



ORRICK, HERRINGTON & SUTCLIFFE LLP
THE ORRICK BUILDING
405 HOWARD STREET
SAN FRANCISCO, CALIFORNIA 94105-2669

tel +1-415-773-5700
fax +1-415-773-5759

WWW.ORRICK.COM

December 2012

EXECUTIVE SUMMARY OF THE
2012-2013 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 Program provided the opportunity for each District to issue a series of Notes in July 2012 and will provide for an opportunity for each District to issue an initial or additional series of Notes in February 2013 (expected closing month). The February 2013 Notes will be sold to a joint powers authority, the California School Cash Reserve Program Authority (the "Authority"). The Authority will pool each District's Notes with Notes of other Districts issued in February 2013 under the Program. The Authority may form more than one pool of Notes. Each Note that is pooled with Notes of other Districts participating in the Program will be assigned by the Authority to a particular pool. The Authority will sell one or more series of Pool Bonds, each of which will be secured by a pool pursuant to an Indenture between the Authority and U.S. Bank National Association, as Trustee. The Pool Bonds will be purchased by Piper Jaffray & Co., as Underwriter, who will in turn sell the Pool Bonds to the investing public.

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. The Districts would have access to the Note proceeds and, if invested in a guaranteed investment contract or contracts, such investment would be without risk of interest rate fluctuation.

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.



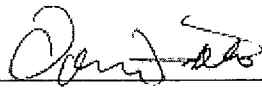
O R R I C K

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.

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: Vina Guzman, California School Boards
Association Finance Corporation
Mark Farrell, Piper Jaffray & Co.