

**Vacaville Unified School District**  
**751 School Street Vacaville, California 95688-3945**

Board of Education

Larry Mazzuca, President • Katherine Brannon, Vice President  
Mary Kay Sogge, Clerk • Theresa Buck  
William Hausler • Michael Kitzes • Jay Yerkes  
John Aycock, Board Secretary & Superintendent



January 28, 2009

Lori Raineri, President  
Government Financial Strategies, Inc.  
1228 N Street, Suite 13  
Sacramento, CA. 95814

**RECEIVED**

FEB 02 2009



Dear Lori,

I want to express my appreciation and commend Jonathan Edwards, Client Services Director, you and the staff of Governmental Financial Strategies, Inc. for the successful sale of Certificates of Participation to secure funding proceeds in excess of \$12,000,000. This finance transaction has enabled the purchase of a new building to serve as the Education Services Center for the District.

These are unprecedented, volatile times for our economy, the financial market and public schools funding. It is a horrible time to sell real estate but an advantageous time to buy real estate. As the opportunity to purchase this property became evident, the question was, could the District secure appropriate financing to undertake the transaction?

As a CBO, I have previously secured funding through municipal lease/purchase contracts and G.O. Bonds transactions, but not C.O.P.s. During this volatile time, I desired to secure the services of an independent financial advisor, who could work with me to assess the District's funding potential, identify strategies to minimize cost and mitigate the exposure and risk to the General Fund and to survey the marketplace to secure the most advantageous funding for the District. Perhaps we would undertake the transaction, perhaps not.

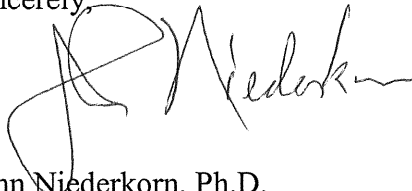
I have previously observed in other transactions that without an independent advocate, the District could be guided toward a transaction that had higher potential risk and/or higher cost. As GFS, Inc. had no invested interest in marketing a specific lender or product, you truly functioned as an advocate for the District.

We had established a tight timeframe for conducting the analysis and executing the transaction. You met the timeline even as we had to extend the public dialogue. Because of the precarious and unprecedented volatility of the financial market, and the skepticism of our stakeholders, GFS, Inc. played a critical role in presenting to stakeholders your evaluation of the merits of the transaction and finance structure. Your experience and success in the industry, as well as your relationship with FCMAT and other Professional Associations provided important credentials, credibility and reassurance to our community.

GFS advised the District regarding selection of Bond Counsel, selection of underwriters, escrow company and other support functions and services. GFS honored the District's priority of "controlling expense, and mitigating risk". GFS communicated and coordinated with these professionals on behalf of the District. The transaction of selling the Certificates of Participation proceeded as planned. The District secured Bond Insurance and GFS conducted a "competitive/negotiated" sales of the C.O.P.s . In reviewing other similar transactions in the marketplace the same day I noted that the District did realize more advantageous terms. Well done!

As we initially met to discuss your services contract with the District you stated that at GFS "We guarantee 100% satisfaction, 100% of the time." I certainly found this statement to be true. I certainly will consider contracting GFS for future financial advisor functions.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Niederkorn". The signature is fluid and cursive, with a large initial "J" and a long horizontal stroke at the end.

John Niederkorn, Ph.D.  
Assistant Superintendent, Business and Administrative Services