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EXECUTIVE SUMMARY OF THE
2015-2016 CALIFORNIA SCHOOL CASH RESERVE PROGRAM

We are acting as bond counsel in connection with the California School Cash Reserve Program (the "Program") in which numerous school districts, community college districts and County boards of education (collectively, the "Districts") throughout the State of California are participating by the simultaneous issuance of one or more series of tax and revenue anticipation notes (the "Notes"). The Program is being sponsored by the California School Boards Association Finance Corporation.

The resolutions adopted by the participating Districts approve the Program in two alternative structures. The traditional structure involves the issuance of bonds payable from a pool of Notes (see Traditional Structure: Pool Bonds below), while the alternate structure would involve the execution of certificates of participation (see Alternate Structure: Certificates of Participation below). The decision as to which structure will be implemented this year will be made based on market conditions.

Traditional Structure: Pool Bonds

Under the traditional structure of the Program, each District issues an initial series of Notes in July 2015 which is sold to a joint powers authority, the California School Cash Reserve Program Authority (the "Authority"). The Authority pools each District's Notes with Notes of other Districts issued in July 2015 under the Program. The Authority may form more than one pool of Notes, and the Authority sells one or more series of Pool Bonds, each of which is secured by a pool pursuant to an Indenture between the Authority and U.S. Bank National Association, as Trustee. The Pool Bonds would be purchased by Piper Jaffray & Co., as Underwriter, who would in turn sell the Pool Bonds to the investing public.

Under a variation to the traditional structure of the Program, the county board of education of a county will issue one or more series of Notes ("County Board Notes"), and the county superintendent of schools of such county, with the approval of such county board of education, will make temporary transfers and/or conditional apportionments, funded with all or a portion of the proceeds of the applicable series of County Board Notes, to one or more school districts located within such county pursuant to California Education Code Section 42621 or California Education Code Section 42622, respectively, and the obligations of each such school district with respect to such temporary transfers and/or conditional apportionments will be evidenced by a series of Notes issued by such school district. Such county board of education will sell each such series of County



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Board Notes to the Authority as part of the traditional structure of the Program provided that, as additional security for the payment of the applicable series of such County Board Notes, such county board of education will pledge and assign all of its right, title and interest in the related Notes issued by each such school district to the Trustee as assignee of such series of County Board Notes under the traditional structure of the Program.

Following the initial issuance of Notes and corresponding Pool Bonds in July 2015, certain Districts (including ones that did not participate in the July 2015 initial issuance of Notes) may issue subsequent Notes in late 2015 and/or early 2016 depending on cash flow needs of such Districts, which Notes would be purchased by the Authority with the proceeds of additional Pool Bonds.

Alternate Structure: Certificates of Participation

Under the alternate structure of the Program, each District would issue an initial series of Notes in July 2015 which would be deposited with the Trustee together with some or all of the Notes issued by other Districts participating in the Program pursuant to a Trust Agreement between such Districts and the Trustee. The Trustee would execute and deliver certificates of participation (the "Certificates") evidencing and representing proportionate undivided interests in the payments of principal of and interest on the Notes. The Certificates would be purchased by the Underwriter for resale to the investing public.

Following the initial issuance of Notes and corresponding Certificates in July 2015, certain Districts (including ones that did not participate in the July 2015 initial issuance of Notes) may issue subsequent Notes in late 2015 and/or early 2016 depending on cash flow needs of such Districts, which Notes would be deposited with the Trustee pursuant to a Trust Agreement. The Trustee would execute and deliver Certificates and the Certificates would be purchased by the Underwriter for resale to the investing public.

Use and Investment of Note Proceeds

Under either structure, the proceeds of each District's Note and the funds used to repay such Note will be invested by the Trustee in the County Treasury of the county in which the District requesting such investment is situated or another type of permitted investment under the Indenture or Trust Agreement; provided, however, that all money held by a county treasurer in a payment account attributable to a series of Notes securing a series of County Board Notes will be invested to the greatest extent possible at such county treasurer's discretion in the applicable county's pooled investment fund and as otherwise permitted by the California Government Code and the investment policy of such county.

Credit Enhancement

Under either structure, all or a portion of the payments made by each District on its Notes may be secured by (i) a letter or letters of credit issued by a bank or banks holding the highest short-term rating issued by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services



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LLC business (“S&P”) or Moody’s Investors Service (“Moody’s”), whichever is rating the applicable series of Pool Bonds or Certificates, and/or (ii) a policy of insurance backed by an insurance company holding the highest short-term rating issued by S&P or Moody’s, whichever is rating the applicable series of Pool Bonds or Certificates. At the time each series of Notes is priced, each District will confirm the selection of the type or types of credit enhancement and the designation of a bank or banks or insurance company, if, and as applicable. Either method of securing all or a portion of the payments by all the Districts participating in a particular Pool will enable the corresponding Pool Bonds or Certificates to have the highest short-term rating issued by S&P or Moody’s.

County Resolution

California law provides that the Board of Supervisors of the County in which a participating District that does not have fiscal accountability status is situated shall issue the Notes in one or more series in the name of the District as soon as possible following receipt of a resolution of the governing board of the District requesting the borrowing (Government Code § 53853). If the Board of Supervisors fails to adopt a resolution authorizing the issuance of the Notes within 45 calendar days following its receipt of the District resolution or notifies the District that it will not do so within the 45-day period, then the District is authorized to issue the Notes in one or more series in its name pursuant to the previously adopted resolution.

The Notes of the District will be payable exclusively from money of the District and no money of the County will ever be used to pay the principal of and interest on the Notes or any expenses relating to the Program. If the Board of Supervisors adopts a resolution of issuance, the County’s sole responsibility is to issue the Notes by directing the appropriate officers of the County to execute the Notes and related closing documents. By the adoption of such a resolution, the County is also recognizing that the District has pledged certain of the District’s moneys to the repayment of the Notes and that the County, upon request of the District, will be obligated to deliver the District’s money on deposit in the County treasury in the amount necessary for the District to satisfy its obligations under the Notes and the resolution. Such obligation is mandated whether or not the County finds it necessary to adopt a resolution of issuance in connection with the Program.

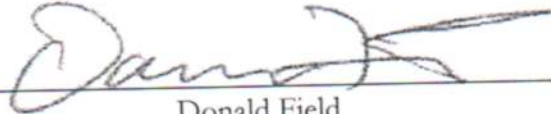


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We hope this letter answers any questions you may have and we look forward to another successful issuance of Notes under the Program. If you have further questions or if there is any way we may be of additional assistance to the County, please contact Donald Field at (949) 852-7727.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

By 
Donald Field

cc: Alest Walker, California School Boards
Association Finance Corporation
Mark Farrell, Dale Scott & Company