and terms and upon payment of the charges provided in the Resolution. The School District and the Paying Agent may deem and treat the person in whose name this Series 2011 Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the interest hereon and principal hereof and redemption premium, if any, hereon and for all other purposes.

The rights and obligations of the School District and of the registered owners of the Series 2011 Bonds may be amended at any time in the manner, to the extent and upon the terms provided in the Resolution, but no such amendment shall (1) extend the maturity of this Series 2011 Bond or reduce the interest rate hereon or otherwise alter or impair the obligation of the School District to pay the interest hereon or principal hereof or redemption premium, if any, thereon at the time and place and at the rate and in the currency and from the funds provided herein without the express written consent of the registered owner of this Series 2011 Bond or (2) permit the issuance by the School District of any obligations payable from the proceeds of the Special Tax other than the Bonds as provided in the Resolution, or jeopardize the ability of the School District to levy and collect the Special Tax, or (3) reduce the percentage of Bonds required for the written consent to an amendment of the Resolution, or (4) modify any rights or obligations of the Paying Agent without its prior written assent thereto; all as more fully set forth in the Resolution.

The Series 2011 Bonds do not constitute an indebtedness of the School District within the meaning of any constitutional or statutory debt limitation or restriction, and neither the Board of Education of the School District nor the School District nor any officer or employee thereof shall be liable for the payment of the interest on or principal of or redemption premiums, if any, on the Series 2011 Bonds otherwise than from the proceeds of the Special Tax as provided in the Resolution.

This Series 2011 Bond shall not be entitled to any benefits under the Resolution or become valid or obligatory for any purpose until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent. It is hereby certified that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Series 2011 Bond do exist, have happened and have been performed in due time, form and manner as required by law and that the amount of this Series 2011 Bond, together with all other obligations of the School District and CFD No. 1, does not exceed any limit prescribed by the laws of the State of California and is not in excess of the principal amount of Series 2011 Bonds permitted to be issued under the Resolution.

IN WITNESS WHEREOF, the Mt. Diablo Unified School District has caused this Series 2011 Bond to be executed in its name and on its behalf by the facsimile signature of the President of its Board of Education and countersigned by the facsimile signature of the Clerk of its Board of Education, and has caused its seal to be printed hereon by facsimile reproduction, and has caused this Series 2011 Bond to be dated __ , 2011.

MT. DIABLO UNIFIED SCHOOL DISTRICT

By: _____
President of the Board of Education

Countersigned:

By: _____
Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Education of the Mt. Diablo Unified School District.

DATED: _____, 2011

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent

By: _____
Authorized Officer

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

the within-mentioned Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated:

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

Signature _____
guaranteed

[Bank, Trust Company or Firm]

By _____
Authorized Officer

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.