



MEMORANDUM

To: Terena Mendonca

From: Rich Malone *RM*

Date: May 1, 2009

Re: Preliminary Official Statement for the 2009-2010 TRANs

Please find attached a draft of the preliminary official statement (POS) associated with the Office's issuance of its 2009-2010 Tax and Revenue Anticipation Notes (TRANs) for distribution to the Board.

Please note that the POS provided is an early draft and is not complete. The completed version of the POS will be distributed to underwriters approximately one week before the currently planned sale date of June 23, 2009.

At the May 12th Board meeting, the Board will be asked to approve a resolution authorizing the issuance of the TRANs and approving the *form* of the POS (and other legal documents). The function of the POS is to provide potential investors with material information about the TRANs being offered for sale. Although the Board may reasonably rely on the research and analysis provided by professional staff, Arthur Levitt, the former Chairman of the Securities and Exchange Commission, has stated that public officials play a "critical role in assuring the accuracy and completeness of disclosure documents." Therefore, each Board member should review the POS and let Office staff know if there are any concerns that the POS fails to provide accurate and complete information that a reasonable investor would consider significant in making a decision to purchase the notes (understanding that the POS provided is a draft with certain information missing).

In reviewing the POS, please keep in mind that it is written with a certain amount of disclaimer and formality. This style is consistent with the industry standard for preparing such documents and enables us to effectively market the TRANs to potential investors.

Thanks Terena. As always, please let me know if you have any questions.

RM/abm

Attachment

PRELIMINARY OFFICIAL STATEMENT
Dated _____, 2009 [DRAFT MAY 6, 2009]

NEW ISSUE
DTC BOOK-ENTRY ONLY
CUSIP+ NO. _____

RATING
See "RATING" herein
S&P Rating: "____"

In the opinion of Bartkiewicz Kronick & Shanahan, Bond Counsel, based on an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, interest on the Notes is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes. In the opinion of Bond Counsel, interest on the Notes is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. Bond Counsel expresses no opinion regarding any other tax consequences caused by the ownership or disposition of, or the accrual or receipt of interest on, the Notes. See "LEGAL MATTERS—Tax-Matters" herein.

\$____,____,000*
EL DORADO COUNTY OFFICE OF EDUCATION
STATE OF CALIFORNIA
2009-2010 TAX AND REVENUE ANTICIPATION NOTES

Dated: Date of Issuance

Due: July __, 2010

The El Dorado County Office of Education, State of California, 2009-2010 Tax and Revenue Anticipation Notes (the "Notes") are being issued to finance seasonal cash flow requirements of the El Dorado County Office of Education (the "Office"), including loans to school districts within the jurisdiction of the Office during the fiscal year ending June 30, 2010 (the "Fiscal Year"). The Notes will be initially issued in book-entry form only through the book-entry system of The Depository Trust Company, New York, New York ("DTC"). See "THE NOTES—DTC Book-Entry Only" herein.

The Notes, in accordance with California law, represent a general obligation of the Office, but are payable solely from taxes, income, revenue, cash receipts, and other moneys received by the General Fund, which is the general operating fund of the Office, in the Fiscal Year or accrued during the Fiscal Year and legally available for the payment of the Notes. The Notes are equally and ratably secured by a pledge of (i) an amount equal to __% of the aggregate principal amount of the Notes from the Unrestricted Revenues (defined herein) to be received by the Office and the Participant Districts (defined herein) in the month of _____ 2010, (ii) an amount equal to __% of the aggregate principal amount of the Notes from the Unrestricted Revenues to be received by the Office and the Participant Districts in the month of _____ 2010, (iii) an amount equal to __% of the aggregate principal amount of the Notes from the Unrestricted Revenues to be received by the Office and Participant Districts in the month of _____ 2010, and (iv) an amount equal __% of the aggregate principal amount of the Notes, together with an amount sufficient to pay the interest thereon, from the Unrestricted Revenues to be received by the Office and the Participant Districts in the month of _____ 2010 (the "Pledged Revenues"). The Notes, to the extent not paid from Pledged Revenues, are payable only from any other taxes, income, revenues, cash receipts and moneys of the Office and the Participant Districts lawfully available therefor. See "THE NOTES—Security for the Notes and Available Sources of Repayment" herein.

The Notes are legal investments for commercial banks in California and are eligible to secure deposits of public moneys in the State of California.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELEVANT TO AN INVESTMENT IN THE NOTES. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. CAPITALIZED TERMS USED ON THIS COVER PAGE NOT OTHERWISE DEFINED WILL HAVE THE MEANINGS SET FORTH HEREIN.

The Notes will be dated _____, 2009 and will mature on _____, 2010. The rate of interest and the offering price for the Notes is set forth below. Principal of the Notes will be paid at maturity and interest on the Notes will be paid twelve months after the date of issuance of the Notes and at maturity by wire transfer to DTC, which in turn is required to remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners of the Notes. The Notes are not subject to redemption prior to maturity.

MATURITY SCHEDULE

<u>AMOUNT*</u>	<u>MATURITY</u>	<u>COUPON RATE</u>	<u>REOFFERING YIELD</u>
\$____,____,000	July __, 2010	___.00%	___.00%

The Notes are being purchased for re-offering by _____ as Underwriter. The Notes are offered when, as and if issued by the Office and received by the Underwriter, subject to approval as to their legality by Bartkiewicz Kronick & Shanahan, Sacramento, California, Bond Counsel. It is anticipated that the Notes, in definitive form, will be available for delivery through the facilities of DTC in New York, New York on or July _____, 2009.

This Official Statement is dated _____, 2009

* Preliminary; subject to adjustment

+ Copyright 2009, American Bankers Association. CUSIP data herein is provided by Standard and Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and is included for convenience of reference only. The Office and the Underwriter make no representation as to the accuracy or completeness of such information.

The information contained in this PRELIMINARY OFFICIAL STATEMENT has been deemed by the Office to be final as of the date hereof; however, the information contained herein is subject to completion or amendment. These securities may not be sold, nor may offers to buy be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this PRELIMINARY OFFICIAL STATEMENT constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE OFFICE OR THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED HEREIN, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE OFFICE OR THE UNDERWRITER. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL NOR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE NOTES BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE AN OFFER, SOLICITATION OR SALE.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT WITH THE PURCHASERS OF THE NOTES. STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT WHICH INVOLVE ESTIMATES, PROJECTIONS, FORECASTS OR MATTERS OF OPINION, WHETHER OR NOT EXPRESSLY SO DESCRIBED HEREIN, ARE INTENDED SOLELY AS SUCH AND ARE NOT TO BE CONSTRUED AS REPRESENTATIONS OF FACT.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM SOURCES WHICH ARE BELIEVED TO BE RELIABLE. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT SINCE THE DATE HEREOF.

THIS OFFICIAL STATEMENT IS SUBMITTED WITH RESPECT TO THE SALE OF THE NOTES REFERRED TO HEREIN AND MAY NOT BE REPRODUCED OR USED, IN WHOLE OR IN PART, FOR ANY OTHER PURPOSE, UNLESS AUTHORIZED IN WRITING BY THE OFFICE. ALL SUMMARIES OF THE DOCUMENTS AND LAWS ARE MADE SUBJECT TO THE PROVISIONS THEREOF AND DO NOT PURPORT TO BE COMPLETE STATEMENTS OF ANY OR ALL SUCH PROVISIONS.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE OFFICE AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN MARKET PRICES OF THE NOTES OFFERED HEREBY AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE NOTES TO CERTAIN DEALERS, INSTITUTIONAL INVESTORS, BANKS OR OTHERS AT PRICES LOWER OR YIELDS HIGHER THAN THE PUBLIC OFFERING PRICES OR YIELDS STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

\$ __, __, 000*

**EL DORADO COUNTY OFFICE OF EDUCATION
STATE OF CALIFORNIA
2009-2010 TAX AND REVENUE ANTICIPATION NOTES**

EL DORADO COUNTY BOARD OF EDUCATION

Gene Rasmussen, President
John Lane, Vice President
Matt Boyer, Member
Dolores Garcia, Member
Heidi Weiland, Member

EL DORADO COUNTY OFFICE OF EDUCATION

Vicki L. Barber, Ed.D., County Superintendent of Schools
Cathy Bean, Deputy Superintendent, Educational Services
Teresa Mendonca, Associate Superintendent, Administrative Services
Diane Lacombe, Director, External Business Services
Jim Maher, Director, Internal Business Services

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San Francisco, California 94105
(415) 371-3355

* Preliminary; subject to adjustment.

\$ __, __, __, 000*

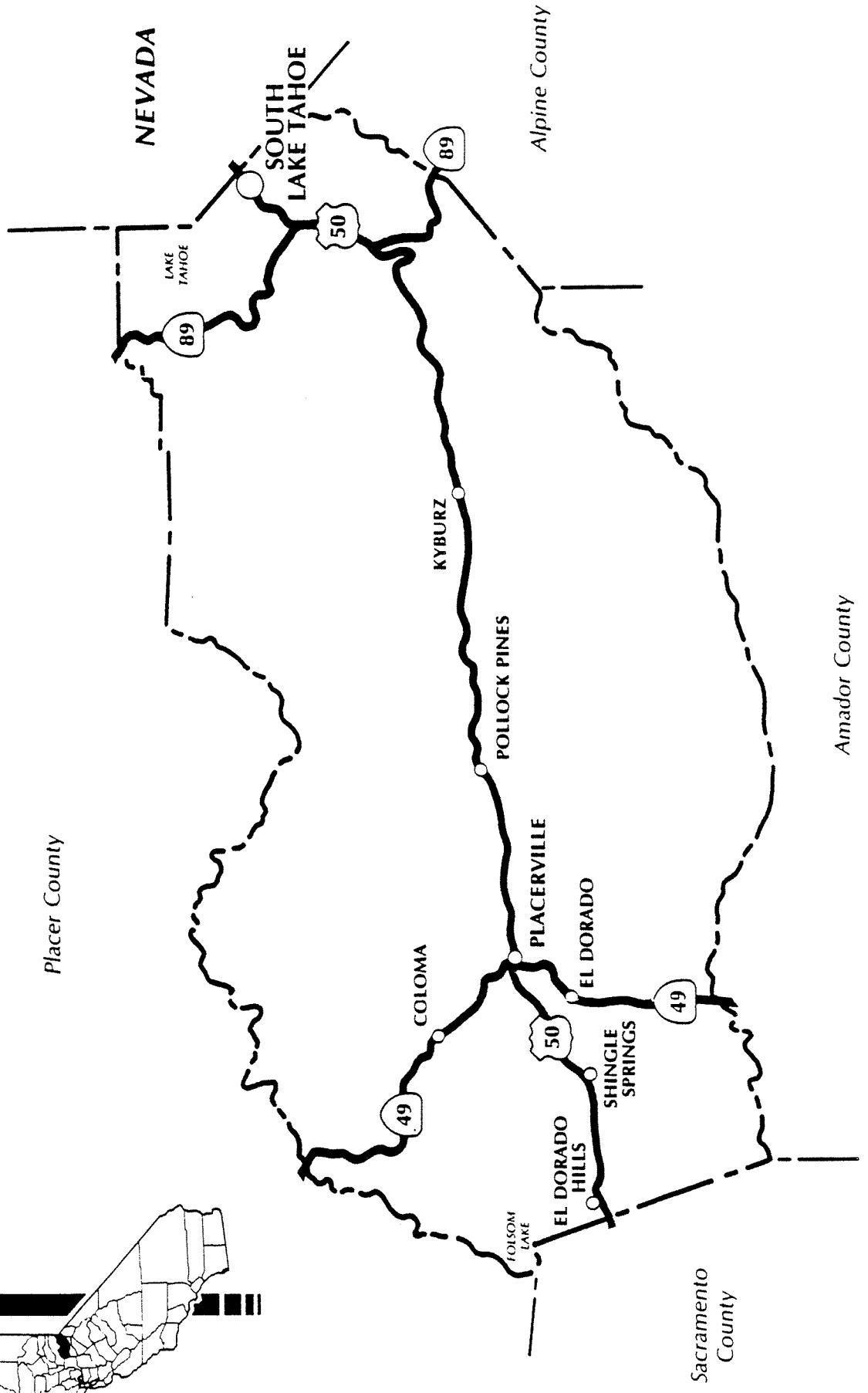
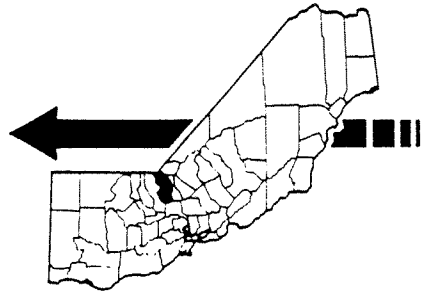
**EL DORADO COUNTY OFFICE OF EDUCATION
STATE OF CALIFORNIA
2009-2010 TAX AND REVENUE ANTICIPATION NOTES**

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* Preliminary; subject to adjustment.

EL DORADO COUNTY



OFFICIAL STATEMENT

\$ __, __, 000*

EL DORADO COUNTY OFFICE OF EDUCATION STATE OF CALIFORNIA 2009-2010 TAX AND REVENUE ANTICIPATION NOTES

INTRODUCTORY STATEMENT

The purpose of this Official Statement is to provide certain information concerning the sale and delivery of the El Dorado County Office of Education, State of California, 2009-2010 Tax and Revenue Anticipation Notes (the "Notes").

This INTRODUCTORY STATEMENT is not a summary of this Official Statement. It is only a brief description of and guide to this Official Statement. This INTRODUCTORY STATEMENT is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and attached appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement by prospective investors in the Notes. The offering of the Notes to prospective investors is made only by means of the entire Official Statement.

General

This Official Statement has been prepared under the direction of the El Dorado County Office of Education (the "Office") in order to furnish information with respect to the sale and delivery of the Notes. At the request of the Office, the Notes have been authorized pursuant to a resolution (the "Resolution") of the El Dorado County Board of Education, the governing board of the Office (the "Board"), adopted on May 12, 2009.

The Notes will be issued in full conformity with the Constitution and laws of the State of California (the "State"), including Article 7.6, Chapter 4, Part 1, Division 2, Title 5 (commencing with Section 53850) of the State Government Code (the "Law"), and under such statute the Notes represent the general obligation of the Office, but are payable solely from taxes, income, revenue, cash receipts and other moneys of the Office attributable to the fiscal year commencing on July 1, 2009, and ending on June 30, 2010, (the "Fiscal Year") and legally available therefor.

The proceeds of the Notes will be used for current General Fund expenditures of the Office, including but not limited to current expenses, capital expenditures and the discharge of other obligations or indebtedness and a loan to a school district within the jurisdiction of the Office, as hereinafter described, in order to provide temporary funding of their respective current expenses, capital expenditures and the discharge of their other obligations or indebtedness. The Notes are not subject to redemption prior to their stated maturity date.

* Preliminary; subject to adjustment.

Professionals Involved

Government Financial Strategies inc., Sacramento, California has acted as financial advisor with respect to the sale and delivery of the Notes. See “FINANCIAL ADVISOR” herein. Wells Fargo Bank, National Association (the “Paying Agent”) has acted as paying agent on the Notes. All proceedings in connection with the issuance of the Notes are subject to the approving legal opinion of Bartkiewicz Kronick & Shanahan, A Professional Corporation, Sacramento, California, Bond Counsel.

Other Information

This Official Statement may be considered current only as of the dated date affixed to the cover page hereto, and the information contained herein is subject to change. Brief descriptions of the Notes, the security for the Notes, the Board, and the Office are included in this Official Statement together with summaries of certain provisions of the Resolution. Such descriptions do not purport to be comprehensive or definitive. All references made herein to the Resolution are qualified in their entirety by reference to such document, and references herein to the Notes are qualified in their entirety by reference to the form thereof included in the Resolution.

Interested parties may obtain copies of the Resolution, audited financial statements, annual budgets or any other information that is generally made available to the public by contacting the Office or by contacting the Office’s financial advisor, Government Financial Strategies inc., 1228 N Street, Suite 13, Sacramento, California, 95814-5609, Tel. (916) 444-5100.

THE NOTES

Authority for Issuance

The Notes are issued under the authority of the Law and pursuant to the Resolution.

Purpose of Issue

Issuance of the Notes will provide moneys to meet the Office's Fiscal Year General Fund expenditures, including but not limited to current expenses, capital expenditures, the discharge of other obligations or indebtedness, and loan to the following school districts within the jurisdiction of the Office, as hereinafter described, in order to provide temporary funding of their current expenses, capital expenditures and the discharge of their other obligations or indebtedness during the Fiscal Year:

1. Black Oak Mine Unified School District (“Black Oak Mine USD”)
2. Buckeye Union School District (“Buckeye USD”)
3. Gold Oak Union School District (“Gold Oak USD”)
4. Gold Trail Union School District (“Gold Trail USD”)
5. Lake Tahoe Community College District (“Lake Tahoe CCD”)
6. Lake Tahoe Unified School District (“Lake Tahoe USD”)
7. Mother Lode Union School District (“Mother Lode USD”)
8. Pioneer Union School District (“Pioneer USD”)
9. Placerville Union School District (“Placerville USD”)
10. Rescue Union School District (“Rescue USD”)

The aforementioned school districts are collectively referred to herein as the “Participant Districts” or individually, each “Participant District.”

Temporary borrowing is necessary during the Fiscal Year because General Fund expenditures tend to occur in relatively level amounts throughout a fiscal year while receipts follow an uneven pattern, primarily as a result of an uneven pattern of State and federal apportionments and secured property tax installment payments. Receipts from these sources account for a significant portion of the total annual revenues of the Office and the Participant Districts. As a result, the General Fund cash balance of the Office and the Participant Districts is projected to be sufficiently diminished during a portion of the Fiscal Year to provide for the issuance of the Notes. The Notes are intended to minimize the likelihood of a cash deficit position occurring within the General Fund of the Office and the Participant Districts during the Fiscal Year.

Bank Qualified Obligations

[to come]

Legality for Investment

Under provisions of the California Financial Code, the Notes are legal investments for commercial banks in California to the extent that the Notes, in the informed opinion of the investing bank, are prudent for the investment of funds of depositors. Under provisions of the California Government Code, the Notes are eligible to secure deposits of public moneys in California.

Description of the Notes

The Notes are being issued as fully registered Notes, without coupons, and when delivered will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Notes. Individual purchases of the Notes will be made in book-entry form only and only in authorized denominations of \$5,000 principal amount or any integral multiple thereof. So long as Cede & Co. is the registered owner of the Notes, principal, premium, if any, and interest on the Notes will be payable to Cede & Co., as nominee for DTC, which is obligated to remit such amounts to the Direct or Indirect Participants, as hereinafter defined, for subsequent disbursement to the Beneficial Owners of the Notes. See “THE NOTES—DTC Book-Entry Only” herein.

The Notes will be issued and dated July __, 2009, and will mature on _____, 2010. Principal of and interest on the Notes will be paid at maturity at the rate of interest stated on the cover page hereof. Interest on the Notes is computed on the basis of a 360-day year consisting of twelve 30-day months. The Notes will not be subject to redemption prior to their stated maturity date.

DTC Book-Entry Only

The following information concerning DTC and DTC’s book-entry-only system has been obtained from DTC. The Office takes no responsibility for the accuracy or completeness thereof. There can be no assurance that DTC will abide by its procedures or that such procedures will not be changed from time to time.

The following description includes the procedures and record-keeping with respect to beneficial ownership interest in each Note, payment of principal and interest, other payments with respect to each Note to Direct Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interests in such Notes with other related transactions by and between DTC, the Participants, and the Beneficial Owners. However, DTC, the Participants, and the Beneficial Owners should not rely on the following with respect to such matters, but should instead confirm the same with DTC or the Direct Participants, as the case may be.

DTC will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Notes, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of

Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Notes may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners, in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC’s Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the District or Trustee, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC [nor its nominee], the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Security for the Notes and Available Sources of Repayment

The Notes and the interest thereon are a general obligation of the Office, but are payable solely from taxes, income, revenues, cash receipts and other moneys received by or accrued to the Office during the Fiscal Year and legally available for the payment of current expenses and other obligations of the Office (the "Unrestricted Revenues"). The Unrestricted Revenues will also consist of the amounts which are equal to the principal amount of and the interest on the loan provided by the Office to the Participant Districts. The note of each Participant District evidencing its loan from the Office specifies the required amount of and timing of the deposits of payments which will be made by El Dorado County (the "County") on the behalf of each Participant District into its Repayment Fund, as defined below. Such payments are payable from taxes, income, revenues, cash receipts and other moneys (including the deposit of amounts representing interest on the Notes deposited in the Repayment Fund from proceeds of the loans) of each Participant District. Certain Unrestricted Revenues to be received by the Office have been specifically pledged, as hereinafter described, to the total repayment of the Notes and the interest thereon. Selected information concerning the financial statements of the Office and the Participant Districts as of and for the year ending June 30, 2008, are set forth in "APPENDIX A" and "APPENDIX B" attached hereto.

As security for the timely payment of the Notes and the interest thereon, the County at the direction of the Office and on the behalf of the Office and the Participant Districts, has committed to deposit (i) an amount equal to __% of the aggregate principal amount of the Notes from the Unrestricted Revenues to be received by the Office and the Participant Districts in the month of _____ 2010, (ii) an amount equal to __% of the aggregate principal amount of the Notes from the Unrestricted Revenues to be received by the Office and the Participant Districts in the month of _____ 2010, (iii) an amount equal to __% of the aggregate principal amount of the Notes from the Unrestricted Revenues to be received by the Office and the Participant Districts in the month of _____ 2010, and (iv) an amount equal to __% of the aggregate principal amount of the Notes, together with an amount sufficient to pay the interest thereon, from the Unrestricted Revenues to be received by the Office and the Participant Districts in the month of _____ 2010 in a special fund designated as the "El Dorado County Office of Education, 2009-2010 Tax and Revenue Anticipation Notes Repayment Fund" and, for each Participant District, a special fund designated the "[Name of Participant District], 2009-2010 Tax and Revenue Anticipation Note Repayment Fund" (herein collectively called the "Repayment Funds"). The amounts pledged by the Office and each Participant District for deposit into their respective Repayment Funds and from the Unrestricted Revenues received during or attributable to the pledge months are hereinafter called the pledged revenues (the "Pledged Revenues"). The principal of the Notes and the interest thereon will constitute a first lien and charge against, and will be payable from, the first moneys received by the County on the behalf of the Office from the Pledged Revenues.

Deposit Of Pledged Revenues into the Repayment Fund^{*}

	<u>Size of Note</u>	<u>Pledged Revenues 2010</u>	<u>Pledged Revenues 2010</u>	<u>Pledged Revenues 2010</u>	<u>Pledged Revenues 2010</u>	<u>Total</u>
El Dorado County Office of Education	\$ __, __, 000					
Black Oak Mine USD	\$ __, __, 000					
Buckeye USD	\$ __, __, 000					
Gold Oak USD	\$ __, __, 000					
Gold Trail USD	\$ __, __, 000					
Lake Tahoe CCD	\$ __, __, 000					
Lake Tahoe USD	\$ __, __, 000					
Mother Lode USD	\$ __, __, 000					
Pioneer USD	\$ __, __, 000					
Placerville USD	\$ __, __, 000					
Rescue Union USD	\$ __, __, 000					

In the event that there has been insufficient Unrestricted Revenues received by the Office to permit the deposit into the Repayment Funds of the full amount of the Pledged Revenues required to be deposited with respect to such month, then the amount of any

^{*} Preliminary; subject to adjustment.

deficiency in the Repayment Funds will be satisfied and made up from any other moneys of the Office lawfully available for the payment of the principal of the Notes and the interest thereon (all as provided in Sections 53856 and 53857 of the Government Code) (the "Other Pledged Moneys"), when and as such Pledged Revenues and Other Pledged Moneys are received by the Office.

Until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to maturity, the moneys in the Repayment Funds will be applied only for the purpose for which the Repayment Funds have been created. Amounts deposited may be invested in legal investments, as permitted by Section 53601 of the Government Code of the State of California, subject to the limitations contained in the Resolution. Any moneys remaining in the Repayment Funds after such payment has been made at the maturity of the Notes, or after provision for such payment has been made, will be transferred to the respective General Fund of each entity.

Bankruptcy Risks

The opinion of Bond Counsel attached hereto as "APPENDIX C" is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditors' rights. Bankruptcy of the County, the Board, the Office, or the Participant Districts could affect the security of the owners of Notes, the ability of an owner to be paid in a timely manner, or both.

In connection with the bankruptcy petition of Orange County, California in 1994, the U.S. Bankruptcy Court originally held that the lien securing temporary notes issued by Orange County under the same statutory authority as the Notes did not attach to revenues received by Orange County after the filing of its bankruptcy petition, and therefore that the county was not required following bankruptcy to continue to set aside the revenues it had pledged under the resolution providing for the issuance of its notes. The U.S. District Court reversed the bankruptcy court and that decision was appealed. While awaiting a decision on appeal from the U.S. Court of Appeals for the Ninth Circuit, the parties settled their disputes. Accordingly, it is unclear whether the Board could be required following filing of a bankruptcy petition to set aside funds as required by the Resolution.

Because the El Dorado County Treasurer and Tax Collector (the "Treasurer") is in possession of the taxes and other revenues that the Office has agreed to set aside to pay its Note, and may deposit and invest these funds in the County's pooled investment fund (the "County Pool"), should the County go into bankruptcy, a court might hold that the owners of the Notes do not have a valid lien on the funds set aside for payment thereof. In that case, unless the owners could "trace" the funds, the owners may be merely unsecured creditors of the bankrupt County. There can be no assurance that the owners could successfully so "trace" the pledged taxes and other revenues.

If the County were to file for bankruptcy, the Office may be unable to order payment of the Notes from moneys held by the County in the fund set aside for such payment. If the Board or the Office were to file for bankruptcy, the Treasurer may be enjoined from applying set aside funds to payment of the Notes, or from setting aside any further moneys of the Office for such payment.

Investment of Note Proceeds Fund, Repayment Fund, and Office's Operating Funds

State law establishes that the treasurer of each county is *ex officio* treasurer of all school districts in the county. Although separately accounted for, substantially all Office and Participant District funds are held and invested on a pooled basis with other funds held by the Treasurer in the County Pool. The County Pool participants primarily include school districts, special districts, and the County (for both its enterprise funds and general County operating funds). Generally, the Note proceeds funds and the Repayment Funds are invested in the County Pool.

Funds in the County Pool are invested in accordance with state law and the County's Statement of Investment Policy prepared by the Treasurer, as authorized by the California Government Code. The policy sets forth the Treasurer's investment objectives, as mandated by state law: preservation of capital, maintenance of liquidity, and yield. In addition, the County's investment policy describes the instruments eligible for inclusion in the investment portfolio and the limitations applicable to each type. In general, funds in the County Pool may be invested in any investments permitted under state law, subject to certain additional limitations, including minimum credit quality, maximum maturity, and the maximum percentage of the County Pool which may be held in certain instruments. A copy of the County's Investment Policy as well as the investments held by the pooled investment fund may be obtained by contacting the Office of the Treasurer at (530) 621-5800.

Sources and Uses of Funds

The sources and uses of funds in connection with the sale and delivery of the Notes are projected as set forth in the following exhibit.

**Sources And Uses Of Funds
El Dorado County Office of Education
2009-2010 Tax and Revenue Anticipation Notes**

SOURCES OF FUNDS

Par Amount of Notes*	\$ __, __, 000
Original Issue Premium	

TOTAL SOURCES OF FUNDS

USES OF FUNDS

Proceeds Fund	
Underwriter's Discount	

TOTAL USES OF FUNDS

THE BOARD AND THE OFFICE

General Information Concerning the Office

Within the jurisdiction of the Office are 15 separate school districts, comprised of 12 elementary school districts, one high school districts, and two unified school districts; in addition, there is one community college district operating within the County. The Office is the governmental body charged with establishing educational policy within the County. As such, the Office acts upon a variety of fiscal, administrative, personnel and instructional matters. The Office also serves as an intermediary between the school districts in the County and the State Department of Education. For the school districts within its jurisdictions, the Office provides educational assistance such as curriculum development and coordination, audio-visual aids and library facilities, in addition to establishing schools of special education. The Office also provides administrative and budgetary development, improvements to instructional programs, coordination of inter-district activities and performs other services as needed to improve the quality of education throughout the County. The Office supervises the activities and financial affairs of each school district providing public education within the County to assure, among other matters, that requirements of the California Education Code are met. The Office is the focal point for accumulating information from the schools required by the State. Similarly, the Office receives funds and educational materials from the State for distribution to the school districts.

The Board of Education and Key Administrative Personnel

The Board governs all activities related to public education within the jurisdiction of the Board. The Board receives funding from local, State and federal government sources and must comply with the concomitant requirements of these funding source entities. The Board consists of five members. Each Board member is elected by the public for a four-year term of office and elections for the Board are held every two years. The Board has the decision-making authority and is accountable for all fiscal matters relating to the Board. The management and policies of the Board are administered by a duly elected County Superintendent of Schools

* Preliminary; subject to adjustment

who is responsible for day-to-day operations as well as the supervision of the Board’s other key personnel. The current members of the Board and their term are set forth in the following table.

Members of the Board El Dorado County Board of Education

<u>Member</u>	<u>Title</u>	<u>Term Expiration</u>
Gene Rasmussen	President	June 2010
John Lane	Vice President	June 2012
Matt Boyer	Member	June 2010
Dolores Garcia	Member	June 2012
Heidi Weiland	Member	June 2012

Average Daily Attendance

Set forth in the following table are the Office’s historical, current year estimated and future budgeted average daily attendance figures (the “A.D.A.”).

Average Daily Attendance El Dorado County Office of Education

<u>Fiscal Year</u>	<u>Juvenile Court & County Community Schools</u>	<u>Other Purpose</u>	<u>Community Day Schools</u>	<u>Direct Services</u>
2005-06	531	[to come]	30	[to come]
2006-07	554	[to come]	26	[to come]
2007-08	571	[to come]	19	[to come]
2008-09	578	28,700	5	2,871
2009-10	560	28,306	5	3,012

Employee Relations

State law provides that employees of the Office are to be divided into appropriate bargaining units that then are to be represented by an exclusive bargaining agent. The Office has two recognized bargaining agents for its employees. The California Teachers Association (the “CTA”) is the exclusive bargaining agent for certificated non-management teaching personnel, and the California School Employees' Association (the “CSEA”) is the exclusive bargaining agent for classified non-management personnel. Management and confidential employees, budgeted to be 85 full-time equivalent employees (“FTEs”) in the Fiscal Year, are not represented by any bargaining unit. Set forth in the following table are the number of members and contract status for each of the bargaining units for the Fiscal Year.

Bargaining Units, Number of Employees, and Contract Status El Dorado County Office of Education

<u>CERTIFICATED</u>	<u>Members</u>	<u>STATUS</u>
California Teacher's Association	124	Contract expires June 30, 2011
<u>CLASSIFIED</u>	<u>FTE's</u>	<u>STATUS</u>
California School Employees' Association	221	Contract expires June 30, 2011

Pension Plans

All full-time employees of the Office are eligible to participate under defined benefit retirement plans maintained by agencies of the State. Certificated employees are eligible to participate in the cost-sharing multiple-employer State Teachers' Retirement System ("STRS"). Classified employees are eligible to participate in the agent multiple-employer Public Employees' Retirement Fund of the Public Employees' Retirement System ("PERS"), which acts as a common investment and administrative agent for participating public entities within the State.

STRS operates under the State of California Education Code sections commonly known as the State Teachers' Retirement Law. Membership is mandatory for all certificated employees of California public schools meeting the eligibility requirements. STRS provides retirement, disability and death benefits based on an employee's years of service, age and final compensation. Employees vest after five years of service and may receive retirement benefits at age 55.

All full-time classified employees of the Office participate in PERS, which provides retirement, disability and death benefits based on an employee's years of service, age and final compensation. Employee's rights vest after five years of service and may receive retirement benefits at age 50. These benefit provisions and all other requirements are established by State statute and Board resolution. For a more complete description of the Office's pension plan and annual contribution requirements, see "APPENDIX A" attached hereto.

Other Post-Employment Benefits

In June 2004, the Governmental Accounting Standards Board ("GASB") pronounced Statement No. 45, Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions. The pronouncement will require public agency employers providing healthcare benefits to retirees to recognize and account for the costs for providing these benefits on an accrual basis and provide footnote disclosure on the progress toward funding the benefits. The implementation date for this pronouncement will be staggered in three phases based upon the entity's annual revenues in fiscal year 1998-99 as follows:

- if annual revenue is \$100 million or more, implementation begins in fiscal year 2007-08
- if annual revenue is \$10 - \$100 million, implementation begins in fiscal year 2008-09
- if annual revenue is less than \$10 million, implementation begins in fiscal year 2009-10

GASB 45 is effective for the Office beginning in fiscal year 2008-09. GASB 45 provides that agencies should establish a reserve fund and annually transfer sufficient funds to this reserve in order to pay for retiree employment benefits other than pensions ("OPEB"). Employees who are eligible to receive OPEB while in retirement must meet specific criteria, i.e., age and years with the Office.

The Office provides OPEB health benefits to retirees. To be eligible, CDEA members must be hired by June 30, 1979, and retire from the Office at age 55 to 64, while CTA members must be hired by December 31, 1980, and management confidential employees must be hired by December 31, 1996. The Office pays one-party premiums for medical benefits until age 65.

On June 30, 2008, 24 retirees were receiving OPEB at an annual cost of \$113,654. As of June 30, 2008, \$794,500 was designated for retiree benefits in a special reserve account. According to the Office's GASB 45 actuarial study dated August 6, 2008, the

OPEB actuarial accrued liability was \$794,500 as of July 1, 2007. In fiscal year 2008-09, the Office estimates that the cost of OPEB benefits is \$108,947 on a pay-as-you-go basis.

Accounting Practices

The Office accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the Office conform to accounting principles generally accepted in the United States of America, or GAAP. The Governmental Accounting Standards Board, or GASB, is responsible for establishing GAAP for state and local governments through its pronouncements. Office accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the General Fund, which accounts for all financial resources not requiring a special type of fund.

The Office's basic financial statements consist of government-wide statements and fund-based financial statements. Government-wide statements, consisting of a statement of net assets and a statement of activities, report all the assets, liabilities, revenue and expenses of the Office and are accounted for using the economic resources measurement focus and accrual basis of accounting. The fund-based financial statements consist of a series of statements that provide information about the Office's major and non-major funds. Governmental funds, including the General Fund, special revenues funds and debt service funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become measurable and available, while expenditures are recognized in the period in which the liability is incurred, if measurable. Proprietary funds and fiduciary funds are accounted for using the economic resources measurement focus and accrual basis of accounting.

The independent auditor for the Office is Goodell, Porter & Fredericks, Sacramento, California. The financial statements of the Office as of and for the year ending June 30, 2008, are set forth in "APPENDIX A" attached hereto.

Financial Statements and Office Budgets

Figures presented in summarized form herein have been gathered from the Office's basic financial statements. The audited financial statements of the Office for the fiscal year ending June 30, 2008, have been included in the appendix to this Official Statement. See "APPENDIX A" herein. Audited basic financial statements for all prior fiscal years are on file with the Office and available for public inspection during normal business hours. Copies of basic financial statements relating to any year are available to prospective investors and or their representatives upon request by contacting the Office at the address and telephone number set forth on page "iii" of this Official Statement, or by contacting the Office's financial advisor, Government Financial Strategies inc., 1228 N Street, Suite 13, Sacramento, California, 95814-5609, Tel. (916) 444-5100.

The Office's General Fund finances the legally authorized activities of the Office for which restricted funds are not provided. General Fund revenues are derived from such sources as federal and State school apportionments, taxes, use of money and property, and aid from other governmental agencies.

The Office is required by provisions of the State of California Education Code to maintain a balanced budget each year, where the sum of expenditures plus the ending fund balance cannot exceed revenues plus the carry-over fund balance from the previous year. The State of California Department of Education imposes a uniform budgeting format for school districts and county offices of education.

The fiscal year for all school districts is July 1 to June 30. The same calendar applies to the budgets of county offices of education, except that their budgets and reports go to the Superintendent of Public Instruction for review. The State budget, too, is extremely important since school districts depend on it for a substantial portion of their revenue. There is a very close timing in the summer between final approval of the State budget, school finance legislation, and the adoption of local district budgets. In some years, the State budget is not approved by the deadline, which forces school districts to begin the new fiscal year with only estimates of the amount of money they will actually receive.

The school district budgeting process involves continuous planning and evaluation. Within the deadlines, school districts work out their own schedules for considering whether or not to hire or replace staff, negotiating contracts with all employees, reviewing programs, and assessing the need to repair existing or acquire new facilities. Decisions depend on the critical estimates of enrollment, fixed costs, commitments in contracts with employees as well as best guesses about how much money will be available for elementary and secondary education.

The timing of some decisions is forced by legal deadlines. For example, preliminary layoff notices to teachers must be delivered in March, with final notices in May. This necessitates projecting enrollments and determining staffing needs long before a school district will know either their final financial positions for the current year or their income for the next one.

The governing board must submit a budget to the county superintendent by July 1, and a publicized opportunity for public participation in the budget process is required by law. There are two options for budget adoption. Districts may adopt their budgets by July 1 and then revise and readopt them by September 8 after a public hearing. Alternatively, school districts may decide, by the previous October 31, to hold public hearings before adopting their budgets by July 1. School districts choosing this option revise their revenues and expenditures after the State budget act is adopted, without a second public hearing. All school districts must perform a criteria and standards review before budget adoption. And, those school districts on the alternative schedule for adoption must repeat the review before their revision only if the July 1 budget was disapproved. Recent legislation requires criteria and standards for stringent review of school districts' finances, focusing primarily on predictions of average daily attendance, operating deficit, and reserves. It tells when and how outside committees, or an appointed trustee in emergency situations, must work with school districts. This oversight is part of an effort to reduce the number of districts in financial trouble and to increase the responsible use of tax dollars.

The county superintendents monitor all school districts' budgets, ongoing financial obligations and multi-year contracts. They have specific powers for recommending actions to revise budgets. They are not, however, authorized to abrogate existing collective bargaining agreements. School districts must review their financial position for the periods ending October 31 and January 31 in order to certify their abilities to meet commitments through the rest of the school year.

Each school district is required by the State of California Education Code to file these two interim reports each year by not later than December 15 and March 15. The county offices of education must then, within 30 days, evaluate the interim reports and forward their comments to the State of California Department of Education and the State Controller's Office. Included in the report is a certification by the president of the governing board of each school district which essentially classifies the school district according to its ability to meet its financial obligations. The certifications are grouped into three categories: A Positive Certification, which designates that the school district will be able to meet its financial obligations for the remainder of the fiscal year and subsequent two fiscal years; a Qualified Certification, which means that the school district may not be able to meet its financial obligations for the remainder of the fiscal year or the next two fiscal years, based upon current projections; and a Negative Certification, which signifies that the school district will not be able to meet its financial obligations for the remainder of the fiscal year or the next fiscal year, based upon current projection.

The Office filed positive certifications for its first and second interim reports for the past five fiscal years.

The following illustration sets forth certain General Fund information for the Office.

**General Fund Activity
El Dorado County Office of Education
For The Fiscal Years as Indicated**

	2005-06 <u>Audited</u>	2006-07 <u>Audited</u>	2007-08 <u>Audited</u>	2008-09 <u>Second Interim</u>	2009-10 <u>Projected</u>
BEGINNING BALANCE JULY 1	\$4,110,882	\$4,454,665	\$6,256,703	\$7,406,897	\$6,216,151
REVENUES					
Revenue Limit Sources	\$10,875,118	\$11,611,320	\$13,302,007	\$12,976,967	\$12,822,788
Federal Revenue	9,708,896	10,332,303	10,223,497	10,743,272	10,669,996
Other State Revenues	12,456,170	14,742,473	16,382,208	17,896,565	18,572,723
Other Local Revenues	8,615,015	10,266,531	4,946,912	5,087,168	5,044,092
TOTAL REVENUES	\$41,655,199	\$46,952,627	\$44,854,624	\$46,703,972	\$47,109,599
EXPENDITURES					
Certificated Salaries	\$9,883,078	\$10,539,674	\$10,808,348	\$11,074,637	\$11,136,786
Classified Salaries	9,335,795	10,523,590	8,464,592	8,960,159	9,213,501
Employee Benefits	6,054,840	6,336,084	5,896,711	6,299,074	6,367,072
Books and Supplies	2,023,599	2,204,341	1,891,850	1,752,589	1,625,482
Services & Other Op. Expenses	6,024,535	6,856,886	6,398,237	6,800,016	6,347,188
Capital Outlay	575,480	353,791	175,267	1,332,384	192,543
Other Outgo	7,964,166	8,860,410	10,557,591	12,164,688	13,084,950
Debt Service	147,669	145,515	51,972	--	--
TOTAL EXPENDITURES	\$42,009,162	\$45,820,291	\$44,244,568	\$48,383,547	\$47,967,522
OTHER USES (SOURCES)	697,745	669,702	540,138	488,830	573,132
NET INCREASE (DECREASE)	343,783	1,802,038	1,150,194	(1,190,745)	(284,791)
ENDING BALANCE	\$4,454,665	\$6,256,703	\$7,406,897	\$6,216,151	\$5,931,410

Note: Copies of historical audited financial statements of the Office are available upon request.

Revenues

Most of the Office's funding comes in two forms: revenue limit State apportionment, and State and federal grants and appropriations by program or purpose. Programs primarily funded through revenue limit apportionment and property tax revenue include the Board's special education, alternative schools (including juvenile court and community schools), and regional occupation programs. These programs receive the majority of their funding through State entitlements and State revenue limit funding. Federal and State grant funded programs include a variety of other categorical aid programs.

The Office categorizes its General Fund revenues into four primary sources: revenue limit sources, federal revenues, other state revenues and other local revenues.

Revenue Limit Sources. Revenue limit sources accounted for approximately 29.7% of General Fund revenues in fiscal year 2007-08 and are estimated to be approximately 27.8% of General Fund revenues in fiscal year 2008-09.

Federal Sources. The federal government provides funding for several Office programs. These federal revenues, most of which are restricted, were 22.8% of General Fund revenues in fiscal year 2007-08 and are estimated to be approximately 23.0% of General Fund revenues in fiscal year 2008-09.

Other State Sources. In addition to apportionment revenues, the State provides funding for several Office programs. These Other State revenues, most of which are restricted, are 36.5% of General Fund revenues in fiscal year 2007-08 and are estimated to be approximately 38.3% of General Fund revenues in fiscal year 2008-09. Included in Other State Sources are proceeds received from the State from the California State Lottery.

Other Local Sources. In addition to property taxes, the Office receives additional local revenues. Revenues from Other Local Sources are estimated to be approximately 11.0% of General Fund revenues in fiscal year 2007-08 and are estimated to be approximately 10.9% of General Fund revenues in fiscal year 2008-09.

Expenditures

Employee salaries and benefits were 56.9% of General Fund expenditures in fiscal year 2007-08 and are estimated to be approximately 4.4% of General Fund expenditures.

Short Term Borrowings

The Office has in the past issued short-term tax and revenue anticipation notes. Proceeds from the issuance of notes by the Office in previous fiscal years were used to reduce interfund dependency and to provide the Office with greater overall efficiency in the management of its funds. The Office has never defaulted on any of its short term borrowings.

Capitalized and Bonded Lease Obligations

The Office has made use of various capital and bonded lease arrangements in the past under agreements which provide for title of items and equipment being leased to pass to the Office upon expiration of the lease period. The Office's capital lease agreements have been used for such purposes as the purchase of relocatable classrooms and various other essential use equipment. The Board has no bonded lease obligation outstanding.

Long Term Bonded Debt

The Office has no outstanding long term bonded debt.

Monthly Cash Flow

The Office has prepared for use in this Official Statement the following cash flow statements which show actual and projected cash receipts and disbursements for fiscal year 2008-09, and projected cash receipts and disbursements for the Fiscal Year.

[to come]

[to come]

TAXATION AND APPROPRIATIONS

Ad Valorem Property Taxation

The Office and the Participant Districts utilize the services of the County for the assessment and collection of taxes for Office purposes, except for public utility property which is assessed by the State Board of Equalization. For a description of how properties are presently assessed, see “CONSTITUTIONAL & STATUTORY PROVISIONS AFFECTING REVENUES & EXPENDITURES.” The State Constitution and sections of various State statutes provide exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, nonprofit hospitals, charitable institutions and for severely handicapped individuals. The State Constitution exempts from *ad valorem* property taxation \$7,000 of full value of owner occupied dwellings, and requires the Legislature to reimburse each local government for revenue lost as a result of the exemption.

Taxation of State-Assessed Utility Property

A portion of property tax revenue of the Office and the Participant Districts is derived from utility property subject to assessment by the State Board of Equalization (“SBE”). State-assessed property, or “unitary property,” is property of a utility system with components located in many taxing jurisdictions assessed as part of a “going concern” rather than as individual parcels of real or personal property. Unitary and certain other state-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the Office and the Participant Districts) according to statutory formulae generally based on the distribution of taxes in the prior year.

Recent changes in the California electric utility industry structure and in the way in which components of the industry are regulated, including the sale of electric generation assets to largely unregulated, nonutility companies, may affect how utility assets are assessed in the future, and which local agencies are to receive the property taxes. Neither the Office nor the Participant Districts is able to predict the impact of these changes on its utility property tax revenues, or whether future legislation or litigation may affect the State’s methods of assessing utility property and allocating tax revenues to local taxing agencies, including such Office and the Participant Districts.

Because neither the Office nor the Participant Districts are basic aid issuers, any taxes lost due to a reduction in, or transfer to another jurisdiction of, utility property assessed valuation will be compensated by the State under the State’s school financing formula. See “STATE FUNDING OF PUBLIC EDUCATION” herein.

Alternative Method of Tax Apportionment

The County Board approved implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), pursuant to sections 4701 through 4717 of the State’s Revenue & Taxation Code. This action of the County Board came pursuant to the endorsement of the Teeter Plan by the taxing districts of the County. The Teeter Plan guarantees distribution of 100% of the general taxes levied to the taxing entities within the County, with the County retaining all penalties and interest affixed upon delinquent properties and redemptions of subsequent collections. The purpose of utilizing the Teeter Plan is to simplify the tax-levying and tax-apportioning process and to provide increased flexibility in the use of available cash resources.

The Treasurer’s cash position is protected by a special fund, known as the “Tax Loss Reserve Fund,” which accumulates moneys from tax and penalty collections. In each fiscal year, the Tax Loss Reserve Fund is funded in the amount of either 1% of the previous fiscal year’s net secured tax roll or 25% of the previous fiscal year’s net Teeter delinquencies, whichever formula the County chooses to use. Amounts exceeding the amount required to be maintained in the Tax Loss Reserve Fund may be credited to the County’s general fund. Amounts required to be maintained in the tax loss reserve fund may be drawn on to the extent of the amount of uncollected taxes credited to each agency in advance of receipt.

A county electing to utilize the Teeter Plan may elect to discontinue its use for any tax levying agency if the rate of secured tax delinquencies in any fiscal year exceeds 3% of the total of all taxes levied on the secured roll of that agency. Otherwise, the Teeter Plan is to remain in effect unless the County Board orders its discontinuance or unless, prior to the commencement of any fiscal year, the County Board receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the County Board is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions, including the Office and the

Participant Districts. Further, the Office's and the and the Participant Districts' tax revenues would be subject to taxpayer delinquencies, and the Office and the Participant District would realize the benefit of interest and penalties collected from delinquent taxpayers, pursuant to law.

STATE FUNDING OF PUBLIC EDUCATION

Sources of Revenue for Public Education

Sources of Revenue. The State's K-12 education system is supported primarily from State revenues, mostly sales and income taxes. The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL & STATUTORY PROVISIONS AFFECTING SCHOOL DISTRICT REVENUES & EXPENDITURES). As a result, changes in State revenues may affect appropriations made by the State to school districts. State revenue sources for school districts are supplemented with local property taxes, federal aid, local miscellaneous funds, and the California lottery.

In recent years, approximately 58% of all funds for California K-12 public education came from the State budget, which is required to be proposed by the Governor by January 10 and adopted by June 15 of each year (although the State often is late adopting the budget). Approximately 21% of funding for K-12 education comes from local property taxes. The California Constitution limits property taxes to one percent of the value of property; property taxes may only exceed this limit to repay voter approved debt.

Statewide, approximately 13% of school districts' revenues come from the federal government, and about 6% come from local miscellaneous sources. The latter category includes items such as food sales, money for debt repayment, interest on reserves and, in some cases, more significant sources such as developer fees and parcel taxes. Developer fees are fees that school districts can levy on new residential or commercial development within their boundaries to finance the construction or renovation of school facilities. Many school districts also seek grants or contributions, sometimes channeled through private foundations established to solicit donations from local families and businesses. School districts that still have unused school buildings or sites can lease or sell them for miscellaneous income as well. A significant number of school districts have secured the required two-thirds approval from local voters to levy special taxes on parcels or residences and/or have won voter approval, with either a two-thirds vote or a 55% majority, to sell general obligation bonds or to establish special taxing districts for the construction of schools. Use of such taxes is restricted by law.

The final revenue source for school districts is the California State Lottery. Approved by voters in late 1984, the lottery generates about 1% of total school revenues. Every three months the Lottery Commission calculates 34% of lottery proceeds for all public education institutions, the minimum according to the lottery law. Every K-14 school district receives the same amount of lottery funds per pupil from the State, which may be spent for any instructional purpose, excluding capital projects.

No other source of general purpose revenue is currently permitted for schools. Proposition 13 eliminated the possibility of raising additional *ad valorem* property taxes for general school support, and the courts have declared that fees may not be charged for school-related activities other than for busing services.

The State Revenue Limit. The State Revenue Limit was first instituted in 1973-74 to provide a mechanism to calculate the amount of revenue a school district, community college district or county board of education is entitled to receive from State and local sources. Each school district has its own target amount of funding from State funds and local property taxes per Average Daily Attendance (the "ADA"). The ADA is the average number of pupils attending school over the year. This target is known as revenue limit, and the funding from this calculation forms the bulk of all school districts' income. The State Legislature usually grants annual cost-of-living adjustments (COLAs) to revenue limits. The exact amount depends on whether the school district is an elementary, high school or a unified school district.

Apportionments for revenue limits are calculated three times a year for each school district, community college district and county board of education. The first calculation is performed for the February 20th First Principal Apportionment, the second calculation for the June 25th Second Principal Apportionment, and the final calculation for the end of the year Annual Apportionment. Calculations are reviewed by the county and submitted to the State Department of Education with respect to school districts and to the Chancellor of the California Community Colleges with respect to community college districts, which, respectively, reviews the calculations for accuracy, calculates the amount of state aid owed to such school district or community college district, as the case may be, and notifies the State Controller of the amount, who then distributes the state aid.

School districts that receive their revenue limit income entirely from property taxes are called “basic aid” school districts. They are permitted to keep all their property tax money (even if it exceeds their revenue limit). As guaranteed in the California Constitution, the State must apportion \$120 per pupil. However, the categorical aid (see below) that school districts receive counts toward this requirement.

Distribution of Revenue for Public Education

General Purpose. The largest part of each school district's revenue funds general operating expenses associated with providing education, including salaries, benefits, supplies, textbooks and regular maintenance. As previously mentioned, the Revenue Limit governs the amount each school district receives. Each school district also receives some State and federal money for special programs, special costs, or categories of children with particular educational needs, called “categorical aid.”

Categorical Aid. This special support goes into a school district's General Fund, but its expenditure is restricted to the purpose for which it is granted. About seventy-five percent (75%) of the total money generated for education is for general purposes, and about twenty-five percent (25%) is for categorical aid. The complex allocation system is adjusted somewhat by the State Legislature almost every year, with unpredictable effects on individual school districts.

There are a number of major federal and State categorical aid programs. Some allocations come automatically to school districts, while others require an application. Some programs are based on the characteristics of the children or families in a particular school district, such as gifted and talented, non-English speaking, migrant, low income or handicapped students. Other programs are for specific activities or expenses, such as transportation, textbooks or childcare. Each year a large amount of aid is allocated directly to the State Teachers' Retirement System (STRS) fund. For the past several years, supplemental grants have been directed to equalizing school districts' income from revenue limits plus specific categoricals. Most of the federal funds flow through the California Department of Education, which retains a certain percentage for administration.

In terms of dollars and the number of children served, the largest categorical aid program is special education under the Individuals with Disabilities Act (IDEA). According to court decisions and federal and California law, school districts are responsible for the appropriate education of each handicapped child from age 3 to 21 who lives within their boundaries. The allocations do not cover the cost of educating them. School districts are required to contribute a certain amount of general purpose funds for Special Education, and many spend much more. This is known as “encroachment.”

School Facilities. Growing enrollments and/or aging facilities require school districts to build or make major renovations to school buildings. The income from developer fees on residential or commercial property is insufficient to fund all facilities costs. Voter approved general obligation bond moneys may only be used for purchase or improvement of real property, while Mello-Roos taxes can be used for this as well as for ongoing maintenance or purchase of needed equipment. A majority of voters has regularly approved state bond measures for the construction or reconstruction of schools.

The 2008-09 State Budget

The information in this section has been compiled from publicly available information through the California Department of Finance and the Legislative Analysts' Office. The Office, the Participant Districts, the County and the Underwriter do not assume any responsibility for the accuracy of such information as set forth or incorporated by reference herein, although they believe that the information provided by the above-listed sources is reliable.

On September 23, 2008, the Governor signed into law the 2008-09 Budget Act (the “2008-09 Budget”).

The State General Fund. State general fund expenditures are budgeted to be \$103.4 billion in fiscal year 2008-09, virtually no growth from estimated fiscal year 2007-08 State general fund expenditures of \$103.3 billion. State general fund revenues are budgeted to be \$101.9 billion in fiscal year 2008-09, a decrease of \$1.1 billion from estimated 2007-08 State general fund revenues of \$103.0 billion. The fiscal 2008-09 year-end reserve is budgeted to be \$1.7 billion, down from an estimated \$3.1 billion reserve for fiscal 2007-08 year-end. The 2008-09 Budget includes the effect of various measures that are not yet in State law.

Funding for Education. The State has been experiencing a consistent decline in student ADA as a result of a steady decline in birth rates throughout the 1990s. ADA for K-12 is projected to decrease from 5,947,000 in fiscal year 2007-08 to 5,916,000 in fiscal year 2008-09.

Proposition 98 sets the minimum funding levels for K-12 and community college education based on a complex set of formulas using a multitude of factors, including the prior year level of funding, State General Fund revenues, per capita personal income, and school attendance growth or decline (see “CONSTITUTIONAL & STATUTORY PROVISIONS AFFECTING REVENUES & EXPENDITURES” herein).

The 2008-09 Budget provides for \$58.1 billion in Proposition 98 funding, an increase of \$1.5 billion from estimated 2007-08 funding levels of \$56.6 billion. The State general fund provides \$41.9 billion of the \$58.1 billion Proposition 98 funding for fiscal year 2008-09, with the remaining balance funded by local property taxes (including the effect of new legislation requiring redevelopment agencies to transfer certain tax increment revenues to local education agencies). In 2007-08, the State general fund provided \$41.5 billion of the \$56.6 billion Proposition 98 funding. K-12 Proposition 98 per-pupil funding is projected to be \$8,784 in 2008-09, up from \$8,509 in 2007-08.

The cost of living adjustment (“COLA”) for K-12 education and community colleges included in the 2008-09 Budget is 0.68% (a statutory COLA of 5.66% less a deficit factor of 4.98%). No COLA is provided for categorical programs.

Total K-12 education funding from all sources is budgeted to be \$71.9 billion in the fiscal year 2008-09 (approximately \$68 billion of which is from State, federal and local property tax accounted for in the 2008-09 Budget). Total K-12 per pupil funding from all sources is projected to be \$12,152 in fiscal year 2008-09, an increase of \$110 from \$12,042 in fiscal year 2007-08.

The full text of the 2008-09 Budget may be found at the State Department of Finance website, www.dof.ca.gov.

The 2009-10 Proposed Budget and Revised 2008-09 Figures

The information in this section has been compiled from publicly available information through the California Department of Finance and the Legislative Analysts’ Office. The Office, the Participant Districts, the County and the Underwriter do not assume any responsibility for the accuracy of such information as set forth or incorporated by reference herein, although they believe that the information provided by the above-listed sources is reliable.

Overview. On February 20 2009, the Governor proposed the 2009-10 Budget Act (the “2009-10 Proposed Budget”). [to come]

The full text of the 2009-10 Proposed Budget may be found at the State Department of Finance website, www.dof.ca.gov, and the Legislative Analyst’s Office overview may be found at www.lao.ca.gov.

Future Budgets

The Office and the Participant Districts cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the Office and the Participant Districts will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools as budgeted. Continued State budget shortfalls in future fiscal years could have an adverse financial impact on the Office and the Participant Districts.

For more information on the State Budget, please refer to the California Department of Finance’s website at www.dof.ca.gov and to the Legislative Analyst’s Office’s website at www.lao.ca.gov.

CONSTITUTIONAL & STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES & EXPENDITURES

Limitations on Revenues

Article XIII A of the California Constitution. Article XIII A of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIII A limits the maximum ad valorem tax on real property to one percent of “full cash value,” and provides that such tax shall be collected by the counties and apportioned according to State law. Section 1(b) of Article XIII A provides that the one-percent limitation does not apply to *ad valorem* taxes levied to pay interest and

redemption charges on: (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the bond proposition.

Section 2 of Article XIII A defines “full cash value” to mean the county assessor’s valuation of real property as shown on the fiscal year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. The Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restored value of the damaged property. The California courts have upheld the constitutionality of this procedure. Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except the 1% base tax levied by each county and taxes to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of school districts.

Both the California State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

Article XIII C and Article XIII D of the California Constitution. On November 5, 1996, the voters of the State approved Proposition 218, the so-called “Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the State Constitution, which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges. Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes); prohibits special purpose government agencies such as school districts from levying general taxes; and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote. Article XIII C also provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

Article XIII C also provides that the initiative power shall not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. The State Constitution and the laws of the State impose a duty on the county treasurer-tax collector to levy a property tax sufficient to pay debt service on school bonds coming due in each year. The initiative power cannot be used to reduce or repeal the authority and obligation to levy such taxes which are pledged as security for payment of the Bonds or to otherwise interfere with performance of the duty of the District and the County with respect to such taxes. Legislation adopted in 1997 provides that Article XIII C shall not be construed to mean that any owner or beneficial owner of a municipal security assumes the risk of or consents to any initiative measure which would constitute an impairment of contractual rights under the contracts clause of the U.S. Constitution.

Article XIII D deals with assessments and property-related fees and charges. Article XIII D explicitly provides that nothing in Article XIII C or XIII D shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. Developer fees imposed by the District are restricted as to use and are neither pledged nor available to pay the Bonds.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Expenditures and Appropriations

Article XIII B of the California Constitution. In addition to the limits Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and local governments are subject to an annual “appropriations limit” or “Gann Limit” imposed by Article XIII B of the State Constitution, which effectively limits the amount of such revenues that government entities are permitted to spend. Article XIII B, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to “proceeds of taxes,” which consist of tax revenues, state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed “the cost reasonably borne by such entity in providing the regulation, product or service.” “Proceeds of taxes” excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not “proceeds of taxes,” such as reasonable user charges or fees, and certain other non-tax funds.

Article XIII B also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. The appropriations limit may also be exceeded in cases of emergency; however, the appropriations limit for the three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State, and each local government entity, has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Each school district is required to establish an appropriations limit each year. In the event that a school district’s revenues exceed its spending limit, the district may increase its appropriations limit to equal its spending by taking appropriations limit from the State.

Proposition 111 requires that each agency’s actual appropriations be tested against its limit every two years. If the aggregate “proceeds of taxes” for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency’s taxpayers through tax rate or fee reductions over the following two years. If the State’s aggregate “proceeds of taxes” for the preceding two-year period exceeds the aggregate limit, 50% of the excess is transferred to fund the State’s contribution to school and college districts.

Future Initiatives. Articles XIII A, XIII B, XIII C, and XIII D, and Propositions 98 and 111 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted, further affecting school district revenues or their ability to expend revenues.

LEGAL MATTERS

Legal Opinion

Bartkiewicz Kronick & Shanahan, Sacramento, California, Bond Counsel, will render their opinion with respect to the validity and enforceability of the Resolution and as to the validity of the Notes. Copies of such approving opinion will be available at the time of delivery of the Notes, and a copy of the legal opinion will be printed on the Notes. The form of the legal opinion proposed to be delivered by Bond Counsel is included in “APPENDIX D—FORM OF BOND COUNSEL OPINION” of this Official Statement.

Absence of Litigation

No litigation is pending or, to the best knowledge of the Office, threatened concerning the validity of the Notes, and an opinion, representation or certificate to that effect will be furnished to the purchaser at the time of the original delivery of the Notes. The Office is not aware of any litigation pending or threatened against such Office questioning its political existence or contesting its ability to levy and collect ad valorem taxes or to collect or receive other pledged revenues or contesting the Office’s ability to issue and retire the Notes.

Tax Matters

In the opinion of Bartkiewicz Kronick & Shanahan, Bond Counsel, based on existing statutes, regulations, rulings, and court decisions, interest on the Notes are excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes. A copy of the proposed form of the opinion of Bond Counsel is set forth in “APPENDIX D—FORM OF BOND COUNSEL OPINION” of this Official Statement.

The Internal Revenue Code of 1986, as amended (the “Code”) imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Notes. The District has covenanted to comply with certain restrictions designed to assure that interest on the Notes will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Notes being included in federal gross income, possibly from the date of issuance of the Notes. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Notes may affect the tax status of interest on the Notes.

Bond Counsel is further of the opinion that interest on the Notes are not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes.

Certain requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions may be taken, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with an approving opinion of nationally recognized bond counsel. Bartkiewicz Kronick & Shanahan expresses no opinion as to any Note or the interest thereon, if any such change occurs or action is taken upon advice or approval on bond counsel other than Bartkiewicz Kronick & Shanahan.

Although Bond Counsel has rendered an opinion that interest on the Notes are excluded from federal gross income, the ownership or disposition of, or the accrual or receipt of interest on, the Notes may otherwise affect the recipient's federal tax liability. The nature and extent of these other tax consequences will depend upon the recipient's particular tax status and other items of income or deduction. Bond Counsel expresses no opinion regarding any other federal or State tax consequences.

RATING

Standard & Poor's (A Division of the McGraw-Hill Companies, Inc.) has assigned the Notes the rating affixed to and made a part of the cover page hereof. The Office and the Participant Districts furnished Standard & Poor's certain information and materials concerning the Notes, the Office, and the Participant Districts. Generally, Standard & Poor's bases its rating on such information and materials and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that either such rating will continue for any given period of time or that it may not be suspended, lowered or withdrawn entirely by Standard & Poor's if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse material effect on the secondary market price of the Notes. Any explanation of the significance of the rating may be obtained only from Standard & Poor's, Public Finance Department, 55 Water Street, 38th Floor, New York, New York 10041, telephone (212) 438-2400.

FINANCIAL ADVISOR

Government Financial Strategies inc., has been employed by the Office to perform financial advisory services in relation to the sale and delivery of the Notes. Government Financial Strategies inc., in its capacity as financial advisor, has read and participated in drafting certain portions of this Official Statement. Government Financial Strategies inc. has not, however, independently verified nor confirmed all of the information contained within this Official Statement. Government Financial Strategies inc. will not participate in the underwriting of the Notes. Fees charged by Government Financial Strategies inc. are not contingent upon the sale of the Notes.

INDEPENDENT AUDITORS

The financial statements of the Office and the Participant Districts as of June 30, 2008, and for the fiscal year then ending, have been audited by Goodell, Porter & Fredericks, Sacramento, California. The financial statements of the Office and the Participant Districts as of and for the year ending June 30, 2008, are set forth in “APPENDIX A” and “APPENDIX B” attached hereto. Complete copies of past and current financial statements may be obtained from the Office. See “THE OFFICE—Financial Statements and Office Budgets” herein.

UNDERWRITING AND INITIAL OFFERING PRICE

The Notes were sold to _____ (the “Underwriter”), pursuant to a note purchase contract by and among the Office and the Underwriter for an amount equal to the principal amount of the Notes of plus a premium of \$_____, for a total purchase price of \$_____, at a true interest cost (TIC) to the Office of _____%.

The Underwriter has certified to the Office and to Bond Counsel the initial price at which the Notes have been reoffered to the general public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers). The reoffering price or corresponding yield to maturity is as set forth on the cover page hereof. The initial offering price stated on the cover page to this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing Notes into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

CONTINUING DISCLOSURE

The Office has covenanted for the benefit of the holders and the beneficial owners of the Notes to provide notice of the occurrence of certain enumerated events, if material. See “APPENDIX C—FORM OF CONTINUING DISCLOSURE CERTIFICATE” herein. Notices of material events will be filed by the Office with each Nationally Recognized Municipal Securities Information Repository or the Municipal Securities Rulemaking Board, and with the State Information Depository, if any. This covenant of the Office has been made to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5). The Office has not failed to comply in all material respects with regard to said Rule.

ADDITIONAL INFORMATION

Additional information concerning the Board, the Office, the Participant Districts, the Notes or any other matter concerning the sale and delivery of the Notes may be obtained from the Office by contacting the Office or by contacting the Office’s financial advisor, Government Financial Strategies inc., 1228 N Street, Suite 13, Sacramento, California 95814-5609, telephone (916) 444-5100, facsimile telephone (916) 444-5109.

All of the preceding summaries of the Resolution, other applicable legislation, agreements and other documents are made subject to the provisions of such documents respectively, and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Board for further information in connection therewith. Further, this Official Statement does not constitute a contract with the purchasers of the Notes, and any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement have been duly authorized by the Board.

EL DORADO COUNTY OFFICE OF EDUCATION

By: _____
Terena Mendonca
Associate Superintendent, Administrative Services

APPENDIX A

THE BASIC FINANCIAL STATEMENTS OF THE OFFICE AS OF AND FOR THE YEAR
ENDING JUNE 30, 2008

[TO COME]

APPENDIX B

PARTICIPANT DISTRICTS' CASH FLOW STATEMENTS AND EXCERPTS FROM THE BASIC
FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDING JUNE 30, 2008

[TO COME]

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

[TO COME]

APPENDIX D
FORM OF OPINION OF BOND COUNSEL

[TO COME]

1228 N Street, Suite 13
Sacramento, CA 95814
(916) 444-5100



revenues”, as hereinafter defined, (a) in an amount equal to _____ percent (___%) of the principal amount of the Notes from the unrestricted revenues received by the County on behalf of the Office in the month of _____, 20__, (b) in an amount equal to _____ percent (___%) of the principal amount of the Notes from the unrestricted revenues received by the County on behalf of the Office in the month of _____, 20__, (c) in an amount equal to _____ percent (___%) of the principal amount of the Notes from the unrestricted revenues received by the County on behalf of the Office in the month of _____, 20__, and (d) in an amount equal to _____ percent (___%) of the principal amount of the Notes, plus an amount sufficient to pay interest on the Notes, from the unrestricted revenues received by the County on behalf of the Office in the month of _____, 20__, such pledged amounts being hereinafter called the “Pledged Revenues”); and the principal of the Notes and the interest thereon shall constitute a first lien and charge against and shall be payable from the first money received by the County from such Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the County lawfully available therefor. The term “unrestricted revenues” shall mean taxes, income, revenue and other moneys intended as receipts for the general fund of the Office and which are generally available for the payment of current expenses and other obligations of the Office.

The Notes are issuable as fully registered notes, without coupons, in denominations of \$5,000 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 Office may treat the Owner hereof as the absolute owner hereof for all purposes and the Office shall not be affected by any notice to the contrary.

Unless this Note 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 Note 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 Education of El Dorado County, California has caused this Note to be issued and to be executed by the manual or facsimile signature of the President of the Board and countersigned by the manual or facsimile signature of the Secretary of the Board, all as of the Issue Date stated above.

**BOARD OF EDUCATION
COUNTY OF EL DORADO**

By: _____
President

Countersigned:

Vicki L. Barber, Ed. D., Secretary and
Executive Officer

Authenticated by the manual signature of
an authorized officer of the Registrar on
the following date:

By: _____
_____, Authorized Officer

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

_____ 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 alternation or enlargement or any change whatsoever.

Signature Guaranteed:

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

[INSERT FORM OF BOND COUNSEL OPINION]

I HEREBY CERTIFY that the foregoing is a true and correct copy of the legal opinion upon the Notes therein described that was manually signed by Bartkiewicz, Kronick & Shanahan, and was dated as of the date of delivery of and payment for said Notes.

RESOLUTION NO. 2009-06

**EL DORADO COUNTY BOARD OF EDUCATION
RESOLUTION AUTHORIZING THE ISSUANCE OF
2009-2010 TAX AND REVENUE ANTICIPATION NOTES
AND REQUESTING THE BOARD OF SUPERVISORS OF
EL DORADO COUNTY TO ISSUE SAID NOTES**

WHEREAS, pursuant to Sections 53850, et seq., of the Government Code of the State of California (the "Act") contained in Article 7.6 thereof, entitled "Temporary Borrowing," on or after the first day of any fiscal year (being July 1), the El Dorado County Office of Education (the "Office") may borrow money by issuing tax and revenue anticipation notes in one or more series for any purpose for which the Office is authorized to expend moneys, including, but not limited to, current expenses, capital expenditures, and the discharge of any obligation or indebtedness of the Office; and

WHEREAS, Section 53853 of the Act provides that such notes shall be issued in the name of the Office by the Board of Supervisors of El Dorado County (the "County Board") as soon as possible following the receipt of a resolution of the governing board of the Office requesting the borrowing unless, pursuant to Section 53853, the County Board fails to timely authorize or notifies that it will not authorize the issuance of said notes, in which event the notes may be issued by the Office pursuant to Section 53853(b) of the Act; and

WHEREAS, the Superintendent of El Dorado County Office of Education (the "County Superintendent") has jurisdiction over the Office, and this Board of Education of El Dorado County Office of Education (the "Office Board") hereby requests the borrowing of not to exceed Thirty Million Dollars (\$30,000,000) at an interest rate not to exceed six percent (6%) through the issue by the County Board of 2009-2010 Tax and Revenue Anticipation Notes (the "Notes") in the name of the Office; and

WHEREAS, the Office Board has found and determined that said \$30,000,000.00 maximum principal amount of Notes to be issued by the County Board on behalf of the Office in fiscal year 2009-2010, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including, but not limited to, revenue from state and federal governments), cash receipts and other moneys of the Office which will be available for the payment of the Notes and interest thereon, as required by Section 53858 of the Act; and

NOW, THEREFORE, the Office Board hereby resolves as follows:

Section 1. Findings. All of the above recitals are true and correct and the Office Board so finds and determines.

Section 2. Authorization of Issuance of Notes; Terms Thereof; Paying Agent. The Office Board hereby authorizes the borrowing of an amount not to exceed \$30,000,000.00

principal amount of notes and requests the County Board to issue in the name of the Office the Notes under Sections 53850, et seq., of the Act, designated “El Dorado County Office of Education, El Dorado County, State of California, 2009-2010 Tax and Revenue Anticipation Notes” (the “Notes”); to be numbered from 1 consecutively upward in order of issuance; to be in the denominations of \$5,000, or integral multiples thereof, to be dated the date of delivery thereof; to mature (without option of prior redemption) on such date as shall be determined by the County Superintendent (or the County Superintendent’s designee) prior to the date of sale of the Notes, and shall bear interest from their date, payable at maturity (if the maturity of the Notes is determined to be one year or earlier from the date of issuance) or payable twelve months from the date of issue and at maturity (if the maturity of the Notes is determined to be more than one year from the date of issuance), and computed on a 30-day month/360-day year basis. Should the County Board fail to authorize or decline to issue, the Notes shall be issued by the Office.

Subject to Section 3 hereof, both the principal of and interest on the Notes shall be payable at the office of Wells Fargo Bank, National Association, San Francisco, California, which is hereby designated as the paying agent (the “Paying Agent”).

The Office Board hereby authorizes loans to be made to certain of those districts within the Office’s jurisdiction (the “Districts”) from the proceeds of the Notes, provided that such loans shall be repayable at a rate of interest, computed on a 30-day month/360-day year basis, at the rate to be borne by the Notes, and as otherwise provided in the resolutions of the Districts authorizing such loans (the “District Resolutions”).

Section 3. Form of Notes. The Notes shall be issued in registered form, without coupons signed by facsimile or manual signature of the County Superintendent or designee, 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 issued in fully registered form, and at the closing, there shall be one Note registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC is hereby appointed depository for the Notes. There shall be printed on each Note the legal opinion of Bartkiewicz, Kronick & Shanhan respecting the validity of said Notes and, immediately following such legal opinion, a certificate executed with the manual or facsimile signature of the Secretary of the Office Board, said certificate to be in substantially the following form:

I HEREBY CERTIFY that the foregoing is a true and correct copy of the legal opinion regarding the Notes therein described that was manually signed by Bartkiewicz, Kronick & Shanhan, and was dated as of the date of delivery of and payment for said Notes.

Manual or Facsimile Signature
Secretary of the Board of Education

Section 4. Transfer and Exchange of Notes. Subject to the provisions of Section 5 hereof, the registration of any Note may, in accordance with its terms, be transferred, upon the registration books kept by the Paying Agent for such purpose, by the person in whose name it is registered, in person or by his or her duly authorized attorneys, upon surrender of such Note for

cancellation, accompanied by delivery of a written instrument of transfer, fully executed in a form approved by the Paying Agent.

Whenever any Note or Notes shall be surrendered for registration or transfer, the Paying Agent shall execute and deliver a new Note or Notes, for a like aggregate principal amount. The Paying Agent shall require the Note owner requesting such registration of transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The County may require the owner requesting such registration of transfer to pay such additional reasonable charge as may be necessary to cover customary expenses incurred and fees charged by the Paying Agent with respect to such registration of transfer. The Paying Agent may treat the registered owner of any Note as the absolute owner thereof for all purposes whatsoever in accordance with this resolution, and the Paying Agent shall not be affected by any notice to the contrary.

Subject to the provisions of Section 4 hereof, Notes may be exchanged at the Office of the Paying Agent in San Francisco, California for a like aggregate principal amount of Notes in other authorized denominations. The Paying Agent shall require the payment by the Note owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Paying Agent may require the owner requesting such exchange to pay such additional reasonable charge as may be necessary to cover customary expenses incurred and fees charged by the Paying Agent or the Office with respect to such exchange.

Section 5. Use of Depository. (1) The Notes shall be initially registered as provided in Section 3 hereof. Registered ownership of the Notes, or any portion thereof, may not thereafter be transferred except:

- (i) To any successor of Cede & Co., as nominee of the Depository Trust Company, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section 5 (a “substitute depository”); provided, that any successor of Cede & Co., as nominee of The Depository Trust Company or a substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;
- (ii) To any substitute depository not objected to by the Paying Agent, upon (1) the resignation of The Depository Trust company or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the Office to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company or its successor (or any substitute depository or its successor) is not longer able to carry out its function as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or
- (iii) To any person as provided below, upon (1) the resignation of the Depository Trust Company or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the Office to remove the Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository.

(2) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (1) of this Section 5, upon receipt of the outstanding Notes by the Paying Agent, together with a request of the Office to the Paying Agent, a new Note shall be executed and delivered in the aggregate principal amount of the Notes registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such request of the Office. In the case of any transfer pursuant to clause (iii) of subsection (1) of this subparagraph (d), upon receipt of the outstanding Notes by the Paying Agent together with a request of the Office to the Paying Agent, new Notes shall be executed and delivered in such denominations numbered in the manner determined by the Paying Agent and registered in the names of such persons as are requested in such a request of the Office; provided that the Paying Agent shall not be required to deliver such new Notes within a period less than sixty (60) days from the date of receipt of such a request of the Office. Thereafter, Notes shall be transferred pursuant to Section 3 hereof.

(3) The Office and the Paying Agent shall be entitled to treat the person in whose name any Note is registered as the owner thereof for all purposes of this resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the Office; and the Office and the Paying Agent shall have no responsibility for transmitting payments to, communication with, notifying, or otherwise dealing with any beneficial owners of the Notes and neither the Office nor the Paying Agent will have any responsibility or obligations, legal or otherwise, to the beneficial owners or to any other party, including The Depository Trust Company or its successor (or substitute depository or its successor), except for the Owner of any Notes.

(4) So long as the outstanding Notes are registered in the name of Cede & Co. or its registered assigns, the Office and the Paying Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered assigns in effecting payment of the principal of and interest on the Notes by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available on the date they are due.

Section 6. Deposit of Note Proceeds; No Arbitrage. After closing, the moneys so borrowed shall be initially deposited in the Treasury of the County in a proceeds fund to the credit of the Office and subsequently credited in the amount of the respective loans concurrently with the delivery of the District Notes to the respective general funds of the districts. Until used or expended, the moneys may be invested in investment securities by the County Treasurer directly, or through an investment agreement, in investments as permitted by applicable California law, and meeting Standard and Poor's Ratings Services criteria for investments, or other investments approved by Standard and Poor's Rating Services including, but not limited to, investment in the Local Agency Investment Fund maintained by the Treasurer of the State of California. The Office hereby covenants that it will make no use of the proceeds of the Notes that would cause the Notes to be "arbitrage bonds" under Section 148 of the Code; and, to that end, so long as any of the Notes are outstanding, the Office, and all of its officers having custody or control of such proceeds, shall comply with all requirements of (a) said section, including restrictions on the use and investment of proceeds of the Notes and the rebate of a portion of investment earnings on certain amounts, including proceeds of the Notes, if required, to the Federal government, and (b) of the Income Tax Regulations of the United States Treasury

promulgated thereunder or any predecessor provisions, to the extent that such regulations are, at the time, applicable and in effect, so that the Notes will not be “arbitrage bonds.”

Section 7. Payment of Notes.

(A) Source of Payment. The principal amount of the Notes, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts, and other moneys which are received or accrued by the Office during fiscal year 2009-2010 and which are available therefor. The Notes shall be a general obligation of the Office, and, to the extent the Notes are not paid from the Pledged Revenues defined below, the Notes shall be paid with interest thereon from any other moneys of the Office lawfully available therefor, as provided herein and by law.

(B) Pledged Revenues. The Notes shall be secured by a pledge of and first lien and charge against the first unrestricted revenues to be received by the County on behalf of the Office in such months and in such amounts as shall be determined by the County Superintendent or the County Superintendent’s designee, prior to the date of the sale of the Notes, sufficient to pay the principal of and interest on the Notes at maturity (such pledged amounts being hereinafter called the “Pledged Revenues”). The term “unrestricted revenues” shall mean taxes, income, revenue, cash receipts, and other money of the Office as provided in Section 53856 of the Act, which are intended as receipts for the general fund of the Office and which are generally available for the payment of current expenses and other obligations of the Office, including, but not limited to, those amounts paid by the Districts under the District Notes. The dates so designated shall constitute the “deposit dates” referred to in Section 5(B) of each District resolution.

(C) Deposit of Pledged Revenues in Repayment Fund. The Board of Education shall deposit Pledged Revenues in the County treasury in a special fund designated as the "El Dorado County Board of Education, 2009-2010 Tax and Revenue Anticipation Notes Repayment Fund" (herein called the "Repayment Fund") and applied as directed in this Resolution. Any moneys placed in the Repayment Fund shall be for the benefit of the holders of the Notes, and, until the Notes and all interest thereon are paid or until provision has been made for the payment of the Notes at maturity with interest to maturity, the moneys in the Repayment Fund shall be applied only for the purposes for which the Repayment Fund is created.

(D) Disbursement and Investment of Moneys in Repayment Fund. From the date this Resolution takes effect, all Pledged Revenues shall, when received, be deposited in the Repayment Fund to be held, invested and accounted for as provided herein. After such date as the amount of Pledged Revenues deposited in the Repayment Fund shall be sufficient to pay in full the principal of and interest on the Notes, when due, any moneys in excess of such amount remaining in or accruing to the Repayment Fund shall be transferred to the general fund of the Office upon the request of the Office. The Office hereby covenants to return to the respective District any amount received by the Office which represents any portion of a deposit made by the District described in Section 6 hereof and the investment earnings thereon. On the maturity date of the Notes, the moneys in the Repayment Fund shall be used, to the extent necessary, to pay the principal of and interest on the Notes.

Moneys in the Repayment Fund shall be invested in investment securities by the County Treasurer, or such other appropriate investment officer of the County, directly, or through an

investment agreement, in investments as permitted by applicable California law, as it is now in effect and as it may be amended, modified or supplemented from time to time, and the proceeds of any such investments shall, as received, be deposited in the Repayment Fund and shall be part of the Pledged Revenues. Investments must meet Standard & Poor's Rating Services criteria for investments, or other investments approved by Standard and Poor's Rating Services including, but not limited to, the investments in the Local Agency Investment Fund maintained by the Treasurer of the State of California. Moneys so invested, and the earnings thereon, shall be accounted for as Pledged Revenues, to be withdrawn solely for deposit in the Repayment Fund and used, to the extent necessary, to pay the principal of and interest on the Notes. Sufficient money for the payment of principal and interest for the maturing Notes must be placed into the Repayment Fund in the County Treasury at least one business day prior to the maturity of the Notes.

Section 8. Execution of Notes. The Office hereby authorizes the County Superintendent, or designated deputy thereof, to sign the Notes manually or by facsimile signature; the Secretary of the Board of Education (the "Secretary") to countersign the Notes manually or by facsimile signature (provided at least one of the foregoing signatures is manual; the Secretary to affix the seal of the Board of Education or a facsimile of the seal thereto; and said officers to cause the blank spaces thereof to be filled in as may be appropriate.

Section 9. Sale of the Notes. The Notes will be sold either at a negotiated sale to an underwriter or underwriters upon terms and conditions as are acceptable to the Office and consistent herewith or by competitive sale and awarded as set forth in an Official Notice of Sale which the Financial Advisor and the County Superintendent, or his or her designee, are hereby authorized to prepare consistent with this Resolution. The County Superintendent, or his or her designee, is hereby authorized to decide between competitive or negotiated sale in conjunction with advice from the Financial Advisor. If the sale is negotiated, the County Superintendent, or his or her designee, is authorized to negotiate the sale of no more than \$30,000,000.00 of notes at an interest rate of not more than six percent (6%).

If the sale is by competitive bid, the County Superintendent, or his or her designee, is hereby directed to execute, and the Secretary of the Office is directed to publish, the Official Notice of Sale. The County Superintendent is authorized to award the sale to said bidder.

Section 10. Paying Agent. Wells Fargo Bank, National Association is hereby appointed to act as the registrar and Paying Agent of the Office for the purpose of receiving the payments of principal and interest made by the Office on the Notes at maturity, to hold, allocate, use, and apply said payments and to perform such other duties and powers of the Paying Agent as are prescribed in this Resolution. The Office shall compensate the Paying Agent for the services of the Paying Agent. The County Superintendent is authorized to enter into a paying agent agreement with the Paying Agent.

Section 11. Authorization of Preliminary Official Statement and Official Statement. The Official Statement relating to the Notes in preliminary form is hereby approved. The County Superintendent, or his or her designee, is hereby authorized and requested to execute and deliver the Official Statement in substantially the form presented to the Office Board, with such changes and additions thereto deemed advisable by the County Superintendent or any other qualified

officer of the Office. The Office authorizes the distribution by the financial advisor of the Official Statement to prospective purchasers of the Notes, and authorizes and directs the County Superintendent, or the County Superintendent's designee, on behalf of the Office, to deem "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") the Official Statement prior to its distribution by the Office's financial advisor. The execution of the Official Statement, shall be conclusive evidence of the approval of the Official Statement by the Office.

The County Superintendent, or the County Superintendent's designee, is separately authorized and directed to execute a statement that the facts contained in the Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereto for purposes of such statement) were, at the time of the sale of the Notes, true and correct and are material respects and that the Official Statement did not, on the date of the sale of the Notes, and does not, as of the date of the delivery of the Notes, contain any untrue statement of a material fact with respect to the Office or omit to state material facts with respect to the Office required to be stated or necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The County Superintendent, or the County Superintendent's designee, shall take such further action as prior to the signing of the Official Statement as are deemed necessary or appropriate to verify the accuracy thereof.

The County Superintendent, or his or her designee, is hereby authorized to execute, as necessary, a continuing disclosure certificate as may be required pursuant to subsection 15c2-12(b)(5)(i)(C) of the Rule.

Section 12. Delivery of Notes. The proper officers of the County Superintendent and the Board of Education are hereby requested to deliver the Notes to the successful bidder when the Paying Agent has received confirmation of receipt of the proceeds. All actions heretofore taken by the officers and agents of the Office Board with respect to the Notes are hereby approved, confirmed, and ratified, and the officers of the Office Board are hereby authorized and directed to do any and all things and take any and all actions 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 this Resolution, any supplemental resolution to this Resolution

Section 13. Financial Advisor. The Office Board hereby confirms the hiring of Government Financial Strategies inc., as financial advisor to the Office with respect to the sale of the Notes.

Section 14. Bond Counsel. The Office Board hereby confirms the hiring of Bartkiewicz, Kronick & Shanahan as bond counsel to the Office with respect to the sale of the Notes.

Section 15. Further Actions Authorized. All actions heretofore taken by the officers and agents of the Office Board with respect to the sale and issuance of the Notes are hereby approved, and the County Superintendent, the Secretary of the Board and any and all other officers of the Office are hereby authorized and directed for and in the name and on behalf of the Office, to do any and all things and take any and all actions related 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. The Secretary of the Board is hereby authorized and directed to file a certified copy of this Resolution with the County Board, which shall constitute the request of the Office that the County Board issue and sell the Notes as soon as practicable, and to simultaneously provide certified copies of this Resolution to the County Treasurer.

PASSED AND ADOPTED by the Board of Education of the El Dorado County Office of Education this twelfth day of May, 2009, by the following vote:

AYES:

NOES:

ABSENT:

John Lane, Vice President,
El Dorado County Board of Education

Attest:

Vicki L. Barber, Ed.D., County Superintendent and Executive Officer
El Dorado County Board of Education

CERTIFICATE

Certified Copy of Resolution
Adopted on _____, 2009

I, Vicki L. Barber, hereby certify that I am the Secretary of the Board of Education and the County Superintendent of the El Dorado County Office of Education, a county office duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "Office") and that as such I am authorized to execute this Certificate on behalf of the Office.

I hereby further certify that attached hereto is a complete copy of a resolution which was duly adopted by the Board of Education at a meeting thereof which was duly called and held on _____, 2009 and at such meeting a quorum was present and acting throughout, and that said resolution has not been amended, modified or rescinded since the date of adoption and is now in full force and effect.

Dated: _____, 2009

EL DORADO COUNTY BOARD OF EDUCATION

By: _____
Vicki L. Barber, Ed. D., Secretary and
Executive Officer

EXHIBIT A

[Attach Specimen Note for El Dorado County Office of Education]