

**DEL MAR UNION SCHOOL DISTRICT
BOARD OF TRUSTEES
Del Mar Hills School – Multipurpose Room
14085 Mango Drive
Del Mar, CA 92014**

**MEETING OF THE LEGISLATIVE BODY OF CFD NO. 95-1
4:45 P.M.**

**OFFICIAL AGENDA
February 28, 2007**

Written notice is hereby given in accordance with Education Code Section 35144, Government Code 54956, and other applicable law that the following Meeting of the Legislative Body of CFD No. 95-1 will be held on Wednesday February 28, 2007, at the Del Mar Hills School Multi-use Building 14085 Mango Drive, Del Mar, CA 92014. Meeting beginning at 4:45 P.M.

PLEASE NOTE: Any member of the public who wishes to address the board on an item on the agenda or on another topic which lies within the governing board's jurisdiction may do so, but must present a written request on the form provided, before the meeting is called to order. A member of the public who wishes to address the Board on such item is limited to three minutes unless such time limit is waived by a majority vote of the Board. The total amount of time to be allowed on any item is twenty minutes, unless the time limit is waived by a majority vote of the Board.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, 3) refer the matter to the next agenda.

In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's governing board, please contact the office of the District Superintendent at (858) 523-6198. Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with this meeting in appropriate alternative formats for persons with a disability.

BUSINESS TO BE TRANSACTED WILL BE LIMITED TO THE FOLLOWING:

1. CALL TO ORDER *time:* _____

2. Approval of Agenda _____ *motion* _____ *second*

3. Board Approval of Meeting Minutes
January 17, 2007

_____motion _____second

4. Approval of Consent Items

Agenda items preceded by an asterisk () compose the Consent Agenda, and unless removed at the request of a Board Member, will be approved by the Board as a group.*

_____motion _____second

*4.1 Board Approval of Commercial Warrant Payments.

5. Approval of Non-Consent Items

4.2 Second Reading and Approval, RESOLUTION OF THE BOARD OF TRUSTEES OF THE DEL MAR UNION SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT 95-1 APPOINTING AND EMPLOYING CERTAIN CONSULTANTS IN CONNECTION WITH ISSUING SPECIAL TAX BONDS TO FUND A PORTION OF THE CONSTRUCTION OF OCEAN AIR SCHOOL. RESOLUTION #95-58

_____motion _____second

6. Communications from the Public

This section of the agenda is provided for the public to address any item which lies within the Governing board's jurisdiction that is not on the agenda.

7. Adjournment of Meeting

_____motion _____second

time: _____

**DEL MAR UNION SCHOOL DISTRICT
BOARD OF TRUSTEES
Del Mar Hills School – MPR
14085 Mango Drive
Del Mar, CA 92014**

**MEETING MINUTES OF THE LEGISLATIVE BODY OF CFD NO. 95-1
January 17, 2007**

Members Present: Linda Crawford, Annette Easton, Janet Lamborghini
Steven McDowell, Katherine White

Members Absent: None

Staff: Thomas F. Bishop, Superintendent
Rodger Smith, Director of Facility Planning & Human Resource

BUSINESS TRANSACTED WAS LIMITED TO THE FOLLOWING:

1. **Call To Order**
 - 1.0 Clerk of the Board, *Lamborghini*, called the meeting to order at 6:00 P.M.
- 1.1 **Approval of Agenda**
 - 1.1 On motion by Member *Crawford*, seconded by Member *White*, and carried unanimously, the Board approved the agenda as shown.
- 1.2 **Approval of Minutes
December 13, 2006**
 - 1.2 Member Crawford requested Janet Lamborghini signature be corrected to read Clerk of the Board. On motion by Member *McDowell*, seconded by Member *Crawford*, and carried unanimously, the Board approved the amended minutes as shown.
- 1.3 **Approval of Consent Items**
 - 1.3 On motion by Member *Crawford*, seconded by Member *McDowell*, and carried unanimously, the Board Approved the Consent Items.
 - *4.1 Board Ratification of Purchase Orders and Commercial Warrant Payments.

On motion by Member *McDowell*, seconded by Member *Crawford*, and carried unanimously, the meeting of the Legislative Body of CFD NO. 95-1 of January 17, 2007 was adjourned at 6:01 P.M.

Janet Lamborghini, Clerk of the Board of Trustees

Date

Thomas F. Bishop, Secretary

Date

February 20, 2007

To: Board Members

From: Rodger Smith

Through: Tom Bishop

Subject: Board Ratification of CFD No. 95-1 Commercial Warrant Payments.

Ratification of purchase orders and commercial warrant payments are in order at this time. It is recommended that the Board of Trustees ratify the commercial warrants in the amount of \$ 6,010.51.

The payments are for CFD special tax administration.

FISCAL IMPACT: Supported by CFD 95-1

RECOMMENDATION: Board Approval to Ratify the CFD 95-1 Commercial Warrant Payments.

*4.1

**Community Facilities District 95-1
Commercial Warrants**

| Date | Warrant Number | Vendor Name | Description | Amount |
|----------|-------------------|----------------------------|----------------------------|---------------------------|
| 01/31/07 | 269173 | David Taussig & Associates | Special Tax Administration | \$ 6,010.51 |
| | | | Total | <u><u>\$ 6,010.51</u></u> |

CFD 95-1 Board Meeting of February 28, 2007

February 21, 2007

To: Board Members

From: Rodger Smith

Through: Tom Bishop

Subject: Second Reading and Approval of Resolution 95-58, Resolution of the Board of Trustees of the Del Mar Union School District Community Facilities District 95-1 Appointing and Employing Certain Consultants in Connection with Issuing Special Tax Bonds to fund a Portion of the Construction of Ocean Air Elementary School

During a special meeting of the Board of Trustees on February 12, 2007, the first reading of Resolution 95-58 occurred under the title of Resolution 2007-01. The purpose of this resolution is to begin the process of selling additional bonds through Community Facilities District 95-1 (CFD 95-1) to provide funds to satisfy the obligation of CFD 95-1 for the construction of Ocean Air School. In concert with the Board's direction, this resolution has been placed on the CFD 95-1 Board Agenda, "not to exceed" amounts have been added to each of the proposed consultants named in the resolution, and sample contracts for each of the consultants have been included for the Board's information.

Board members will recall that the sale of additional bonds through CFD 95-1 will address the need for approximately \$6.6 million for the construction of Ocean Air School. The sale of these bonds will not increase property taxes to home owners within CFD 95-1; the debt service to repay the bonds will be supported by the existing revenue stream for CFD 95-1.

FISCAL IMPACT

The cost of issuance of the bonds will be approximately \$250,000. These costs will be supported from the proceeds of the sale of the bonds. There will be no general fund impact for these costs.

RECOMMENDED

The Superintendent Recommends Approval of Resolution 95-58, Resolution of the Board of Trustees of the Del Mar Union School District Community Facilities District 95-1 Appointing and Employing Certain Consultants in Connection with Issuing Special Tax Bonds to fund a Portion of the Construction of Ocean Air Elementary School

DEL MAR UNION SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT 95-1

RESOLUTION NO. 95-58

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE DEL MAR
UNION SCHOOL DISTRICT COMMUNITY FACILITIES DISTRICT 95-1
APPOINTING AND EMPLOYING CERTAIN CONSULTANTS IN
CONNECTION WITH ISSUING SPECIAL TAX BONDS TO FUND A
PORTION OF THE CONSTRUCTION OF OCEAN AIR ELEMENTARY
SCHOOL**

WHEREAS, the Del Mar Union School District (the "District") formed Community Facilities District No. 95-1 ("CFD No. 95-1") to fund school facilities necessary to accommodate students to be generated from residential units located within the boundaries of CFD No. 95-1;

WHEREAS, CFD No. 95-1 was intended to provide the District with funding through (i) the collection of One-Time Special Taxes and Maximum Annual Special Taxes and (ii) Bond Issues (definitions of terms are located within the Rate and Method of Apportionment of CFD No. 95-1);

WHEREAS, the District issued Certificates of Participation in 1999 (the "1999 COPs") and pledged Maximum Annual Special Taxes of CFD No. 95-1 to make Lease Payments on such 1999 COPs;

WHEREAS, the 1999 COPs were used to fund a portion of the Torrey Hills Elementary School to accommodate existing and projected students to be generated from residential units located within the boundaries of CFD No. 95-1;

WHEREAS, the District is currently constructing Ocean Air Elementary School that is planned to accommodate students generated from residential units located within the boundaries of CFD No. 95-1, as well as students generated from residential units located outside the boundaries of CFD No. 95-1;

WHEREAS, the collections of One-Time Special Taxes and Maximum Annual Special Taxes from CFD No. 95-1 are not sufficient to the portion of costs of Ocean Air Elementary School allocated to CFD No. 95-1, the Board of Trustees of CFD 95-1 desires to appoint and employ certain consultants to assist the Community Facilities District in developing, structuring, and issuing Special Tax Bonds of CFD No. 95-1 for the purpose of funding a portion of Ocean Air Elementary School;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees (the "Board") of the Del Mar Union School District Community Facilities District 95-1 as follows:

Section 1. All of the recitals herein contained are true and correct and the Board so finds.

Section 2. Dolinka Group Inc. is hereby appointed as the Community Facilities District's Special Tax and Financial Consultant to provide certain financial planning assistance to the Community Facilities District in the development and implementation of the Special Tax Bonds. The Superintendent of the District is hereby authorized and directed, for and in the name and on behalf of the Community Facilities District to enter into a contract with such firm for the provision of services as the Community Facilities District's Special Tax and Financial Consultant in an amount not to exceed \$54,000.

Section 3. Stone & Youngberg LLC is hereby appointed as the Community Facilities District's Underwriter for the Special Tax Bonds. The Superintendent of the District is hereby authorized and directed, for and in the name and on behalf of the Community Facilities District, to enter into a contract with such firm for the provision of services as the Community Facilities District's Underwriter in an amount not to exceed two percent (2.00%) of the bond amount .

Section 4. Bowie, Arneson, Wiles & Giannone is hereby appointed as the Community Facilities District's Bond Counsel. The Superintendent of the District is hereby authorized and directed, for and in the name and on behalf of the Community Facilities District, to enter into a contract with such firm for the provision of services as the Community Facilities District's Bond Counsel in an amount not to exceed \$57,500.

Section 5. Jones Hall is hereby appointed as the Community Facilities District's Disclosure Counsel. The Superintendent of the District is hereby authorized and directed, for and in the name and on behalf of the Community Facilities District, to enter into a contract with such firm for the provision of services as the Community Facilities District's Disclosure Counsel in an amount not to exceed \$47,000.

Section 6. The Superintendent of the District is hereby authorized and directed, jointly and severally, to do any and all things, which they may deem necessary or advisable in order to carry out, give effect to and comply with the terms and intent of this Resolution.

Section 7. All actions heretofore taken by the officers, employees and agents of the District with respect to the Special Tax Bonds are hereby approved, confirmed and ratified.

Section 10. This resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED this ___ day of February 2007

[Seal]

President of the Board of Trustees of the
Del Mar Union School District Community Facilities
District 95-1

**Clerk of the Board of Trustees of the
Del Mar Union School District Community
Facilities District 95-1**

CLERK'S CERTIFICATE

I, _____, Clerk of the Board of Trustees of the Del Mar Union School District Community Facilities District 95-1, hereby certify that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly held at the regular meeting place thereof on the ___ day of February 2007, of which meeting all of the members of said Board of Trustees had due notice and at which a majority thereof were present; and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at _____, _____, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and that said resolution has not been amended, modified or rescinded since that date of its adoption, and the same is now in full force and effect.

Dated: February __, 2007

Clerk of the Board of Trustees of the
Del Mar Union School District Community Facilities
District 95-1

[Seal]

**BOND COUNSEL RETENTION CONTRACT
BETWEEN BOWIE, ARNESON, WILES & GIANNONE
AND THE DEL MAR UNION SCHOOL DISTRICT
(Community Facilities District No. 95-1)**

THIS AGREEMENT is made and entered into this _____ day of _____, 2007, by and between the **DEL MAR UNION SCHOOL DISTRICT (Community Facilities District No. 95-1)**, organized and existing under the laws of the State of California hereinafter referred to as "School District," and **BOWIE, ARNESON, WILES & GIANNONE**, Attorneys at Law, whose offices are situated at 4920 Campus Drive, Newport Beach, California, hereinafter referred to as "Attorneys."

RECITALS:

A. School District has previously formed a Mello-Roos community facilities district designated as Community Facilities District No. 95-1 of the Del Mar Union School District ("CFD No. 95-1"), pursuant to the Mello-Roos Community Facilities Act of 1982, as amended ("Act"), and has, pursuant to proceedings undertaken and completed pursuant to the Act, authorized the levy of a special tax and bonded indebtedness of CFD No. 95-1 in order to fund school facilities; and

B. The School District desires to authorize and issue special tax bonds of CFD No. 95-1 (or roughly equivalent securities) in order to finance, construct and acquire school facilities as authorized pursuant to the Act; and

C. School District desires to retain bond counsel to perform the services specified herein related to the issuance of the Bonds.

THE PARTIES DO MUTUALLY AGREE AS FOLLOWS:

1. School District hereby retains Attorneys to represent the School District, and in their capacities as such, its officers and employees, in connection with the following public financing program services, and Attorneys accept such retention and agree to render and perform such services:

To serve as bond counsel in connection with the undertaking by the School District of proceedings for the financing of the school facilities in accordance with the Act by issuance and sale of the Bonds, hereinafter referred to as "Mello-Roos Bond Services".

2. In connection with the Mello-Roos Bond Services, Attorneys shall:
 - a. Consult and confer with appropriate representatives of the School District and CFD No. 95-1 and with their financing consultant or underwriter and other special consultants to the School District and CFD No. 95-1 concerning the Bonds and their timing, terms and structure, and considerations in

relation to California law, federal tax law, federal securities law and general public finance law as they affect the Bonds;

- b. Assist in obtaining any governmental approvals necessary as a condition precedent to the sale of the Bonds or jurisdiction to undertake same, including review of any environmental impact studies, reports or other proceedings as they relate to the sale of the Bonds;
- c. Prepare as requested or review for the purpose of determining and approving as to legal sufficiency for the issuance of Bonds all documents of a legal nature including, but not limited to, petitions, resolutions, notices, affidavits, certificates, orders, ordinances and contracts required in order for the School District or CFD No. 95-1 or their officers to issue the Bonds, but excluding all proceedings for the formation of CFD No. 95-1, authorization to levy special taxes or to authorize bonded indebtedness of CFD No. 95-1;
- d. Review the Official Statement describing the Bonds, but excluding responsibility for drafting or content, prepared by the underwriter to the School District or CFD No. 95-1, including consultation in relation thereto (subject to the limitations set forth below);
- e. Assist as requested in connection with securing investment ratings for the Bonds;
- f. Prepare and issue Attorneys' legal opinion approving the legality of the proceedings relating to the sale of the Bonds in accordance with Attorneys' advice, including an opinion on the tax-exempt status of interest on the Bonds;
- g. Prepare all documents of a legal nature associated with the issuance or sale of the Bonds including preparation of resolutions, notices, affidavits, certificates and other documents associated with the authorization, issuance and sale of the Bonds;
- h. Review any insurance arrangements entered into in connection with the sale of the Bonds;
- i. Review, advise, and assist in connection with the preparation of documents necessary to issue the Bonds by way of a competitive bid or negotiated sale process;
- j. Examine the proofs of the Bonds, prepare the final closing papers required to effect delivery of the Bonds and organize and attend the Bond Closing;

- k. Perform other services associated with the legality of the sale of the Bonds when such services are requested by an official, including, but not limited to, appearances before the Board of Trustees of the School District at a reasonable number of public meetings, participation in a reasonable volume of meetings and consultations regarding the Bonds and delivery of written legal advice concerning particular aspects or issues associated with the Bonds; and
- l. Such other Mello-Roos Bond Services as may be directly incidental to the foregoing.

Work outside the above description of services will be provided at the request of School District or CFD No. 95-1 and billed separately at rates shown on Exhibit "A", which may be revised from time to time.

3. For all Mello-Roos Bond Services described above rendered by Attorneys in connection with the sale of each series of the Bonds, Attorneys shall receive fees in the following amounts:

- a. If the Bonds are sold by each of the Improvement Areas separately, and at different times, Attorneys shall receive a fee of Fifty-Five Thousand Dollars (\$55,000) for each issuance of Bonds; and
- b. All out-of-pocket expenses reasonably incurred in connection with the Mello-Roos Bond Services.

"Out-of-pocket expenses" for which Attorneys would be reimbursed include, but are not limited to, reproduction of documents, courier service, facsimile transmission charges, overnight mail services, long distance telephone charges, transportation or travel for meetings with other financing team members and to rating agencies/bond insurers (at District's request), computer-assisted legal research, printing and postal service charges, and other actual and necessary expenses incurred in the course of providing Mello-Roos Bond Services.

All fees and Out-of-Pocket Expenses for the Mello-Roos Bond Services are contingent upon the issuance and delivery of the Bonds and payable solely from the proceeds thereof.

4. The services described by Paragraph 2 above shall not include representation by Attorneys of the School District, CFD No. 95-1 or either Improvement Area, or its officers or employees in any legal action to validate the financing program or the transactions contemplated by this Agreement; any legal action to condemn or acquire any property or easement; or any work related to design/build contracts or related lease-lease/purchase transactions in connection with the school facilities to be funded from proceeds of the Bonds. The following services are specifically not included within the scope of services described in Section 2 and if required to be performed by Attorneys, shall be compensated at the hourly rates designated on Exhibit "A" plus out of pocket expenses, in addition to the compensation described in Section 3. The payment of such additional

amounts shall be contingent upon the execution and delivery of the Bonds, payable from the proceeds thereof:

- a. travel out of Orange, Los Angeles or San Diego Counties;
- b. review of, and work involved with, a guaranteed investment contract or other investment vehicles for the proceeds of the Bonds;
- c. work related to disclosure issues in regard to undeveloped property;
- d. special legal research regarding Proposition 218 and its impact on the financing;
- e. Work related to landowner-provided Letters of Credit, if any, including, but not limited to, preparing and negotiating the acceptable Letter of Credit form, reviewing and preparing commitment letters, reviewing and providing revisions to Letters of Credit, and the forms thereof provided by the Landowner(s) and securing credit rating information related thereto; and/or
- f. special research or document preparation for compliance with the requirements of IRS Circular 230 or related matters; and/or
- g. Provision of any opinion(s) in Attorney's capacity as counsel to the School District or any other party.

5. The term of this Agreement shall commence on the day, month and year first above written, and shall continue thereafter until terminated in the manner provided by this Paragraph. This Agreement may be terminated by either Attorneys or School District 30 calendar days following the date of service of written notice of termination by the terminating party upon the non-terminating party. Any notice of termination by Attorneys shall be served upon the School District Superintendent on behalf of the School District.

In the event this Agreement is terminated by School District, notwithstanding any provision to the contrary herein, with respect to the sale of the Bonds upon which Attorneys' services have been initiated by the School District or their officers or employees and which is in progress and has not been completed, abandoned or otherwise terminated before the effective date of termination of this Agreement, Attorneys shall be compensated for all hours of services rendered for the Mello-Roos Bond Services at those rates shown on Exhibit "A", and reimbursed for all Out-of-Pocket Expenses.

6. It is understood and agreed that in the performance of services hereunder, Attorneys are and shall be deemed to be acting as independent contractors of District and CFD No. 95-1, and not as officers, employees or agents thereof, and shall secure the payment of compensation for themselves and their employees in accordance with the provisions of the Labor Code Section 3700.

7. All notices, letters and other communications authorized or required by this Agreement shall be deemed transmitted, served and effective for all purposes on the date they are reduced to writing, deposited in the United States Mail, postage prepaid, and addressed as follows:

a. To Attorneys

Managing Partner
Bowie, Arneson, Wiles & Giannone
4920 Campus Drive, Suite A
Newport Beach, CA 92660

b. To School District and its Officers

Del Mar Union School District
225 Ninth Street
Del Mar, CA 92014-2716
Attention: Superintendent

8. District agrees that in the event District is merged or consolidated with another public agency, such successor agency shall assume all obligation for payment of the outstanding unpaid principal amount of all Mello-Roos Bond Services and associated expenses owed Attorneys under this Agreement.

9. This Agreement is not assignable by Attorneys without the prior written consent of the District.

10. No addition to, or modification of, any provision contained in this Agreement shall be effective unless fully set forth in writing signed by the authorized representative of both of the parties hereto.

[Remainder of this page is blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day, month and year first above written.

DEL MAR UNION SCHOOL DISTRICT

By: _____

BOWIE, ARNESON, WILES & GIANNONE

By: _____

Partner

EXHIBIT "A"

FEE SCHEDULE

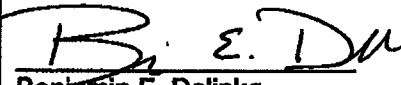
Payment for Mello-Roos Bond Services to Attorneys pursuant to Paragraphs 2, 4 and 5 of the Agreement shall be on the following basis:

| | |
|-------------------|-------------|
| Partners | \$220/hour* |
| Senior Associates | \$195/hour |
| Associates | \$185/hour |
| Paralegals | \$ 75/hour |

*Such rates are subject to annual adjustment.



NOTICE OF AUTHORIZATION

| | |
|---|---|
| Date: | February 21, 2007 |
| Project: | Dolinka Group, Inc. ("Dolinka Group" or "Consultant") shall provide consulting services to assist the Board of Community Facilities District ("CFD") No. 95-1 ("Client") issue Series B bonds. |
| Budget: | The proposed fee for Dolinka Group to provide these services shall be a flat fee of \$50,000 (plus expenses up to \$4,000). This fee of shall be payable to Dolinka Group at the time of bond issuance. |
| <p>In addition to fees for services, the Client shall reimburse Dolinka Group for out-of-pocket expenses plus a 15% administrative charge. Expenses shall include all actual expenditures made by the Dolinka Group in the performance undertaken pursuant to the NOA, including, without limitation, the following expenditures:</p> <ul style="list-style-type: none">(a) Cost of clerical assistance @ \$50.00 per hour, including typing, collation, printing and copying, plus copier and photography costs, including photographic reproduction of drawings and documents;(b) Transportation costs, including mileage for the use of personal automobiles at the prevailing IRS standard rate, rental vehicles, travel, lodging and regularly scheduled commercial airline ticket costs;(c) Conference calls, photographic reproduction, courier services, and overnight deliveries; and(d) Cost of facsimile, postage and phone calls at five (5) percent of services billed. <p>Dolinka Group shall present to the Client invoices covering the services performed and the reimbursable expenses incurred pursuant to this NOA. Invoices shall be paid by the Client within thirty (30) days of the date of each invoice. A 1.2% charge may be imposed against accounts that are not paid within 30 days of the date of each invoice. The prevailing party in any arbitration or legal action brought by one party against the other and arising out of this NOA shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs and reasonable attorneys' fees. The non-prevailing party shall be liable, to the extent allowable under law, for all fees and expenses of the arbitrator(s) and all costs of the arbitration.</p> | |
| Consultant: Dolinka Group, Inc.  Benjamin E. Dolinka President | Client: Board of Community Facilities District No. 95-1 <hr/> |

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**JONES HALL,
A PROFESSIONAL LAW CORPORATION**

**AGREEMENT FOR LEGAL SERVICES
(Disclosure Counsel)**

THIS AGREEMENT FOR LEGAL SERVICES is made and entered into as of _____, 2007, by and between COMMUNITY FACILITIES DISTRICT NO. 95-1 OF THE DEL MAR UNION SCHOOL DISTRICT (the "District"), and JONES HALL, A PROFESSIONAL LAW CORPORATION, San Francisco, California ("Attorneys") and when fully executed, creates an attorney-client relationship.

WHEREAS, the District proposes financing the acquisition and construction of school facilities and other public facilities through the issuance of one or more series of special tax bonds (the "Bonds"); and

WHEREAS, the District has determined that Attorneys are specially trained and experienced to provide services as Disclosure Counsel in connection with the sale of the Bonds and Attorneys are willing to provide such services; and

WHEREAS, the public interest, economy and general welfare will be served by this Agreement for Legal Services.

NOW THEREFORE, IT IS HEREBY AGREED, as follows:

1. Duties of Attorneys. Attorneys shall provide legal services in connection with the preparation of the Official Statement to be used in connection with the offering and sale of the Bonds. These services shall include the following:

a. Prepare the Official Statement (both preliminary and final) or other disclosure documents in connection with the offering of the Bonds.

b. Confer and consult with the officers and administrative staff of the District and the Del Mar Union School District, the property owners in the District, and others as to matters relating to the Official Statement.

c. Attend financing team meetings and participate in conference calls at which the Official Statement is to be discussed, as deemed necessary by Attorneys for the proper exercise of their due diligence with respect to the Official Statement, and when specifically requested by the District to attend.

d. On behalf of the District, prepare the bond purchase contract pursuant to which the Bonds will be sold to the underwriter, and the forms of continuing disclosure certificates of the District and the property owners in the District to assist the underwriter with complying with the provisions of SEC Rule 15c2-12.

e. Subject to the completion of proceedings to the satisfaction of Attorneys, provide a letter of Attorneys addressed to the underwriter and the District that, although Attorneys are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement and make no representation that Attorneys have independently verified the accuracy, completeness or fairness of any such statements, no facts have come to Attorneys' attention that cause Attorneys to believe that the Official Statement (except for any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, and information concerning the Depository Trust Company and

the book-entry system for the Bonds, contained or incorporated by reference in the Official Statement and the appendices to the Official Statement, which Attorneys will expressly exclude from the scope of this sentence) as of the date of the Official Statement or the close date contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2. Duties of Client.

a. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security, including all information "material" to such matters (as such term is defined under federal securities laws) and all other documents deemed necessary by Attorneys. We understand that you will direct members of your staff to cooperate with us in this regard.

b. For the services set forth under Section 1, Attorneys shall be paid compensation of between \$35,000 and \$45,000 for the issuance of each series of the Bonds, with the final amount to depend on (a) the number of property owners or developers owning property within the District who participate in the Bond financing, (b) the relative complexity of the Bond financing, and (c) the par amount of the Bonds. Our fee may change if (i) the principal amount of the Bonds actually issued differs significantly from the amount stated above, (ii) material changes in the structure or the schedule of the financing occur or (iii) unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, we believe that circumstances require an adjustment of our original fee, we will advise you of those circumstances. Attorneys shall also be entitled to reimbursement for out-of-pocket expenses related to the services described in Section 1, subject to a maximum of \$2,000.

Payment of Attorneys' fee shall be entirely contingent upon and shall be due and payable upon the delivery of the Bonds, and shall be payable solely from the proceeds of the Bonds and from no other funds of the District or the Del Mar Union School District.

3. Exceptions. Attorneys' services pursuant to this Agreement shall *not* include the following:

a. Bond Opinion. Providing a legal opinion approving the legality of the proceedings relating to the Bonds or regarding the exemption of interest thereon from taxation.

b. Litigation. Any services rendered in any litigation involving the District or the Del Mar Union School District, or involving the financing proceedings relating to the Bonds.

c. Securities. On-going advice and preparation of necessary documentation in respect of reporting requirements of the Securities and Exchange Commission.

d. Continuing Disclosure. Preparation of any periodic disclosure reports under the District's continuing disclosure certificate.

If the District requests Attorneys to render any of these services for and on behalf of the District, Attorneys' compensation shall be on the basis of reasonable fees to be agreed upon by the District and Attorneys.

4. Advice and Counsel; Attorney-Client Relationship. It is understood that neither the Attorneys nor any individual representing the Attorneys possesses any authority with

respect to any decision of the District or any District official beyond the rendition of information, advice, recommendation or counsel.

Upon execution of this Agreement, the District will be Attorneys' client and an attorney-client relationship will exist between District and Attorneys. Attorneys assume that all other parties will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. Attorneys further assume that all other parties understand that in this transaction Attorneys represent only the District, Attorneys are not counsel to any other party, and Attorneys are not acting as an intermediary among the parties. Attorneys' services as disclosure counsel are limited to those contracted for in this Agreement; the District's execution of this Agreement will constitute an acknowledgment of those limitations.

5. No Conflict of Interest; Prospective Consent. Attorneys certify that no member, officer or employee of Attorneys is an officer or employee of the District except to the extent permitted by law.

Attorneys represent many political subdivisions and underwriting firms. It is possible that during the time that Attorneys are representing the Client, one or more of Attorneys' present or future clients will have transactions with the Client. It is also possible that Attorneys may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bonds. Attorneys do not believe such representation, if it occurs, will adversely affect Attorneys' ability to represent Client as provided in this Agreement, either because such matters will be sufficiently different from the issuance of the Bonds so as to make such representations not adverse to Attorneys' representation of Client, or because it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds. Execution of this Agreement will signify the Client's consent to Attorneys' representation of others consistent with the circumstances described in this Section.

6. Termination of Agreement. This Agreement for Legal Services may be terminated at any time by the District, with or without cause, upon 30 days' written notice to Attorneys at any time before the Closing. In the event of such termination, all finished and unfinished documents shall, at the option of the District, become its property and shall be delivered by Attorneys. Unless previously terminated, the relationship between the Attorneys and the District created by this Agreement shall terminate upon the Closing of the final series of Bonds issued by the District. Questions about the Bonds or the special taxes that may arise after Closing may be addressed to the Attorneys and handled on a case by case basis, with fees, if any, to be determined as appropriate at that time.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by the respective officers thereunto duly authorized as of the day and year first above written.

COMMUNITY FACILITIES DISTRICT NO. 95-1 OF
THE DEL MAR UNION SCHOOL DISTRICT:

JONES HALL, A PROFESSIONAL
LAW CORPORATION

BY: _____

SCOTT R. FERGUSON, VICE PRESIDENT

TITLE: _____



INVESTMENT BANKING AGREEMENT

February 16, 2007

Members of the Legislative Body
Community Facilities District No. 95-1 of the
Del Mar Union School District
225 Ninth Street
Del Mar, CA 92014

**Re: Investment Banking Agreement for the
Proposed 2007 Special Tax Bonds**

This letter will serve as an agreement between Community Facilities District No. 95-1 of the Del Mar Union School District (the "District") and Stone & Youngberg LLC (the "Underwriter") to serve as Underwriter to the District until the parties enter into an actual Purchase Contract regarding the negotiated sale of bonds for the District's proposed 2007 Special Tax Bonds (the "Bonds") for Community Facilities District No. 95-1, Series B (the "CFD").

As Underwriter we will use our best efforts to bring the Bonds to market at reasonable rates under then existing conditions. The District has informed us that there are no current obligations or commitments with respect to investment banking or underwriting services for the Bonds.

The Underwriter agrees to undertake for the Bonds the below listed services and functions:

A. Structuring and Financing

1. The Underwriter will work with the District and Bond Counsel to create the most feasible and efficient structure for the marketing of the Bonds.
2. The Underwriter will work with the District and Bond Counsel in recommending specific terms and conditions affecting the security of the Bonds.
3. The Underwriter will participate in the review of all documents including, but not limited to, the Appraisal Report, various resolutions pertaining to the special tax, the bond issuance and the Fiscal Agent Agreement. In addition, the Underwriter will review the Official Statement, the Bond Purchase Agreement and the Continuing Disclosure Agreements to be prepared by Disclosure Counsel. The District's

Disclosure Counsel will provide the Underwriter with a 10(b)5 opinion with regard to the Official Statement.

B. Marketing the Bonds:

1. At the designated time for the sale of the Bonds, the Underwriter will submit an offer in the form of the Bond Purchase Agreement to the District to purchase the Bonds, subject to pertinent resolutions, the Official Statement, and all other necessary documents, approvals, and proceedings governing such Bonds having been determined by Bond Counsel, the District, and the Underwriter to be satisfactory in all respects for financing purposes. It is intended that, once purchased, the Bonds will be re-offered to the public on the basis of an immediate "bona fide public offering".
2. At least one day prior to the submission of any such formal offer to the District for the purchase of the Bonds, the Underwriter will indicate to the District the interest rate or rates and public offering price of the Bonds which we then estimate will be included in such offer. If, after negotiations in good faith, the District and the Underwriter fail to agree on the terms of sale of the Bonds, and upon written notice to the Underwriter, the District may then offer the Bonds for sale to others or the District may decide not to sell the Bonds under any circumstances, at the sole option of the District.
3. The fee for the Underwriter will be taken in the form of a discount purchase of the Bonds and is fully contingent upon the sale of the Bonds to the Underwriter. The underwriter's discount will not exceed 2.00% and will include all fees and expenses of the Underwriter, including Underwriter's Counsel.

C. General Provisions Relating to the District and the Underwriter:

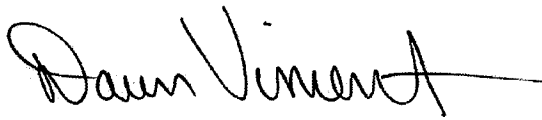
1. It is expressly understood and agreed and the District hereby recognizes that in performing its activities the Underwriter is acting solely on its own behalf and plans to submit to the District a proposal to purchase the Bonds for resale. Nothing herein shall be construed to make the Underwriter an employee or financial, fiscal or other advisor of the District, or to establish any fiduciary relationship between the District and the Underwriter. It is understood and agreed that the District shall not be required to compensate the Underwriter for services provided to the District under this agreement except as provided in Section B above.
2. The District may terminate this agreement without liability upon written notice to the Underwriter.
3. Upon termination of this agreement, the District shall be under no further obligation to the Underwriter hereunder.

Community Facilities District No. 95-1 of the
Del Mar Union School District
February 16, 2007
Page 3 of 3

Upon your acceptance set forth below, this letter will constitute an agreement between the District and the undersigned.

Very truly yours,

STONE & YOUNGBERG LLC



Dawn Vincent
Managing Director

Dated: February 16, 2007

ACCEPTED:

Title: Authorized Representative
Community Facilities District No. 95-1
of the Del Mar Union School District

Dated: _____