

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT BOARD AGENDA  
REGULAR MEETING  
February 15, 2006  
District Board Room  
3401 CSM Drive, San Mateo**

**NOTICE ABOUT PUBLIC PARTICIPATION AT BOARD MEETINGS**

*The public's comments on agenda items will be taken at the time the item is discussed by the Board.  
The Board welcomes public discussion.*

*To comment on items not on the agenda, a member of the public may address the Board under "Statements from the Public on Non-Agenda Items"; at this time, there can be discussion on any matter related to the Colleges or the District, except for personnel items. No more than 20 minutes will be allocated for this section of the agenda. No Board response will be made nor is Board action permitted on matters presented under this agenda topic.*

*If a member of the public wishes to present a proposal to be included on a future Board agenda, arrangements need to be made through the Chancellor's Office at least seven days in advance of the meeting. These matters will be heard under the agenda item "Presentations to the Board by Persons or Delegations". A member of the public may also write to the Board regarding District business; letters can be addressed to 3401 CSM Drive, San Mateo CA 94402.*

*Persons with disabilities who require auxiliary aids or services will be provided such aids with a three-day notice. For further information, contact the Executive Assistant to the Board at (650) 574-6550.*

*Regular Board meetings are taped; tapes are kept for one month.*

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**6:00 P.M. PUBLIC SESSION**

**ROLL CALL**

**Pledge of Allegiance**

**DISCUSSION OF THE ORDER OF THE AGENDA**

**MINUTES**

- 06-2-1 Minutes of Study Session of Board of Trustees of January 11, 2006
- 06-2-2 Minutes of Regular Meeting of Board of Trustees of January 25, 2006

**PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS**

**STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES**

**STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

**NEW BUSINESS**

- 06-2-1A Approval of personnel actions: changes in assignment, compensation, placement, leaves, staff allocations and classification of academic and classified personnel
- 06-2-2A Adoption of Resolution No. 06-1 to allow deceased retirees' eligible spouses with no monthly allowance to continue group health coverage through CalPERS
- 06-2-3A District's initial contract proposal to American Federation of State, County and Municipal Employees (AFSCME), Local 829

## Approval of Consent Agenda

*All items on the consent agenda may, by unanimous vote of the Board members present, be approved by one motion after allowing for Board member questions about a particular item. Prior to a motion for approval of the consent agenda, any Board member, interested student or citizen or member of the staff may request that an item be removed to be discussed in the order listed, after approval of remaining items on the consent agenda.*

- 06-2-1CA Augmentation to design build contract for Science Building 36 - College of San Mateo
- 06-2-2CA Augmentation to design build contract for Student Support & Community Services Center Building 6 and Science Annex Building 7A - Skyline College
- 06-2-3CA Ratification of second quarter District warrants, 2005-06

## Other recommendations

- 06-2-100B Reappointment of Bond Oversight Committee
- 06-2-101B Adoption of Resolution No. 06-2 authorizing issuance of Tax and Revenue Anticipation Notes
- 06-2-102B Adoption of Resolution No. 06-3 authorizing participation in settlement agreement with Enron Energy Marketing Corporation
- 06-2-103B Receipt and acceptance of the 2004-05 Bond Financial and Performance Reports
- 06-2-104B Update of Art on Campus and approval of purchase of sculpture for Cañada College

## INFORMATION REPORTS

## STATEMENTS FROM BOARD MEMBERS

## COMMUNICATIONS

### RECESS TO CLOSED SESSION

1. Closed Session Personnel Items
  - A. Public Employment
    1. Employment: **Cañada College** – Payroll Clerk I, Business/Operations Division; **Skyline College** – Project Director, Marketing/Outreach/Economic Development Department; Accounting Technician, Operations Division; Office Assistant I, Business/Cosmetology Division
    2. Post-Retirement Contract: **College of San Mateo** – (2) Student Services/Counseling Division
  - B. Public Employee Discipline, Dismissal, Release
2. Conference with labor negotiator  
Agency negotiator: Harry Joel  
Employee organizations: AFSCME, AFT, CSEA

## CLOSED SESSION ACTIONS TAKEN

## ADJOURNMENT

Minutes  
January 11, 2006  
San Mateo, California

**The meeting was called to order at 6:05 p.m.**

**Board members present:** President Mandelkern; Vice President-Clerk Hausman; Trustees Holober, Miljanich and Schwarz

**Board members absent:** Student Trustee Burns

**Others present:** Chancellor Galatolo and Executive Vice Chancellor Keller

**Also present:** Cañada College Interim President Mohr; CSM President Kelly; Skyline College Vice President Adrian (for President Morrow); and District Senate President Kapp

**Pledge of Allegiance**

**STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

None

**NEW BUSINESS**

**APPROVAL OF PERSONNEL ACTIONS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (06-1-1A)**

It was moved by Trustee Schwarz and seconded by Trustee Holober to approve the actions in Board Report No. 06-1-1A. The motion carried, all members voting "Aye."

President Mandelkern stated that Trustee Hausman has reported that an item needs to be added to the agenda: "Appointment of two members of the Board of Trustees to the Board of Directors of the San Mateo County Community Colleges Foundation." He asked that the Board approve the addition of this agenda item.

It was moved by Trustee Miljanich and seconded by Trustee Holober to approve the addition of this agenda item. The motion carried, all members voting "Aye."

In discussion, Trustee Hausman remarked that she has been a member of the Board of Directors of the Foundation for a number of years, but will not seek re-appointment at this time. Trustee Holober expressed his interest in continuing to serve and President Mandelkern offered to serve as the second Board representative to the Foundation Board.

It was then moved by Trustee Schwarz and seconded by Trustee Miljanich to approve the appointment of President Mandelkern and Trustee Holober to the Board of Directors of the Foundation for a two-year term effective immediately. The motion carried, all members voting "Aye."

Members of the Board expressed their appreciation to Trustees Hausman and Holober for their service and to President Mandelkern for his willingness to serve.

**CURRENT TEXTBOOK ISSUES: SMCCCD BOOKSTORES EFFORTS TO PROVIDE LOWER COST TEXTBOOK OPTIONS FOR STUDENTS (06-1-1C)**

District Bookstore Director Bauer presented an extensive report to the Board and others in the audience, including current Bookstore staff and guests from other districts: Don Newton, CCSF; David Parker, San Jose/Evergreen; Janis Walsh, Contra Costa; Susan Lonnblad, Cabrillo; and Kirk Jarvis, sales representative from Follett.

The primary topics covered in Director Bauer's presentation included textbook affordability and access; SMCCCD Bookstores and College initiatives; textbook rental program; and reports from the US Government Accountability Office (GAO) and other sources regarding college textbook prices. He noted that currently there have been noticeable increases in college costs in tuition, fees and textbooks as well as State budget cuts for higher education. In addition, Federal student aid funding is not keeping up with students' needs as they become more dependent on Federal loans. Contributing to current conditions are increased sophistication and organization of student advocacy groups, growth of nontraditional students and changing student expectations, and changes in the book publishing/retail industry.

On the national level, in March 2004, 15 members of Congress requested that the GAO study textbook pricing. The objectives of the study were to examine changes in textbook prices and the factors that contributed to those changes. The study found that the cost of textbooks, as well as supplies, as a percentage of the "published price" of tuition and fees varies for first-time, degree-seeking students by the type of institution attended; notably, there is a 72% variance at 2-year public institutions, compared to 26% at 4-year public institutions and 8% at 4-year private institutions. While many factors affect textbook pricing, the increasing costs associated with developing products designed to accompany textbooks in bundles best explain price increases in recent years. Publishers claim they have increased investments in developing supplements in response to demand from instructors, but wholesalers, retailers and others express concern that the proliferation of supplements and more frequent revisions might unnecessarily increase costs to students by negating buyback opportunities. It is hoped that the study will spur additional research, influence campus and system policies, or frame the basis for future State/Federal legislation.

Within the District, Director Bauer reported that the Bookstore staff are the experts on textbook issues, monitoring what's being said by legislators, State boards and other key stakeholders with the District community. The staff communicates the Bookstores' value, business model and feedback to the community, as well as conveying the potential impact of policy proposals to affected individuals. The Bookstore management team attends all DASAC meetings as well as Division meetings to talk about textbook issues and how they impact students and student success. The team also works with publishers to purchase unlike textbooks as a bundle at a reduced cost, in addition to aggressively seeking out lower cost textbook editions, paper binding, abridged versions, custom editions, loose-leaf editions, all in an effort to reduce costs to the students.

Director Bauer remarked that the Colleges' financial aid offices work in cooperation with the Bookstores to identify students with additional financial need not met by current sources. All involved strive to ensure that students do not go through a class without a textbook. He detailed the textbook rental program that originated at Cañada through the efforts of Cañada Bookstore Manager Kumar and Professor Diane Eyer, from the Early Childhood Education program. He said that 1700 students at Cañada and Skyline are in the rental program, utilizing 35 different textbook titles in the Fall 2005 semester, amounting to a savings of \$79,780 to participating students. The rental program is expected to expand to all three Colleges during 2005. In order to recoup the expense of the program, a minimum commitment of two years is expected for a particular textbook. Other conditions that determine textbook rentability are that the books are new editions, one-term books, with an "every semester" frequency. It is preferred that the courses be either general education or core classes for a certain major. There must also be at least multiple sections using the same textbooks and the courses must be transferable to allow the Bookstores to provide maximum benefits to the largest number of students.

In order to operate the rental program, the Bookstores are required to allocate separate classes and departments, set up General Ledger accounts, create Point of Sale codes, document paper trail and follow through, determine means of

retrieving outstanding books, taking markdowns for unreturned books, and allocating storage space for texts. These and other administrative details involve a high level of commitment on the part of the Bookstore staffs, which Director Bauer states are dedicated and highly responsible. He said that promotion of the program is the task of all who have an interest in expanding the rental program and making it a model for other institutions.

Board members offered their appreciation to Director Bauer, his staff, and others who participated in the discussion.

**The Board recessed to Closed Session at 7:55 p.m.**

**The Board reconvened to Public Session at 9:15 p.m.**

**CLOSED SESSION ACTIONS TAKEN**

President Mandelkern stated that, during the Closed Session just concluded, the Board considered the personnel items listed on the printed agenda and voted 5-0 to approve the actions in Board Report No. 1-A and 1-B. He also reported that, due to the absence of Chief Negotiator Joel, there was no discussion of collective bargaining matters.

**ADJOURNMENT**

The meeting was adjourned by consensus at 9:15 p.m.

The next Regular Meeting of the Board will be January 25, 2006, beginning at 6:00 p.m. in the District Board Room.

Submitted by

Ron Galatolo  
Secretary

Approved and entered into the proceedings of the February 15, 2006 meeting.

Helen Hausman  
Vice President-Clerk

Minutes  
January 25, 2006  
San Mateo, California

**The meeting was called to order at 6:05 p.m.**

**Board members present:** President Mandelkern, Vice-President Clerk Hausman, Trustees Holober, Miljanich, and Schwarz; and Student Trustee Burns

**Others present:** Chancellor Galatolo, Executive Vice Chancellor Keller, Vice Chancellor Joel, Skyline President Morrow, Cañada Interim President Mohr, CSM President Kelly, and District Academic Senate President Kapp

**Pledge of Allegiance**

**DISCUSSION OF THE ORDER OF THE AGENDA**

President Mandelkern asked to Board to approve hearing and acting on Board Item No. 06-1-104B (Receipt and acceptance of 2004-05 District and KCSM audit report) at this time to accommodate the schedule of the auditor, Terri Montgomery. The Board approved the request.

**RECEIPT AND ACCEPTANCE OF THE 2004-05 DISTRICT AND KCSM AUDIT REPORTS (06-1-104B)**

Ms. Montgomery reported that, according to the opinion of the auditors, the District's financial statements present fairly. She highlighted a number of pages of the report that reflect consolidated funds, net assets and revenues/expenses. There were no adjustments required to reconcile the annual financial and budget report to the audited financial statements. Among the findings, there were several cases of noncompliance. For example, the District did not identify those students exceeding three course repeats. As a result, no deductions to apportionment were made, resulting in the District being overpaid by the State. The District is investigating this finding. The auditors made a number of recommendations to remedy noncompliance, such as maintenance of a system to track and evaluate FTEs generated from repeatable courses, adherence to all Board-adopted policies and parameters in the registration processes, and adoption of a written policy statement on the allowable limits of remedial coursework, including a monitoring mechanism that will allow testing of compliance with State requirements. Regarding KCSM, Ms. Montgomery reported that both TV and FM present fairly.

Following the presentation, it was moved by Trustee Schwarz and seconded by Trustee Hausman to receive and accept the 2004-05 audit report for the District, which was filed by Vavrinek, Trine, Day & Company with the State Department of Education, the State Controller, and the State Chancellor's Office prior to the January 14, 2006 due date; and to receive and accept the 2004-05 audit reports for KCSM-TV and KCSM-FM, which were filed with the Corporation for Public Broadcasting prior to the January 31, 2006 due date. The motion carried, all members voting "Aye."

**MINUTES**

It was moved by Trustee Schwarz and seconded by Trustee Hausman to approve the minutes of the Regular Meeting of December 14, 2005.

Trustee Schwarz asked that the minutes be amended to reflect that, under "Statements from Board Members", she attended the recent CCLC conference/dinner at which Claire Mack was honored. With that change, the motion carried, all members voting "Aye."

**PRESENTATIONS TO THE BOARD BY PERSONS OR DELEGATIONS**

None

**STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES**

Chancellor Galatolo reported that, at a recent ceremony, former CSM baseball coach John Noce was honored with the relocation of a plaque citing his coaching accomplishments. Originally, the plaque had been part of a grouping that included a water fountain but, once the potability of the water was questioned, the water supply was cut off and the plaque

was no longer prominent. The Chancellor said that, through the efforts of CSM President Kelly, the plaque was positioned so that it once again draws attention to the reputation and record of Coach Noce.

Adding to the written report, CSM President Kelly stated that she would like to share plans for the Coastside with the Board, perhaps at a Study Session/retreat. Chancellor Galatolo said that this topic would be on an upcoming agenda.

Executive Vice Chancellor Keller reported the January 10 Governor's Budget reflects 3% growth, continued equalization, a greater share of Prop. 98 funds, and no student fee increases.

District Academic Senate President Kapp introduced Carla Campillo, academic senate president at Skyline. He reported that faculty are busy with accreditation activities. He extended his appreciation to Chancellor Galatolo and Executive Director Nuñez for the opportunity to participate in processes related to facilities planning and strategic operations.

Copies of the Executive Statements/Reports were available for distribution at the meeting and are attached to the official minutes of record.

**STATEMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS**

None

**NEW BUSINESS**

**APPROVAL OF PERSONNEL ACTIONS: CHANGES IN ASSIGNMENT, COMPENSATION, PLACEMENT, LEAVES, STAFF ALLOCATIONS AND CLASSIFICATION OF ACADEMIC AND CLASSIFIED PERSONNEL (06-1-2A)**

It was moved by Trustee Holober and seconded by Trustee Hausman to approve the actions in Board Report No. 06-1-2A. The motion carried, all members voting "Aye."

**HEARING OF THE PUBLIC OF AFSCME'S INITIAL REOPENER PROPOSAL TO THE DISTRICT FOR 2005-07, RECEIVED NOVEMBER 30, 2005 (06-1-3A)**

At 6:36 p.m., President Mandelkern declared the public hearing open and called for comments/questions from the audience. Hearing none, President Mandelkern declared the public hearing closed at 6:37 p.m.

**ADOPTION OF DISTRICT'S INITIAL RESPONSE TO AFT PROPOSAL FOR CONTRACT REOPENERS, DATED OCTOBER 12, 2005 (06-1-4A)**

It was moved by Trustee Schwarz and seconded by Trustee Hausman to adopt the District's initial proposal to AFT Local 1493 and to hold a public hearing on the proposal at the next regularly scheduled Board meeting. The motion carried, all members voting "Aye."

**APPROVAL OF CONSENT AGENDA (06-1-1CA – 06-5CA)**

The Consent Agenda consists of the following board reports:

- 06-1-1CA Declaration of surplus property
- 06-1-2CA Approval of 2006-07 budget and planning calendar
- 06-1-3CA Approval of Trustees' Fund for Program Improvement projects for Cañada College and College of San Mateo
- 06-1-4CA Approval of nonresident tuition fee
- 06-1-5CA Approval of construction consultants

Student Trustee Burns asked that Board Report No. 06-1-4CA (Approval of nonresident tuition fee) be set aside for separate discussion; Trustee Holober asked that Board Report No. 06-1-5CA (Approval of construction consultants) be set aside for separate discussion.

It was then moved by Trustee Hausman and seconded by Trustee Miljanich to approve the Consent Agenda as amended. The motion carried, all members voting "Aye".

**APPROVAL OF NONRESIDENT TUITION FEE (06-1-4CA)**

Student Trustee Burns asked what the basis is to qualify for an exemption. Executive Vice Chancellor Keller explained that military service in the State is one of the criteria; Chancellor Galatolo added that location of a student's home campus is another. Following discussion, it was moved by Trustee Schwarz and seconded by Student Trustee Burns to set the 2006-07 nonresident tuition fee at \$175 per semester unit and to levy a capital outlay recovery fee of \$7 per semester unit and that no exemptions be made for foreign students or for students enrolled in six units or less, bringing the total nonresident fee to \$182 per semester unit for 2006-07. The motion carried, all members voting "Aye."

**APPROVAL OF CONSTRUCTION CONSULTANTS (06-1-5CA)**

Trustee Holoher remarked that the list of projects is somewhat generic and asked what the scope of those projects may be. Swinerton Consultant Powell responded that the list provides more flexibility to look at upcoming projects and to determine what's needed and where, and to use the appropriate teams on the appropriate project even if that work is on a campus where the team has not worked before. She added that, for projects already underway, this method can serve as a peer review mechanism. She added that the selection of the consultants was a result of processes in use during the last year. In response to Trustee Holoher's interest in ensuring that diversity is maintained and even expanded, Executive Director Nuñez assured the Board that this is a priority and that it would be reflected in the roster call in May/June.

Following discussion, it was moved by Trustee Hausman and seconded by Trustee Miljanich to approve construction consultant services for 2005-06, as described in the report, in an amount not to exceed \$7,240,000. The motion carried, all members voting "Aye."

**APPROVAL OF EXPANSION OF HEALTH SERVICES OFFERINGS AT CAÑADA COLLEGE (06-1-100B)**

It was moved by Trustee Hausman and seconded by Trustee Schwarz to approve the partnership described in the Memorandum of Understanding between Planned Parenthood Golden Gate and San Mateo County Community College District for a one-year period beginning January 26, 2006 through January 25, 2007, with four one-year renewal options. The motion carried, all members voting "Aye."

**CONTRACT AWARD FOR PHYSICAL ACCESS CONTROLS PHASE ONE – DISTRICTWIDE INFRASTRUCTURE (06-1-101B)**

It was moved by Trustee Hausman and seconded by Trustee Schwarz to award the contract for Physical Access Controls Phase 1, Districtwide Infrastructure, to Atlas-Pellizzari Electric Co., in an amount not to exceed \$826,500 for the base installation, and an additional amount not to exceed \$500,000 for award under unit pricing, for a total contract award of \$1,326,500. The motion carried, all members voting "Aye."

**APPROVAL OF PAYMENT TO PACIFIC GAS & ELECTRIC (PG&E) FOR ELECTRICAL SERVICE SYSTEM SAFETY UPGRADES – COLLEGE OF SAN MATEO (06-1-102B)**

It was moved by Trustee Holoher and seconded by Trustee Hausman to authorize the Executive Vice Chancellor to approve payment to PG&E in an amount not to exceed \$150,000, in the event that such payment is required for safety upgrade to the electrical service system to allow occupancy of new buildings at CSM. The motion carried, all members voting "Aye."

**CONTRACT AWARD TO VOORHEES GROUP, LLC, FOR EDUCATIONAL PLANNING AND PROFESSIONAL SERVICES – SKYLINE COLLEGE (06-1-103B)**

It was moved by Trustee Holoher and seconded by Trustee Miljanich to award a contract to Voorhees Group of Littleton, Colorado, in an amount not to exceed \$69,500 funded from the Skyline General Fund, for educational planning and professional services at Skyline College.

In discussion, Skyline President Morrow explained that this contract is a means to maximize how bond funds are used. For educational planning and professional She added that this activity will feed into the Facilities Master Plan and that, because of a short timeline and the need for substantial expertise, the use of consultant services is necessary for purposes of research and facilitation. Chancellor Galatolo said that the other District Colleges are looking into their own plans and that, when the position of Vice Chancellor of Education Services is filled, the person filling that position will undertake



these types of activities Districtwide. Presidents Mohr and Kelly stated that, as needs demand, their Colleges would consider similar consultation services.

Following discussion, the motion carried, all members voting “Aye.”

**UPDATE OF FACILITIES MASTER PLAN – DISTRICTWIDE (06-1-2C)**

Executive Director Nuñez presented the report, noting that, given the recent passage of Measure A and other changes that have occurred since 2001 (date of development of original Facilities Master Plan), an updated Facilities Master Plan is required in order to inform decision-making related to the next phases of planning and construction. In December 2005, District staff issued a Request for Qualifications to 12 architectural firms for master planning services. The nine firms who responded were ranked based on criteria that included: 1) demonstrated ability to lead a college community through the facilities master planning process; 2) ability to begin the master planning process with 15 days of contract award; 3) experience of personnel proposed for the project; 4) results of reference checks; 5) assessment of the process the architectural firm plans to use in developing the master plans; 6) evaluation of the firm’s proposed fee; and 7) commitment to a collaborative management style. The three highest ranked firms were further interviewed by executive staff and College Presidents and Vice Presidents. Although each of the firms was qualified to update the Facilities Master Plan, Steinberg Architects, was judged to be the best fit and would bring the most value to this initiative.

This effort is designed to follow a strict schedule and includes review of previously completed assessments and analysis, site visits, meetings with the College communities to develop goals, identify issues, develop options, identify solutions, and final approval of the Plan by the Board of Trustees. The work will begin immediately upon the Board’s approval of this firm for the master planning services, and is scheduled to be completed in June 2006, with periodic updates presented to the Board in the interim.

**STATEMENTS FROM BOARD MEMBERS**

Student Trustee Burns extended his thanks to Bookstore Director Bauer and his staff for their work on Bookstore issues; he said that the efforts are definitely being noticed.

Trustee Miljanich reported that she will be in Sacramento on other business this weekend and expects to drop in at the CCLC legislative conference.

Trustee Hausman reported that the Foundation has changed officers: Penny Greenberg is the President and John Hamilton is Vice-President.

President Mandelkern reported that he attended his first meeting as a member of the Foundation Board and is privileged to be part of the organization.

Trustee Schwarz stated that she attended the recent Community School graduation and hopes to attend the upcoming “town talk” by Joe Simitian.

**COMMUNICATIONS**

None

The Board recessed to Closed Session at 7:40 p.m.

The Board reconvened to Open Session at 9:08 p.m.

**CLOSED SESSION ACTIONS TAKEN**

President Mandelkern reported that, at the Closed Session conducted earlier, the Board considered the personnel items listed on the printed agenda and unanimously approved the actions in Board Report No.1-A and 1-B. He also reported that the Board discussed collective bargaining matters with Chief Negotiator Joel; no action was taken.

**ADJOURNMENT**

It was moved by Trustee Miljanich and seconded by Trustee Schwarz to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 9:10 p.m.

The next Regular Meeting of the Board will be February 15, 2006, beginning at 6:00 p.m. in the District Board Room. This will be the only Board Meeting in February.

Submitted by

Ron Galatolo  
Secretary

Approved and entered into the proceedings of the February 15, 2006 meeting.

Helen Hausman  
Vice President-Clerk

**BOARD REPORT NO. 06-02-1A**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor-Superintendent  
PREPARED BY: Harry W. Joel, Vice-Chancellor,  
Human Resources and Employee Relations, (650) 358-6767

**APPROVAL OF PERSONNEL ACTIONS**

Changes in assignment, compensation, placement, leaves, staff allocations and classification of academic and classified personnel:

**A. Reassignment**

Skyline College

**a. Connie Savoca Fiedler**

Interim,  
Dean of Language Arts

Office of the Vice President of  
Instruction

Temporary reassignment from Instructor, effective February 6, 2006 until a new permanent Dean is hired, replacing Anita Martinez who resigned.

**B. Leave of Absence**

College of San Mateo

**1. Niruba Srinivasan**

Television Programmer

KCSM/Broadcast Services

Recommend approval of pregnancy disability leave of absence, effective January 6, 2006, pursuant to provisions of the Family and Medical Leave Act of California Rights Act. Pursuant to the District policy, employee is entitled to a maximum of twelve (12) calendar months of Leave.

**C. Changes in Staff Allocation**

Cañada College

1. Recommend deletion of one 50% of full-time Counselor position (3FC003) from the University Center and Academic Support Services Division, effective October 1, 2005.

C. Changes in Staff Allocation (continued)

College of San Mateo

1. Recommend approval of an increase in staff allocation to add one full-time classified, twelve (12) month per year, Program Services Coordinator in the Counseling/Student Services Division, effective February 16, 2006.
2. Recommend approval of an increase in staff allocation to add one 48% of full-time classified, twelve (12) month per year, Office Assistant II in the Child Development Center/Student Services Division, effective February 16, 2006.
3. Recommend reclassification of two vacant Underwriting Representative positions (4C0281, 4C0293), from Grade 31, of the Classified Secretarial, Clerical and Special Categories Salary Schedule 60, to Grade 35, of the Salary Schedule 60, effective February 16, 2006.

This reclassification is based on the additional responsibilities of fundraising from corporations and individual major donors, and was agreed upon with CSEA.

D. Professional Development Leave

College of San Mateo

- |                        |                       |                                  |
|------------------------|-----------------------|----------------------------------|
| 1. <b>Michael Clay</b> | Instructor, Chemistry | Mathematics and Science Division |
|------------------------|-----------------------|----------------------------------|

Recommend approval of Professional Development Leave for Spring Semester 2006, with required, leave compensation, benefits, and obligations pursuant to Professional Development Committee and collective bargaining agreement.

E. Short-Term, Non-Continuing Assignments

The following is a list of requested classified short-term, non-continuing services that require Board approval prior to the employment of temporary individuals to perform these services, pursuant to Assembly Bill 500 and its revisions to Education Code 88003:

| <i>Location</i> | <i>Division/<br/>Department</i> | <i>No. of<br/>Pos.</i> | <i>Date</i>  |            | <i>Services to be performed</i>   |
|-----------------|---------------------------------|------------------------|--------------|------------|---|
|                 |                                 |                        | <i>Start</i> | <i>End</i> |   |
| 1. CSM          | Instructional Aide I            | 1                      | 02/16/2006   | 05/30/2006 | Instructional Aide I:<br>to assist students coming into the Math Lab with their assignments.  |
| 2. District     | Accounts Payable                | 1                      | 02/16/2006   | 06/30/2006 | Accounting Technician:<br>to assist with creating and maintaining detailed accounting records; receiving, coordinating and processing invoices in Banner accounts payable module; as well as preparing and printing checks based on invoice data entry. |

**BOARD REPORT NO. 06-2-2A**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor-Superintendent  
PREPARED BY: Harry W. Joel, Vice Chancellor, Human Resources and Employee Relations, 358-6767

**ADOPTION OF RESOLUTION NO. 06-1 TO ALLOW DECEASED RETIREES' SPOUSES  
WITH NO MONTHLY ALLOWANCE TO CONTINUE GROUP HEALTH COVERAGE  
THROUGH CALPERS UNDER THE  
PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT**

**Background**

Under the current contract with CalPERS Health Plan System, when a PERS retiree is deceased and the eligible surviving spouse does not receive monthly allowance, CalPERS will not allow the surviving spouse to continue the group health coverage. However, when a STRS retiree is deceased and the surviving spouse does not receive monthly allowance, CalPERS allows the surviving spouse to continue the group health coverage and bills the District on the active list.

In the past, the District has assisted the eligible surviving spouses of deceased PERS retirees with no allowance to enroll in individual plans and the Office of Human Resources monitors this group separately.

In an effort for the District to provide the same kind of service to all eligible surviving spouses regardless of their retirement system, the Office of Human Resources has contacted CalPERS. The attached resolution will allow the eligible surviving spouses of deceased PERS retirees with no monthly allowance to continue their group health coverage with CalPERS without interruption.

**RECOMMENDATION**

It is recommended that the Board of Trustees adopt Resolution No. 06-1 to allow deceased retirees' eligible spouses with no monthly allowance to continue group health coverage through CalPERS.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
BOARD OF TRUSTEES**

**RESOLUTION NO. 06-1**

**RESOLUTION ELECTING TO BE SUBJECT TO SECTIONS 22819 OF THE PUBLIC EMPLOYEES'  
MEDICAL AND HOSPITAL CARE ACT**

- WHEREAS, (1)** Government Code Sections 22922 (a) and 22922 (b) provides the benefits of the Public Employees' Medical and Hospital Care Act to employees of local agencies contracting with the Public Employees' Retirement System; and
- WHEREAS, (2)** San Mateo County Community College District, hereinafter referred to as Contracting Agency, is a local agency contracting with the Public Employees' retirement system under the Act; and
- WHEREAS (3)** Government Code Section 22819 provides certain additional benefits to employees of local agencies contracting under the Act upon proper application; and
- WHEREAS (4)** The Contracting Agency desires to obtain for its employees the benefit of Section 22819 and accepts the liabilities and obligations of a contracting agency under the Section; now, therefore be it
- RESOLVED, (a)** That the Contracting Agency elects, and it does hereby elect, to be subject to the provisions of Section 22819 of the Government code.

**PASSED AND ADOPTED** by the Board of Trustees of the San Mateo County Community College District this 15<sup>th</sup> day of February 2006.

President, Board of Trustees

Vice President-Clerk

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

Ron Galatolo  
Chancellor-Superintendent

**BOARD REPORT NO: 06-2-3A**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor-Superintendent  
PREPARED BY: Harry Joel, Vice Chancellor Human Resources (358-6767)

**DISTRICT'S INITIAL CONTRACT PROPOSAL TO AMERICAN FEDERATION OF STATE,  
COUNTY AND MUNICIPAL EMPLOYEES (AFSCME), Local 829**

The present contract between the District and AFSCME Local 829 provides for reopening wage and benefits as well as additional non-monetary issues as identified.

Staff has made an initial proposal to the Union as listed below. Staff also recommends that the Board hold a public hearing, as required by the Educational Employment Relations Act, at the next regularly scheduled Board meeting.

District Proposal to AFSCME Local 829:

1. Effective January 1, 2006 increase the amount of PERS medical coverage contribution from \$670 per month to \$739 per month (Two Party Coverage) and from \$883 per month to \$970 per month (Family Coverage). This proposal represents an approximate increase of 9.8% in the contribution and approximately 1% of total compensation.
2. Increase salaries by 1% effective July 1, 2005
3. Increase salaries by 1% effective July 1, 2006

**RECOMMENDATION**

It is recommended that the Board of Trustees accept the District's initial proposal to AFSCME Local 829 and hold a public hearing of the proposal at the next regularly scheduled Board meeting.



**BOARD REPORT NO. 06-2-1CA**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor-Superintendent  
PREPARED BY: José D. Nuñez, Executive Director, Facilities Planning & Operations, 358-6836

**AUGMENTATION TO DESIGN BUILD CONTRACT FOR  
SCIENCE BUILDING 36 – COLLEGE OF SAN MATEO**

On February 11, 2004 (Board report 04-2-103B), the Board authorized award of a design build contract for construction of a new Science Building and Planetarium to McCarthy Building Companies, Inc. under the auspices of California Education Code §81700. District Staff and McCarthy executed said contract on May 5, 2004. On April 13, 2005 the Board authorized augmentation of the original contract by an amount not to exceed \$1,700,000 (Board Report No. 05-4-101B). This augmentation allowed District Staff to negotiate additional site work at the gateway and covered the purchase, installation and integration of the Planetarium Star Projector.

Since April of 2005, the Design Build Team and District staff have continued to work together to identify opportunities to include instructional enhancements, and to reduce the total cost of ownership of the building over its functional life. Some relatively minor costs associated with unforeseen conditions have also been incurred.

As additional funding becomes available, District staff would like to have flexibility to negotiate these items with the DB Team. The team collaboration fostered by the design-build process has enabled the designer, builder and Owner to work together to negotiate fair pricing on the items previously approved by the Board, and District staff is confident this will be true moving forward.

In light of the differing nature of the Design Build delivery method in comparison with the traditional design-bid-build delivery method, the legislature enacted legislation specifying a proposal and award process that differs markedly from those governing the traditional delivery method. This legislation was incorporated into the Ed Code §81700. Section "c" of the referenced code summarizes the intent of the legislation as follows:

**c) It is the intent of the Legislature to provide an optional, alternative procedure for bidding and building community college construction projects.**

Although the legislation authorized a total of three Community College Districts to pilot the design build delivery method, of the three authorized Districts only San Mateo has moved forward to award design build contracts. Therefore, the San Mateo County Community College District is in the position of implementing and interpreting the legislation for the first time.

After conferring with legal counsel on the nature of the design build process and the intent of the code, District Staff recommend the Board authorize the following changes to the design build contract. Each change order category has been reviewed by District staff for program inclusiveness, and for cost and time

impacts. Staff feels that the cost for each item is fair and reasonable. If these changes were to be made at a later date, the cost for each item would minimally increase 10% - 30%. Each of these changes is clearly consistent with the intent of the original scope awarded.

- **Instructional Program Enhancements, \$850,021:** This category includes costs totaling \$433,171 for additional functionality to the Star Projector initially specified and submitted for Board review in April. These recently developed enhancements will better meet the needs of the existing program and allow for future program enhancement. Upgrades to the laboratory casework to better facilitate programmatic methods, additional eye-wash stations for student and staff safety and upgraded ventilation at the Anatomy laboratory costing a total of \$313,044, and \$103,806 for additional IT infrastructure to serve expanding future technology needs is also included here, pending finalization of actual costs.
- **Investment in Life Cycle Cost reduction to District, \$1,014,141:** This category includes a centralized and automated security and physical access control system, eliminating the current "piecemeal" approach to security system monitoring and the need for staff to manually secure and reopen buildings, costing an additional \$442,600. It also covers various more durable finishes including lab benches and casework, flooring materials, acoustic treatments, upgraded electrical transformer materials, and toilet partitions, for a total cost of \$477,624. The District also elected to invest in mechanical systems which will significantly exceed California Title 24 energy efficiency standards for an investment of \$56,717. Some of these costs will be recouped via utility rebates once the building is occupied. Finally, this category includes an extended hardware warranty and service agreement for future software upgrades for the Planetarium Star Projector, which will maximize the service life of the equipment while minimizing operational costs and the total cost of ownership, at a cost of \$37,200.
- **Unforeseen conditions, \$251,444:** Unforeseen conditions on this project include underground transite pipe (an asbestos-containing material requiring hazardous material abatement and disposal protocols), relocation of other undocumented utility piping totaling \$80,537, an additional all-weather access road requested by the local Fire Marshall at a cost of \$10,907, and \$160,000 in anticipated deductibles for claims against the Builders Risk Policy carried by the District.

The proposed augmentation will be funded by Measure C and Measure A general obligation bond funds.

In April 2005 the Board authorized District Staff to award a contract augmentation to McCarthy Building Co. in an amount not to exceed \$500,000 for a site development gateway feature (Board report No. 05-4-101B). In the process of working with the Design Build Team to develop the gateway feature design, the College community determined that incorporation of this feature into the Science Building project will not achieve the goals of the College. Instead, location of this important feature of the new campus gateway is being incorporated into the larger Campus Master Planning effort now underway. As a result, this \$500,000 of Board Authorization is being carried forward and applied to the total amount requested for authorization under this Board item. The total cost of all items included in this report is \$2,115,606. The amount of authorization requested is \$1,615,606, inclusive of the \$500,000 previously authorized for the site development gateway feature.

## RECOMMENDATION

It is recommended that the Board authorize augmentation of the existing design build contract with McCarthy Building Companies, Inc. in an amount not to exceed \$1,615,606.

**BOARD REPORT NO. 06-2-2CA**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor-Superintendent  
PREPARED BY: José D. Nuñez, Executive Director, Facilities Planning & Operations, 358-6836

**AUGMENTATION TO DESIGN BUILD CONTRACT FOR STUDENT SUPPORT &  
COMMUNITY SERVICES CENTER BUILDING 6 AND SCIENCE ANNEX  
BUILDING 7A – SKYLINE COLLEGE**

On July 28, 2004 the Board approved award of a design build contract for the Construction of the Student Support & Community Services Center (Building 6) and a Science Annex (Building 7A) to Hensel Phelps Construction Company (Board Report No. 04-7-101B), under the auspices of California Education Code §81700. On April 13, 2005 the Board authorized augmentation of the original contract by an amount not to exceed \$1,700,000 (Board Report No. 05-4-102B). This augmentation allowed District Staff to negotiate additional site development work at the gateway, incorporate anchor tenant improvements into the Design Build (DB) scope, and furnish and install a transformer.

Since April of 2005, the Design Build Team and District staff have continued to work together to identify opportunities to include upgrades to the project including various programmatic enhancements and reduction of the total cost of ownership of the building over its functional life. Additional costs also resulted from unforeseen conditions including ground-water, hazardous materials and unanticipated additional work at the Science Annex's connection to the existing Science Building, standpipes and other life safety system enhancements requested by the local Fire Marshall.

As additional funding becomes available, District staff would like to have flexibility to negotiate these items with the DB Team. The team collaboration fostered by the design-build process has enabled the designer, builder and Owner to work together to negotiate fair pricing on the items previously approved by the Board, and District staff is confident this will be true moving forward.

In light of the differing nature of the Design Build delivery method in comparison with the traditional design-bid-build delivery method, the legislature enacted legislation specifying a proposal and award process that differs markedly from those governing the traditional delivery method. This legislation was incorporated into the Ed Code §81700. Section "c" of the referenced code summarizes the intent of the legislation as follows:

**c) It is the intent of the Legislature to provide an optional, alternative procedure for bidding and building community college construction projects.**

Although the legislation authorized a total of three Community College Districts to pilot the design build delivery method, of the three authorized Districts only San Mateo has moved forward to award design build contracts. Therefore, the San Mateo County Community College District is in the position of implementing and interpreting the legislation for the first time

After conferring with legal counsel on the nature of the design build process and the intent of the code, District Staff recommend the Board authorize the following changes to the design build contract. Each change order category has been reviewed by District staff for program inclusiveness, and for cost and time impacts. Staff feels that the cost for each item is fair and reasonable. If these changes were to be made at a later date, the cost for each item would minimally increase 10% - 30%. Each of these changes is clearly consistent with the intent of the original scope awarded.

- **Facility and Programmatic Enhancements, NTE \$778,972:** This category includes addition of a fireplace in the central area of the Student Support and Community Services Center. Although this feature was not included in the original building program, the College community feels strongly that this feature will significantly enhance the facility's functionality and is congruent with the original design intent. Additional IT infrastructure to serve expanding future technology needs is also included here, along with bookstore fixtures, upgraded ventilation at laboratory areas, and increased cost for the anchor tenant improvements previously approved by the Board last April.
- **Investment in Life Cycle Operating Cost Reductions, NTE \$566,229:** This category includes a centralized and automated security and physical access control system, eliminating the current "piecemeal" approach to security system monitoring and the need for staff to manually secure and reopen buildings. It also covers various more durable finishes including lab benches and casework, flooring materials, acoustic treatments, toilet partitions, and mechanical system with lower maintenance requirements and improved energy efficiency.
- **Unforeseen Conditions, NTE \$344,116:** The project site required significant additional permanent drainage to redirect unanticipated groundwater. The DB Team also encountered underground transite pipe (an asbestos-containing material requiring hazardous material abatement and disposal protocols). Finally, the local Fire Marshall requested significantly increased structural work around the connection of the new Science Annex to the existing Science Building. The Fire Marshall also requested enhancements to the life safety systems in the buildings, improving occupant safety beyond minimum code requirements.

The proposed augmentation will be funded by Measure C and Measure A general obligation bond funds.

### **Recommendation**

It is recommended that the Board authorize augmentation of the design build contract with Hensel Phelps Construction Company in an amount not to exceed \$1,689,317.

**BOARD REPORT NO. 06-2-3CA**

TO: Member of the Board of Trustees  
FROM: Ron Galatolo, Chancellor-Superintendent  
PREPARED BY: Kathryn Blackwood, Chief Financial Officer, 358-6869

**RATIFICATION OF SECOND QUARTER DISTRICT WARRANTS, 2005-2006**

Attached as Exhibits A, B and C are the warrants in excess of \$10,000 that were issued in the months of October, November, and December 2005 respectively. The schedules include total warrants issued for the subject period in addition to the warrant sequences. Education Code Section 85266 requires that the Board of Trustees approve warrants issued by the District. Accordingly, the District now seeks Board approval of the warrants listed in the attached Exhibits.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the warrants issued during the period October 1, 2005 through December 31, 2005 and ratify the contracts entered into leading to such payments.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
OCTOBER 1-31, 2005  
WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number | Check Date | Vendor Name                       | Check Amount | Description  |
|--------------|------------|-----------------------------------|--------------|--|
| 347611       | 10/05/05   | District Accounts Payable         | 17,137.37    | Utilities  |
| 347622       | 10/05/05   | Constellation NewEnergy Inc.      | 14,538.43    | Utilities  |
| 347652       | 10/05/05   | Pac Gas & Elec Co                 | 77,463.00    | BACCD JPA Insurance Rebate   |
| 347667       | 10/05/05   | Allan Hancock College             | 100,779.07   | Cañada EOPS Student Books & Supplies                               |
| 347672       | 10/05/05   | Canada Bookstore                  | 241,023.00   | BACCD JPA Insurance Rebate   |
| 347687       | 10/05/05   | Contra Costa Comm Coll Dist.      | 17,111.54    | Computers For Skyline  |
| 347690       | 10/05/05   | Dell Computers                    | 12,500.00    | Faculty/Staff Housing Project                                      |
| 347699       | 10/05/05   | Education Housing Partners, LLC.  | 30,666.00    | BACCD JPA Insurance Rebate   |
| 347702       | 10/05/05   | Gavilan College                   | 53,385.00    | BACCD JPA Insurance Rebate   |
| 347704       | 10/05/05   | Hartnell College                  | 773,034.00   | Skyline Building Design-Build Project                              |
| 347704       | 10/05/05   | Hensel Phelps Construction Co.    | 1,150,756.00 | CSM Building Design-Build Project                                  |
| 347724       | 10/05/05   | McCarthy Building Companies       | 21,000.00    | Library Books For Cañada   |
| 347732       | 10/05/05   | Midwest Library Service           | 65,204.00    | BACCD JPA Insurance Rebate   |
| 347736       | 10/05/05   | Monterey Peninsula College        | 755,677.48   | Health Insurance Premium October 2005                              |
| 347753       | 10/05/05   | Public Empl Ret Sys               | 101,161.98   | CISCO SMARTNet Maintenance   |
| 347754       | 10/05/05   | Quest Media & Supplies, Inc.      | 23,575.00    | CSM Seismic & Modernization Project                                |
| 347759       | 10/05/05   | Rudolph and Sletten Inc.          | 134,433.00   | BACCD JPA Insurance Rebate   |
| 347761       | 10/05/05   | San Jose/Evergreen Com Col Dist   | 46,874.00    | BACCD JPA Insurance Rebate   |
| 347762       | 10/05/05   | San Luis Obispo County CCD        | 85,893.00    | Skyline Building Design-Build Project                              |
| 347763       | 10/05/05   | Hensel Phelps Construction Co.    | 196,078.00   | BACCD JPA Insurance Rebate   |
| 347764       | 10/05/05   | San Mateo Com.Col.Dist.           | 26,752.22    | Utilities  |
| 347772       | 10/05/05   | Sch Proj/Util Rate Reduc.         | 11,086.00    | Maintenance Service For Telephone System                           |
| 347778       | 10/05/05   | Siemens Communications, Inc.      | 127,862.00   | CSM Building Design-Build Project                                  |
| 347796       | 10/05/05   | McCarthy Building Companies       | 154,874.00   | BACCD JPA Insurance Rebate   |
| 347799       | 10/05/05   | West Valley Mission C C Dist.     | 638,772.66   | Installation Of Various Energy & Design Zone Level Control Project |
| 347820       | 10/06/05   | Chevron                           | 32,875.53    | Life Insurance Premium October 2005                                |
| 347828       | 10/06/05   | Harford Life & Accident Insurance | 17,128.15    | Geotechnical Observation & Testing For Skyline                     |
| 347829       | 10/06/05   | Lowney Associates                 | 228,192.65   | Cañada Learning Resource Center Project                            |
| 347839       | 10/06/05   | S.J. Amoroso Construction Co.Inc. | 25,354.74    | Cañada Learning Resource Center Project                            |
| 347842       | 10/06/05   | S.J. Amoroso Construction Co.Inc. | 70,974.75    | Installation Of Various Energy & Design Zone Level Control Project |
| 347843       | 10/06/05   | Chevron                           | 44,017.00    | ITS Consulting Services August 2005                                |
| 347850       | 10/06/05   | Strata Information Group          | 60,936.30    | Skyline Swing Space Installation Project                           |
| 347856       | 10/10/05   | B. T. Mancini Co. Inc.            |              |  |

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
OCTOBER 1-31, 2005  
WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number | Check Date | Vendor Name                       | Check Amount | Description  |
|--------------|------------|-----------------------------------|--------------|--|
| 347862       | 10/10/05   | Education Housing Partners, LLC.  | 630,471.99   | Faculty/Staff Housing Project                        |
| 347867       | 10/10/05   | Lone Star Modular, Inc            | 14,950.00    | CSM Swing Space Installation Project                 |
| 347872       | 10/10/05   | Rountree Plumbing, Heating Inc.   | 14,459.00    | CSM Plumbing & Heating Services                      |
| 347873       | 10/10/05   | S.M.C.S.I.G.                      | 18,355.14    | Vision Plan Premium October 2005                     |
| 347876       | 10/10/05   | Siemens Communications, Inc.      | 160,840.83   | New Telephone System For CSM                         |
| 347942       | 10/13/05   | Canada Bookstore                  | 18,266.42    | Cañada Students Books & Supplies                     |
| 347952       | 10/13/05   | CIS, Inc                          | 14,025.00    | Cañada Learning Resource Center Construction Project |
| 347954       | 10/13/05   | CIS, Inc                          | 24,800.00    | Inspection Services For Skyline                      |
| 347967       | 10/13/05   | Descalso Lithograph               | 11,232.02    | KCSM Program Guide Printing Fees                     |
| 348002       | 10/13/05   | Lloyd F. McKinney Associates Inc. | 10,860.63    | Technomad Noho Sound & Audio Visual System           |
| 348020       | 10/13/05   | Noll & Tam                        | 46,036.52    | Design Services For Cañada Learning Resource Center  |
| 348024       | 10/13/05   | Noll & Tam                        | 20,661.00    | Cañada Summer 2005 Office Renovation                 |
| 348039       | 10/13/05   | Redwood City School Dist.         | 14,691.80    | Child Development Services For Cañada                |
| 348044       | 10/13/05   | S.M.C.S.I.G.                      | 123,663.78   | Dental Premium October 2005                          |
| 348065       | 10/13/05   | Trust Administrators, Inc.        | 19,755.23    | IRC Plan 125 Flex Benefit Premium September 2005     |
| 348066       | 10/13/05   | U.S. Postal Services              | 25,000.00    | KCSM Postal Services                                 |
| 348067       | 10/13/05   | U.S. Postal Services              | 25,000.00    | KCSM Postal Services                                 |
| 348312       | 10/17/05   | Casey Printing, Inc.              | 33,194.95    | Printing of Spring 2006 Schedule For Skyline         |
| 348323       | 10/17/05   | Foundation for California Comm    | 20,000.00    | Career Ladders Project At Skyline                    |
| 348479       | 10/19/05   | AIG VALIC                         | 10,000.00    | TSA Contribution                                     |
| 348486       | 10/19/05   | Apple Computer, Inc               | 11,224.47    | Computers For CSM                                    |
| 348495       | 10/19/05   | Apple Computer, Inc               | 11,224.47    | Computers For CSM                                    |
| 348497       | 10/19/05   | Apple Computer, Inc               | 12,802.33    | Computers For CSM                                    |
| 348503       | 10/19/05   | Bay Area Comm Col JPA             | 36,590.10    | JPA Insurance Claim                                  |
| 348509       | 10/19/05   | Swinerton Management & Consult    | 12,192.00    | Program Management Services                          |
| 348512       | 10/19/05   | David R. Callahan Inspections     | 10,500.00    | Inspection Services For CSM                          |
| 348513       | 10/19/05   | Dell Computers                    | 31,268.52    | Computer For CSM                                     |
| 348529       | 10/19/05   | McCarthy Building Companies       | 1,567,201.00 | CSM Building Design-Build Project                    |
| 348534       | 10/19/05   | S.B.R.P.S.T.C.                    | 75,855.00    | San Mateo County Basic Police Academy Fee            |
| 348535       | 10/19/05   | S.J. Amoroso Construction Co Inc  | 468,608.66   | Cañada Learning Resource Center Construction Project |
| 348536       | 10/19/05   | S.J. Amoroso Construction Co Inc  | 52,067.63    | Cañada Learning Resource Center Construction Project |
| 348540       | 10/19/05   | Siemens Communications, Inc.      | 26,413.04    | 911 Site Alert                                       |
| 348542       | 10/19/05   | Swinerton Management & Consult    | 231,653.00   | Program Management Services                          |
| 348548       | 10/19/05   | U.S. Postal Services              | 61,365.91    | CSM Postal Services                                  |

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

OCTOBER 1-31, 2005

WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number  | Check Date | Vendor Name                          | Check Amount | Description  |
|---|------------|--------------------------------------|--------------|--|
| 348550  | 10/19/05   | McCarthy Building Companies          | 174,134.00   | CSM Building Design-Build Project                  |
| 348563  | 10/20/05   | Pac Gas & Elec Co                    | 14,263.64    | Utilities  |
| 348580  | 10/20/05   | Big D Pacific Builders               | 106,551.00   | Cañada Waterproofing/ADA Ramps/Landscape Project   |
| 348590  | 10/20/05   | Division of the State Architect      | 38,125.00    | Plan Check Fee For Cañada                          |
| 348591  | 10/20/05   | Employment Development Depart        | 73,780.54    | Third Quarter 2005 State Unemployment Tax          |
| 348605  | 10/20/05   | Pac Gas & Elec Co                    | 29,207.34    | Utilities  |
| 348607  | 10/20/05   | Robert A. Bothman                    | 670,361.45   | Installation Of Scoreboard At CSM                  |
| 348629  | 10/24/05   | Constellation NewEnergy Inc.         | 18,523.20    | Utilities  |
| 348656  | 10/24/05   | Casey Printing ,Inc.                 | 31,064.50    | Printing of Spring 2006 Schedule For Cañada        |
| 348664  | 10/24/05   | Constellation NewEnergy Inc.         | 37,764.11    | Utilities  |
| 348685  | 10/24/05   | Noll & Tam                           | 21,000.96    | Architectural Services For Cañada                  |
| 348686  | 10/24/05   | Noll & Tam                           | 20,915.85    | Architectural Services For Cañada                  |
| 348687  | 10/24/05   | Noll & Tam                           | 23,399.50    | Architectural Services For Cañada                  |
| 348697  | 10/24/05   | SMCCCD Revolving Account             | 300,920.26   | Replenish Procurement Card Clearing Account        |
| 348847  | 10/26/05   | Constellation NewEnergy Inc.         | 17,108.76    | Utilities  |
| 348860  | 10/26/05   | Keenan & Associates                  | 27,843.00    | OCIP Insurance For Cañada Learning Resource Center |
| 348861  | 10/26/05   | Keenan & Associates                  | 140,673.60   | Workers' Compensation Premium                      |
| 348872  | 10/26/05   | Pac Gas & Elec Co                    | 16,476.47    | Utilities  |
| 348873  | 10/26/05   | Pac Gas & Elec Co                    | 15,486.42    | Utilities  |
| 348886  | 10/26/05   | Sequoia Union High School Dist.      | 28,000.00    | Cañada Tech. Prep. Program                         |
| 348887  | 10/26/05   | Siemens Communications, Inc.         | 18,750.00    | Siemens Network Design                             |
| 348892  | 10/26/05   | Thermo Electron North AmericaLLC     | 22,533.93    | Spectrophotometer System For Skyline               |
| 348920  | 10/28/05   | Big D Pacific Builders               | 284,568.00   | CSM Regional Public Safety Center Project          |
| 348957  | 10/28/05   | Pac Gas & Elec Co                    | 13,429.77    | Utilities  |
| 348961  | 10/28/05   | Big D Pacific Builders               | 31,619.00    | CSM Regional Public Safety Center Project          |
| 348966  | 10/28/05   | SBC/MCI                              | 22,727.77    | Remove & Replace Cables At Cañada                  |
| 348972  | 10/28/05   | Sutro Tower Inc.                     | 16,584.00    | KCSM Transmitter Leasing Fees                      |
| District Payroll Disbursement (excluding Salary Warrants) |            |                                      |              |  |
| 512103  | 10/31/05   | Calif. School Empl. Assoc Ch. 33     | 12,240.57    | Union Dues   |
| 512104  | 10/31/05   | American Federation Of Teachers      | 21,330.31    | Union Dues   |
| 512107  | 10/31/05   | Meriwest Credit Union                | 34,582.20    | Credit Union Deduction Register                    |
| 512114  | 10/31/05   | Provident Central Credit Union Cert. | 21,830.52    | Credit Union Deduction Register                    |



SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
OCTOBER 1-31, 2005  
WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number | Check Date | Vendor Name                       | Check Amount  | Description                        |
|--------------|------------|-----------------------------------|---------------|------------------------------------|
| 512118       | 10/31/05   | American Federation Of Teachers   | 15,118.98     | Union Dues                         |
| 512143       | 10/31/05   | Capital Guardian Trust Co.        | 23,909.00     | Tax Annuity                        |
| 512144       | 10/31/05   | Capital Guardian Trust Co.        | 10,550.00     | Tax Annuity                        |
| 512152       | 10/31/05   | Fidelity Service Co.              | 22,958.00     | Tax Annuity                        |
| 512176       | 10/31/05   | Oppenheimer Investor Services     | 10,946.00     | Tax Annuity                        |
| 512189       | 10/31/05   | Variable Annuity Cert. Class. AIG | 19,227.14     | Tax Annuity                        |
| 512190       | 10/31/05   | Variable Annuity Life Class. AIG  | 19,472.28     | Tax Annuity                        |
| 512209       | 10/31/05   | Vanguard Fiduciary Trust Co.      | 21,675.00     | Tax Annuity                        |
| 512219       | 10/31/05   | Hartford Cert.                    | 20,111.00     | Tax Annuity                        |
| 512220       | 10/31/05   | Hartford Class.                   | 18,564.66     | Tax Annuity                        |
| 512253       | 10/31/05   | SMCCCD #798 PL125 From EE         | 10,221.42     | Medical Flexible Benefits          |
| 512257       | 10/31/05   | SMCCCD #995 Due From EE Cert.     | 21,974.73     | Over Cap/Payroll Reimbursement     |
| 512258       | 10/31/05   | SMCCCD #995 Due From EE Class.    | 23,453.35     | Over Cap/Payroll Reimbursement     |
|              |            |                                   |               |                                    |
| 35256        | 10/03/05   | Cañada College Bookstore          | 115,000.00    | Loan Payment To CSM Bookstore      |
| 35284        | 10/12/05   | College Of San Mateo Bookstore    | 75,000.00     | Investment - Pool II               |
| 35291        | 10/24/05   | Apple Computer Inc.               | 35,697.55     | Purchase Of Inventory              |
| 35323        | 10/24/05   | CSM Bookstore                     | 11,190.00     | Sales Tax For September 2005       |
|              |            |                                   |               |                                    |
| 48854        | 10/12/05   | College Of San Mateo Bookstore    | 175,000.00    | Investment - Pool II               |
| 48883        | 10/26/05   | SMCCCD                            | 85,615.46     | Salaries & Benefits September 2005 |
| EFT#61239    | 10/31/05   | Board Of Equalization             | 46,550.00     | Sales Tax For September 2005       |
|              |            |                                   |               |                                    |
| 26109        | 10/12/05   | Skyline College Bookstore         | 50,000.00     | Investment - Pool II               |
| 26143        | 10/26/05   | SMCCCD                            | 15,502.00     | Sales Tax For September 2005       |
| 26151        | 10/26/05   | College Of San Mateo Bookstore    | 57,802.72     | Salaries & Benefits September 2005 |
|              |            | SMCCCD                            | 12,433,681.27 | 88%                                |
|              |            | Subtotal                          | 1,769,804.10  | 12%                                |
|              |            | Warrant Issued ≤ \$10,000         | 14,203,485.37 | 100%                               |
|              |            | Total Non-Salary Warrant Issued   |               |                                    |

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 OCTOBER 1-31, 2005  
 WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number                                    | Check Date | Vendor Name                  | Check Amount  | Description |
|---|------------|------------------------------|---------------|-------------|
| District Accounts Payable                       |            | 347538-348984                | 12,823,874.94 |             |
| District Payroll                                |            | 511067-512257, D30487-D31450 | 7,331,351.58  |             |
| Cañada College Bookstore                        |            | 35256-35323                  | 287,945.47    |             |
| College Of San Mateo Bookstore                  |            | 48822-48885, EFT#61239       | 346,710.36    |             |
| Skyline College Bookstore                       |            | 26091-26151                  | 174,224.69    |             |
| District Cafeteria                              |            | 60891-60901                  | 9,674.85      |             |
| Total Warrant Including Salaries - October 2005 |            |                              | 20,973,781.89 |             |

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 NOVEMBER 1-30, 2005  
 WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number | Check Date | Vendor Name                            | Check Amount | Description  |
|--------------|------------|--|--------------|--|
| 349044       | 11/02/05   | District Accounts Payable              | 10,040.19    | Portable Storage For Cañada Athletics Equipment        |
| 349070       | 11/02/05   | American Portable Storage              | 25,492.66    | Subscriptions For Skyline Library                      |
| 349088       | 11/02/05   | Ebsco Subscription                     | 57,000.00    | Annual Property & Liability Claims Administration Fees |
| 349090       | 11/02/05   | Keenan & Associates                    | 25,303.15    | Districtwide Athletics Geotechnical Testing            |
| 349094       | 11/02/05   | Lowney Associates                      | 43,350.45    | Architectural Services For Cañada                      |
| 349095       | 11/02/05   | Noll & Tam                             | 13,427.75    | Architectural Services For Cañada                      |
| 349097       | 11/02/05   | Noll & Tam                             | 68,186.53    | Architectural Services For Cañada                      |
| 349125       | 11/02/05   | Strata Information Group               | 44,017.00    | ITS Consulting Services September 2005                 |
| 349176       | 11/03/05   | Dell Computers                         | 43,721.75    | Personal Computers                                     |
| 349200       | 11/03/05   | Sch Proj/Util Rate Reduc.              | 24,875.29    | Utilities  |
| 349206       | 11/03/05   | Strata Information Group               | 34,906.20    | Payroll Implementation Services                        |
| 349233       | 11/07/05   | Casey Printing, Inc.                   | 43,887.80    | C-SM Spring 2006 Class Schedule Printing Services      |
| 349256       | 11/07/05   | Public Empl Ret Sys                    | 757,385.57   | Health Insurance Premium For November 2005             |
| 349273       | 11/07/05   | Vavrinek, Trine, Day & Co.             | 15,000.00    | Audit Services   |
| 349276       | 11/07/05   | Wausau Tile, Inc.                      | 12,302.16    | Waste Containers For Cañada Athletic Fields            |
| 349341       | 11/09/05   | Swinerton Management & Consulting      | 12,013.00    | Program Management Services                            |
| 349351       | 11/09/05   | Hartford Life & Accident Insurance Co. | 32,892.15    | Life Insurance Premium November 2005                   |
| 349367       | 11/09/05   | Pac Gas & Elec Co                      | 13,006.50    | Utilities  |
| 349379       | 11/09/05   | Swinerton Management & Consulting      | 228,239.00   | Program Management Services                            |
| 349380       | 11/09/05   | Trust Administrators, Inc.             | 18,577.87    | Flexible Benefits IRC Plan 125 Premium October 2005    |
| 349409       | 11/14/05   | John Plane Construction                | 31,710.88    | Skyline Building Modernization & Seismic Upgrades      |
| 349418       | 11/14/05   | Chevron                                | 802,034.89   | Districtwide Energy Efficiency & Conservation Project  |
| 349431       | 11/14/05   | Education Housing Partners, LLC.       | 872,652.73   | Faculty/Staff Housing Project                          |
| 349442       | 11/14/05   | John Plane Construction                | 285,397.89   | Skyline Building Modernization & Seismic Upgrades      |
| 349463       | 11/14/05   | Robert A. Bothman                      | 541,613.50   | Skyline Building Modernization & Seismic Upgrades      |
| 349467       | 11/14/05   | S.J. Amoroso Construction Co., Inc.    | 77,422.37    | Cañada Learning Resource Center Project                |
| 349468       | 11/14/05   | S.J. Amoroso Construction Co., Inc.    | 628,287.58   | Cañada Learning Resource Center Project                |
| 349469       | 11/14/05   | S.M.C.S.I.G.                           | 123,852.55   | Delta Dental Premium November 2005                     |
| 349470       | 11/14/05   | S.M.C.S.I.G.                           | 18,234.41    | Vision Plan Premium November 2005                      |
| 349476       | 11/14/05   | Siemens Communications, Inc.           | 58,552.00    | Siemens LANWAN Configuration Services                  |

## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

NOVEMBER 1-30, 2005

WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number | Check Date | Vendor Name                     | Check Amount | Description   |
|--------------|------------|---------------------------------|--------------|---|
| 349482       | 11/14/05   | tBP Architecture                | 236,303.07   | Design Services For CSM Bookstore                     |
| 349536       | 11/16/05   | Carl Bloom Associates, Inc.     | 10,051.60    | KCSM Marketing Services                               |
| 349549       | 11/16/05   | Constellation NewEnergy Inc.    | 34,049.96    | Utilities   |
| 349560       | 11/16/05   | David R. Callahan Inspections   | 10,500.00    | Inspection Services For CSM                           |
| 349571       | 11/16/05   | Employment Development Departme | 14,034.00    | State Unemployment Tax                                |
| 349684       | 11/21/05   | Carl Bloom Associates, Inc.     | 12,708.50    | KCSM Marking Services                                 |
| 349694       | 11/21/05   | Dell Computers                  | 40,247.42    | Personal Computers                                    |
| 349713       | 11/21/05   | Keenan & Associates             | 140,673.60   | Workers' Compensation Premium                         |
| 349718       | 11/21/05   | McCarthy Building Companies     | 1,283,855.00 | CSM Building Design-Build Project                     |
| 349731       | 11/21/05   | Pac Gas & Elec Co               | 14,911.72    | Relocation Of Gas Services                            |
| 349733       | 11/21/05   | PolyVision Corporation          | 36,564.00    | Projection Screens For CSM                            |
| 349737       | 11/21/05   | S.B.R.P.S.T.C.                  | 25,285.00    | San Mateo County Basic Police Academy Fees            |
| 349738       | 11/21/05   | Transbay Fire Protection, Inc.  | 19,081.33    | CSM Fire Pump Replacement Project                     |
| 349747       | 11/21/05   | Transbay Fire Protection, Inc.  | 171,731.94   | CSM Fire Pump Replacement Project                     |
| 349749       | 11/21/05   | McCarthy Building Companies     | 142,650.00   | CSM Building Design-Build Project                     |
| 349815       | 11/28/05   | Constellation NewEnergy Inc.    | 12,754.13    | Utilities   |
| 349819       | 11/28/05   | Pac Gas & Elec Co               | 15,960.94    | Utilities   |
| 349836       | 11/28/05   | SBC/MCI                         | 19,391.26    | Utilities   |
| 349845       | 11/28/05   | Automatic Door Systems, Inc.    | 11,351.00    | CSM Door Replacement                                  |
| 349848       | 11/28/05   | John Plane Construction         | 30,353.62    | Skyline Building Seismic Upgrades and Modernization   |
| 349857       | 11/28/05   | Chevron                         | 613,670.21   | Districtwide Energy Efficiency & Conservation Project |
| 349858       | 11/28/05   | CIS, Inc                        | 24,800.00    | Inspection Service For Skyline                        |
| 349866       | 11/28/05   | Dell Computers                  | 11,007.95    | Personal Computers                                    |
| 349867       | 11/28/05   | DES Architects                  | 14,212.33    | Architectural Services For CSM                        |
| 349868       | 11/28/05   | EBSCO                           | 15,397.07    | CSM Annual Subscription Fee                           |
| 349883       | 11/28/05   | Hensel Phelps Construction Co.  | 1,003,814.00 | Skyline Building Design-Build Project                 |
| 349884       | 11/28/05   | Hensel Phelps Construction Co.  | 1,127,604.00 | Skyline Building Design-Build Project                 |
| 349888       | 11/28/05   | John Plane Construction         | 95,579.10    | Skyline Swing Space Project                           |
| 349889       | 11/28/05   | John Plane Construction         | 273,182.58   | Skyline Building Seismic Upgrades and Modernization   |
| 349897       | 11/28/05   | Marchetti Construction Inc.     | 35,181.00    | Cañada Summer 2005 Office Renovation                  |
| 349907       | 11/28/05   | P.L. Annuzzi, Inc.              | 25,303.30    | CSM Building Renovations                              |
| 349908       | 11/28/05   | Pac Gas & Elec Co               | 26,598.46    | Utilities   |

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
NOVEMBER 1-30, 2005  
WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number  | Check Date | Vendor Name                          | Check Amount | Description   |
|---|------------|--------------------------------------|--------------|---|
| 349915  | 11/28/05   | Robert A. Bothman                    | 726,492.75   | Skyline Athletic Improvement Project                  |
| 349920  | 11/28/05   | Hensel Phelps Construction Co.       | 111,535.00   | Skyline Building Design-Build Project                 |
| 349921  | 11/28/05   | John Plane Construction              | 10,619.90    | Skyline Swing Space Project                           |
| 349923  | 11/28/05   | Hensel Phelps Construction Co.       | 125,289.00   | Skyline Building Design-Build Project                 |
| 349924  | 11/28/05   | Chevron                              | 68,185.57    | Districtwide Energy Efficiency & Conservation Project |
| 349932  | 11/28/05   | SMCCCD Revolving Account             | 313,611.61   | Replenish Procurement Card Clearing Account           |
| 349934  | 11/28/05   | Sutro Tower Inc.                     | 16,584.00    |   |
| District Payroll Disbursement (excluding Salary Warrants) |            |                                      |              |   |
| 520396  | 11/30/05   | Calif. School Empl. Assoc. Ch. 33    | 12,173.22    | Union Dues  |
| 520397  | 11/30/05   | American Federation of Teachers      | 21,370.20    | Union Dues  |
| 520400  | 11/30/05   | Meriwet Credit Union                 | 34,302.72    | Credit Union Deduction Register                       |
| 520407  | 11/30/05   | Provident Central Credit Union Cert. | 19,791.54    | Credit Union Deduction Register                       |
| 520411  | 11/30/05   | American Federation of Teachers      | 14,273.03    | Union Dues  |
| 520436  | 11/30/05   | Capital Guardian Trust Co.           | 24,209.00    | Tax Annuity   |
| 520445  | 11/30/05   | Fidelity Service Co.                 | 22,958.00    | Tax Annuity   |
| 520482  | 11/30/05   | Variable Annuity Life Cert. AIG      | 19,927.14    | Tax Annuity   |
| 520483  | 11/30/05   | Variable Annuity Life Class. AIG     | 20,172.28    | Tax Annuity   |
| 520501  | 11/30/05   | Vanguard Fiduciary Trust Co.         | 19,175.00    | Tax Annuity   |
| 520512  | 11/30/05   | Hartford Cert.                       | 22,211.00    | Tax Annuity   |
| 520513  | 11/30/05   | Hartford Class.                      | 18,564.66    | Tax Annuity   |
| 520548  | 11/30/05   | SMCCCD #798 PL. 125 From EE          | 22,066.06    | Medical Flexible Benefits                             |
| 520549  | 11/30/05   | SMCCCD #995 Due from EE Class.       | 23,331.66    | Over Cap/Payroll Reimbursement                        |
| Cañada College Bookstore                                  |            |                                      |              |   |
| 35325   | 11/02/05   | Budgetext                            | 32,376.93    | Purchase Of Inventory                                 |
| 35330   | 11/02/05   | Elsevier Health Science              | 17,222.84    | Purchase Of Inventory                                 |
| 35343   | 11/02/05   | McGraw Hill Company                  | 17,408.68    | Purchase Of Inventory                                 |
| 35353   | 11/02/05   | Pearson Education Inc.               | 106,311.79   | Purchase Of Inventory                                 |
| 36360   | 11/02/05   | SMCCCD                               | 52,397.07    | Salaries & Benefits For September 2005                |

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 NOVEMBER 1-30, 2005  
 WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number                   | Check Date | Vendor Name                                      | Check Amount  | Description           |
|--------------------------------|------------|--|---------------|-----------------------|
| 48895                          | 11/02/05   | College Of San Mateo Bookstore                   | 16,569.38     | Purchase Of Inventory |
| 48900                          | 11/02/05   | Follett Higher Education Group                   | 18,325.30     | Purchase Of Inventory |
| 48906                          | 11/02/05   | McGraw Hill Book Co.                             | 51,360.34     | Purchase Of Inventory |
| 48911                          | 11/02/05   | Nebraska Book Company                            | 187,189.88    | Purchase Of Inventory |
| 48927                          | 11/03/05   | Pearson Education                                | 40,000.00     | Temporary Loan        |
|                                |            | Cañada College Bookstore                         |               |                       |
| 26155                          | 11/02/05   | Skyline College Bookstore                        | 37,154.74     | Purchase Of Inventory |
| 26168                          | 11/02/05   | Cañada College Bookstore                         | 12,062.00     | Purchase Of Inventory |
| 26171                          | 11/02/05   | McGraw Hill Companies                            | 54,054.33     | Purchase Of Inventory |
| 26175                          | 11/02/05   | Nebraska Book Company                            | 145,313.21    | Purchase Of Inventory |
|                                |            | Pearson Education                                | 12,966,781.74 | 91%                   |
|                                |            | Subtotal   | 1,293,714.29  | 9%                    |
|                                |            | Warrant Issued ≤ \$10,000                        | 14,260,496.03 | 100%                  |
|                                |            | Total Non-Salary Warrant Issued                  |               |                       |
| District Accounts Payable      |            | 348985-349981                                    | 12,804,374.40 |                       |
| District Payroll               |            | 519367-520548, D38771-D39761                     | 7,249,230.77  |                       |
| Cañada College Bookstore       |            | 35324-35368                                      | 267,526.64    |                       |
| College Of San Mateo Bookstore |            | 48886-48940, EFT#58060                           | 350,684.30    |                       |
| Skyline College Bookstore      |            | 26152-26206                                      | 279,069.35    |                       |
| District Cafeteria             |            | 60902-60907                                      | 5,067.33      |                       |
|                                |            | Total Warrant Including Salaries - November 2005 | 20,955,952.79 |                       |

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
DECEMBER 1-31, 2005  
WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number | Check Date | Vendor Name                            | Check Amount | Description   |
|--------------|------------|--|--------------|---|
| 349984       | 12/01/05   | District Accounts Payable              | 16,100.19    | Utilities   |
| 350000       | 12/01/05   | Constellation NewEnergy Inc.           | 16,518.36    | Utilities   |
| 350002       | 12/01/05   | Pac Gas & Elec Co                      | 12,429.88    | Utilities   |
| 350004       | 12/01/05   | Pac Gas & Elec Co                      | 12,947.20    | Utilities   |
| 350011       | 12/01/05   | Aluminum Seating Inc.                  | 18,474.65    | Aluminum Seating For Cañada                             |
| 350017       | 12/01/05   | B. T. Mancini Co. Inc.                 | 18,073.70    | CSM Summer 2005 Building Renovations                    |
| 350018       | 12/01/05   | Bay Area Comm Col JPA                  | 70,815.87    | JPA Claim Expenditures                                  |
| 350060       | 12/01/05   | MANEX                                  | 88,550.00    | Coordination Services & Contract Training At CSM        |
| 350082       | 12/01/05   | Sch Proj/Util Rate Reduc.              | 25,112.81    | Utilities   |
| 350092       | 12/01/05   | Strata Information Group               | 19,467.50    | Payroll Implementation Services                         |
| 350093       | 12/01/05   | Strata Information Group               | 44,017.00    | ITS Consulting Services                                 |
| 350094       | 12/01/05   | Sugimura & Associates Architects       | 20,935.39    | Architectural Services For Skyline                      |
| 350095       | 12/01/05   | SunGard SCT, Inc.                      | 263,735.00   | Software Maintenance Services                           |
| 350131       | 12/05/05   | SBC/MCI                                | 10,667.71    | Utilities   |
| 350169       | 12/05/05   | Hartford Life & Accident Insurance Co. | 32,943.54    | Life Insurance Premium December 2005                    |
| 350189       | 12/05/05   | Public Empl Ret Sys                    | 752,472.27   | Health Insurance Premium December 2005                  |
| 350199       | 12/05/05   | SBC/MCI                                | 13,823.08    | Utilities   |
| 350260       | 12/08/05   | AVNET Computer                         | 23,888.07    | Cisco Switch  |
| 350270       | 12/08/05   | CIS, Inc                               | 14,025.00    | Inspection Services For Cañada Learning Resource Center |
| 350271       | 12/08/05   | CIS, Inc                               | 14,025.00    | Inspection Services For Cañada Learning Resource Center |
| 350272       | 12/08/05   | Swinerton Management & Consulting      | 12,537.00    | Program Management Services                             |
| 350277       | 12/08/05   | County of San Mateo                    | 41,902.17    | Legal Services  |
| 350281       | 12/08/05   | Education Housing Partners, LLC.       | 445,841.68   | Faculty/Staff Housing Project                           |
| 350284       | 12/08/05   | Foothill DeAnza CCD                    | 11,000.00    | Coordination Services & Contract Training At CSM        |
| 350295       | 12/08/05   | Krueger International                  | 21,661.60    | Cañada Summer 2005 Office Renovations                   |
| 350320       | 12/08/05   | Sugimura & Associates Architects       | 11,522.50    | Architectural Services For Skyline                      |
| 350323       | 12/08/05   | Swinerton Management & Consulting      | 238,193.00   | Program Management Services                             |
| 350324       | 12/08/05   | tBP Architecture                       | 31,981.83    | Architectural Services For CSM                          |
| 350359       | 12/12/05   | Axiom II Business Interiors            | 14,367.75    | CSM Summer 2005 Building Renovations                    |
| 350364       | 12/12/05   | Big D Pacific Builders                 | 366,167.00   | CSM Building Renovation                                 |
| 350369       | 12/12/05   | Coast Community College District       | 20,000.00    | CSM Career Development Project                          |
| 350371       | 12/12/05   | Computerland                           | 52,134.25    | Software Upgrade  |

## SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

DECEMBER 1-31, 2005

WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number | Check Date | Vendor Name                          | Check Amount | Description  |
|--------------|------------|--------------------------------------|--------------|--|
| 350377       | 12/12/05   | DES Architects                       | 15,304.13    | Architectural Services For CSM                       |
| 350397       | 12/12/05   | McCarthy Building Companies          | 1,325,060.00 | CSM Building Design-Build Project                    |
| 350408       | 12/12/05   | Big D Pacific Builders               | 37,351.00    | CSM Swing Space                                      |
| 350413       | 12/12/05   | Siemens Communications, Inc.         | 115,743.40   | Small UPS At The Colleges                            |
| 350419       | 12/12/05   | tBP Architecture                     | 97,936.44    | Architectural Services For CSM                       |
| 350423       | 12/12/05   | McCarthy Building Companies          | 147,229.00   | CSM Building Design-Build Project                    |
| 350479       | 12/14/05   | B. T. Mancini Co. Inc.               | 11,340.80    | Skyline Summer 2005 Building Innovation              |
| 350482       | 12/14/05   | Bay View Painting Company            | 32,900.00    | Exterior Painting Of District Office                 |
| 350489       | 12/14/05   | John Plane Construction              | 55,794.30    | Skyline Seismic Upgrades & Modernization             |
| 350491       | 12/14/05   | Canada Bookstore                     | 31,060.84    | Cañada Child Development Textbook Rental Program     |
| 350498       | 12/14/05   | CIS, Inc                             | 24,800.00    | Inspection Services For Skyline                      |
| 350510       | 12/14/05   | David R. Callahan Inspections        | 10,500.00    | Inspection Services For CSM                          |
| 350519       | 12/14/05   | Dovetail Decision Consultants, Inc.  | 24,845.95    | CSM Building Planning & Coordination Services        |
| 350535       | 12/14/05   | Hensel Phelps Construction Co.       | 1,059,216.00 | Skyline Building Design-Build Project                |
| 350537       | 12/14/05   | John Plane Construction              | 502,148.75   | Skyline Seismic Upgrades & Modernization             |
| 350539       | 12/14/05   | Keenan & Associates                  | 140,673.60   | Workers' Compensation Premium                        |
| 350561       | 12/14/05   | Noll & Tam                           | 15,203.29    | Design Services For Cañada Library & Resource Center |
| 350577       | 12/14/05   | Robert A. Bothman                    | 705,257.97   | Skyline Seismic Upgrades & Modernization             |
| 350578       | 12/14/05   | Robert A. Bothman                    | 426,493.87   | Skyline Seismic Upgrades & Modernization             |
| 350579       | 12/14/05   | Robert A. Bothman                    | 505,827.55   | Skyline Athletic Facilities Improvements             |
| 350581       | 12/14/05   | S. J. Amoroso Construction Co., Inc. | 933,616.63   | Cañada Student Resource Center Construction Project  |
| 350582       | 12/14/05   | S.M.C.S.I.G.                         | 123,685.46   | Dental Insurance Premium December 2005               |
| 350583       | 12/14/05   | S.M.C.S.I.G.                         | 18,356.06    | Vision Care Premium December 2005                    |
| 350587       | 12/14/05   | Hensel Phelps Construction Co.       | 117,691.00   | Skyline Building Design-Build Project                |
| 350593       | 12/14/05   | Siemens Communications, Inc.         | 109,119.46   | Cisco Switches                                       |
| 350613       | 12/14/05   | Swinerton Management & Consulting    | 25,239.00    | Labor Compliance Services                            |
| 350621       | 12/14/05   | Trust Administrators, Inc.           | 20,160.83    | Flexible Benefit IRC 125 Plan Premium November 2005  |
| 350625       | 12/14/05   | Worldwide Entertainment              | 10,400.00    | KCSM Television Broadcast License                    |
| 3511518      | 12/19/05   | John Plane Construction              | 38,405.47    | Skyline Seismic Upgrade & Modernization              |
| 3511523      | 12/19/05   | Calif Water Service Co               | 12,052.22    | Utilities  |
| 3511525      | 12/19/05   | Canada Bookstore                     | 39,993.83    | Cañada Textbook Rental Program                       |
| 3511544      | 12/19/05   | Enshallah                            | 141,330.00   | Skyline Development Services                         |
| 3511565      | 12/19/05   | John Plane Construction              | 345,649.18   | Skyline Seismic Upgrades & Modernization             |
| 351604       | 12/19/05   | SMCCCD Revolving Account             | 269,509.19   | Replenish Procurement Card Clearing Account          |



SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 DECEMBER 1-31, 2005  
 WARRANT SCHEDULE GREATER THAN \$10,000

| Check Number  | Check Date | Vendor Name                                      | Check Amount  | Description                        |
|---|------------|--|---------------|------------------------------------|
| 351609  | 12/19/05   | Strata Information Group                         | 44,017.00     | ITS Consulting Services            |
| 351610  | 12/19/05   | Sugimura & Associates Architects                 | 10,790.00     | Architectural Services For Skyline |
| District Payroll Disbursement (excluding Salary Warrants) |            |  |               |                                    |
| 528334  | 12/17/05   | Calif. School Empl. Assoc. Ch.33                 | 12,182.27     | Union Dues                         |
| 528335  | 12/17/05   | American Federation of Teachers                  | 23,342.47     | Union Dues                         |
| 528338  | 12/17/05   | Meriwest Credit Union                            | 34,302.72     | Credit Union Deduction Register    |
| 528345  | 12/17/05   | Provident Central Credit Union Cert.             | 19,784.24     | Credit Union Deduction Register    |
| 528374  | 12/17/05   | Capital Guardian Trust Co. Cert.                 | 24,209.00     | Tax Annuity                        |
| 528383  | 12/17/05   | Fidelity Service Co.                             | 23,108.00     | Tax Annuity                        |
| 528420  | 12/17/05   | Variable Annuity Life Cert. AIG                  | 18,627.14     | Tax Annuity                        |
| 528421  | 12/17/05   | Variable Annuity Life Class. AIG                 | 21,422.28     | Tax Annuity                        |
| 528440  | 12/17/05   | Vanguard Fiduciary Trust Co.                     | 18,225.00     | Tax Annuity                        |
| 528451  | 12/17/05   | Hartford Cert.                                   | 21,561.00     | Tax Annuity                        |
| 528452  | 12/17/05   | Hartford Class.                                  | 18,564.66     | Tax Annuity                        |
| 528483  | 12/17/05   | SMCCCD #798 PL, 125 From EE                      | 11,581.42     | Medical Flexible Benefits          |
| 528487  | 12/17/05   | SMCCCD #995 Due From EE Cert.                    | 22,074.14     | Over Cap/Payroll Reimbursement     |
| 528488  | 12/17/05   | SMCCCD #995 Due From EE Class.                   | 25,649.12     | Over Cap/Payroll Reimbursement     |
|   |            |  |               |                                    |
| 26208   | 12/05/05   | Skyline College Bookstore                        | 12,117.70     | Purchase Of Inventory              |
|   |            | Apple Computer Inc.                              | 10,607,784.38 | 86%                                |
|   |            | Subtotal   | 1784172.46    | 14%                                |
|   |            | Warrant Issued ≤ \$10,000                        | 12,391,956.84 | 100%                               |
|   |            | Total Non-Salary Warrant Issued                  |               |                                    |
|   |            |  |               |                                    |
| District Accounts Payable                                 |            | 349982-351708                                    | 11,770,463.75 |                                    |
| District Payroll  |            | 527318-528487, D47030-D48003                     | 6,626,731.66  |                                    |
| Cañada College Bookstore                                  |            | 35369-35396                                      | 22,704.72     |                                    |
| College Of San Mateo Bookstore                            |            | 48941-48957                                      | 17,876.13     |                                    |
| Skyline College Bookstore                                 |            | 26207-26234                                      | 32,323.93     |                                    |
|   |            | Total Warrant Including Salaries - December 2005 | 18,470,100.19 |                                    |

**BOARD REPORT NO. 06-2-100B**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor-Superintendent  
PREPARED BY: Barbara Christensen, Director of Community/Government Relations, 574-6560

**REAPPOINTMENT OF BOND OVERSIGHT COMMITTEE**

The District's Bond Oversight Committee was first constituted in September 2001, prior to the passage of Measure C. Since that time, the Committee has been meeting quarterly to review the District's bond project plans, timelines and proposed expenditures. The Committee meets annually with the District's auditor to review the results of the Bond Fund financial and performance audits. The Committee also produces an annual "Report to the Community" which is widely distributed in the community and posted on the District's web page (see attached 2006 Report to the Community).

When Measure A passed in November 2005, members of the Bond Oversight Committee were asked if they would agree to continue their service and all agreed to do so.

The purpose of the Oversight Committee is to assure that bond proceeds are expended only for the school facilities and equipment specifically listed in the bond measure. As the Board is aware, bond proceeds generally may not be expended for administrative or faculty salaries. According to law, the committee must have a minimum of seven members and include representatives from the following:

- 1 member active in a business organization that represents the business community within the District
- 1 member active in a senior citizens organization
- 1 member from a bona fide taxpayer organization
- 1 member who is a student both currently enrolled and an active member in a group, such as student government
- 1 member active in the support and organization of the community college, such as a member of a Foundation

The following individuals have agreed to serve and are recommended for reappointment to the District's Bond Oversight Committee:

**Dr. Patrick Cheng:** Chiropractor with a practice in South San Francisco; former President, Kiwanis of SSF and member of Skyline College President's Council (business representative)

**Ruth Nagler:** Past President of Senior Focus, San Mateo County; Special Projects Director, Public Library System (senior organization representative)

**Chris Eden:** former Student Senator at College of San Mateo; current CSM student (student member)

**Jim Wyatt:** Past Chair of the SMCCCD Retirees Organization; Past State President of the Sons in Retirement; Game Day Operations Coordinator, San Francisco 49ers (community college support organization)

**Gene Klein:** President of BankerBlue Digital imaging and chairman of the San Mateo Area Chamber of Commerce (taxpayers' organization)

In addition, the following individuals have agreed to serve as at-large members of the Bond Oversight Committee:

**Marta Bookbinder:** Former President, Jefferson School District Board of Trustees; Coordinator, The Community Learning Center, South San Francisco

**Coleman Campbell:** retired resident of Belmont

**Rose Jacobs Gibson:** member San Mateo County Board of Supervisors

**Stanley Gross, CPA:** business owner

**Marion McDowell:** former President, California State Board of Education; former Deputy Superintendent, Sequoia Union High School District

**Bill Nack:** Business Manger/Executive Officer, Building and Construction Trades Council of San Mateo County.

**RECOMMENDATION:** It is recommended that the Board reappoint the above-named individuals to the District's Bond Oversight Committee.

**Annual Report to the Community**  
**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**  
**Measure C Bond Oversight Committee**  
**February, 2006**

In November, 2001, voters in San Mateo County overwhelmingly approved Measure C which provided \$207 million in funding to update, modernize, and retrofit the three community colleges serving County residents: Cañada College, College of San Mateo and Skyline College. One of the key components of Measure C was the establishment of a Measure C Bond Oversight Committee, composed of community leaders with expertise in finance, accounting, education and local government. The 11-member Committee is charged with the responsibility to assure voters that bond proceeds are expended only for construction, reconstruction, rehabilitation or replacement of College facilities in compliance with the projects listed in the Measure C ballot language, and that no funds are used for teacher or administrator salaries or for other operating costs.

During the past year, the Bond Oversight Committee met quarterly to review the District's bond project plans, timelines and proposed expenditures. At each meeting, the Committee was provided with financial and project plan updates describing the bond-related activities undertaken by the District during the quarter.

The accounting firm of Vavrinek, Trine, Day & Co., LLP (VTD) conducted both a financial and a performance audit of the fourth fiscal year of bond expenditures and activities. The firm found that the bond fund financial statements present fairly the financial position and results of operations for the fund. As part of a performance audit, VTD reviewed expenditures in the bond fund for the 2004-05 fiscal year and found that the use of funds was consistent with the stated purposes of the bond measure that was approved by voters. During the 2004-05 fiscal year, the District expended \$95,340,853 and committed an additional \$42,850,529 for bond projects Districtwide. The total of all bond funds expended or committed to date is \$138,191,382—which is 67% of the total bond amount authorized.

The 2004-05 San Mateo County Grand Jury issued a report on “School Construction Management in San Mateo County” which pointed to the College District’s construction management program as a model for other school districts in the County to follow. In fact, the County Grand Jury requested that the County Superintendent of Schools develop a single set of policies and procedures to be used by schools within the County, and specified that these procedures should be “modeled after the processes currently being employed at the San Mateo County Community College District.” Finally, the Grand Jury Report found that:

*“After years of experience, the San Mateo County Community College District (SMCCCD) has developed proven policies and procedures for construction planning and management. These techniques have been employed successfully for capital improvement projects on the three San Mateo college campuses.”*

In October 2005, the College District received a Flex Your Power Award, in recognition of its leadership in energy efficiency projects. The District made dozens of energy efficiency improvements to 55 buildings across three campuses in 2004 and 2005. The measures, which ranged from installation of energy-efficient lighting to installation of advanced cogeneration units that generate clean electricity on-site and reuse waste heat to heat the campuses, cut the District's energy consumption by 56% and saved more than 7.2 million kWh and \$1 million annually. The District is constructing new buildings that are up to 42% more energy efficient than required by code, and has installed synthetic turf athletic fields that save 5.8 million gallons of irrigation water annually. These improvements, funded by rebates, voter-approved bonds, State grants and local redevelopment funds, will avoid 3,200 tons of CO<sup>2</sup> of utility emissions annually--the equivalent of planting more than 900 acres of trees--and reduce the load on the State's power grid by 6.7 million kWh, the equivalent of 1,800 homes

In the 2004-05 fiscal year, the Facilities staff and District and College administrations continued extensive planning, scheduling and campus consultation regarding the scope and sequence of the major bond projects (modernization, new construction, repair) that are taking place at all three Colleges. The District has invested a considerable amount of staff time (not funded by the bond) in pre-construction planning and consultation activities in order to assure that bond project funds are efficiently and effectively expended on College improvements that will benefit students for generations to come. The District staff has also worked aggressively to secure additional State, local and private funding to supplement the Measure C bond funds. To date, the District has secured more than \$90 million from these sources and anticipates that it will be successful in securing another \$20 million for facilities projects from various State sources e.g., community college capital outlay and deferred maintenance funds, and funds from the voter-approved Statewide educational facilities bond.

The major activities that took place during the past year include:

- "Topping Out" ceremonies were held for both the Student Support & Community Services Center and Science Annex buildings at Skyline College. "Topping out" commemorates completion of a building's core structural elements, as the final piece of structural steel is placed. The Skyline College flagship project budget has been increased from \$23.7 million to \$26.2 million to accommodate increased scope, including interior build-out of the bookstore and food service areas; investment in upgraded ceiling, floor and lighting finishes with lower maintenance and energy costs and enhanced acoustics, light quality and ergonomics; and improved security systems. The Student Union at Skyline College will provide a cafeteria, bookstore, community meeting spaces, study areas, and offices for the Associated Students' organization as well as student clubs. The Science Annex will house state-of-the-art science labs and support spaces.
- The new Science Building at College of San Mateo was also "Topped Out" this year, and the primary structure will be substantially complete by the end of February 2006. This CSM flagship project budget has been increased from \$24.8 million to \$25.4 million, again to accommodate increased scope, including

increased Planetarium Star Projector functionality, investment in upgraded ceiling, floor and lighting finishes - with lower maintenance and energy costs and enhanced acoustics, light quality and ergonomics - and improved security systems. The Science Building will provide a new technologically-sophisticated home for the physical and life sciences at CSM.

- The Cañada College flagship project, the new Library and Student Resources Center, broke ground in August and construction is well under way. This project is primarily funded through State Capital Outlay grants totaling \$23 million. The District is contributing \$7.4 million in Measure C Bond funding. The project will complete the campus, providing vertical access (elevators and stairs) from the primary parking areas down to the main quad level. The three story building features library services on the upper floors and a fully integrated student services “one-stop shop” at the quad level.
- Districtwide energy efficiency projects are nearly complete. Light fixtures throughout the District were retrofitted in 2005, installation of co-generation facilities at the College of San Mateo and Skyline College were completed and the systems commissioned and brought on line. These co-generation facilities enable the two colleges to generate 50% of their peak electrical load, and allow conservation of 25% of their annual natural gas consumption. Extensive mechanical infrastructure upgrades and repairs were installed in 46 buildings on the three campuses. The cost for the energy efficiency improvements will be paid back from these savings in less than 19 years, which the Bond Oversight Committee believes is a prudent investment of bond funds.
- Extensive work to repair the infrastructure at all three Colleges. The CSM campus was built more than 40 years ago and Cañada and Skyline Colleges are each 35+ years old; all three Colleges were in desperate need of infrastructure replacement and repair. Projects included new boiler tubing; upgrades and extensions of utilities including the electrical and gas distribution systems, water mains, storm drains, sanitary sewers, clock, fire alarm, telephone and data systems; underground heating/hot water system piping; and additional fire hydrants.
- At **College of San Mateo**, in addition to the new Science Building, projects included renovation/modernization of classrooms in Buildings 16, 18 and 19 (academic classrooms). The Building 18 seismic upgrade and modernization project was delivered a full semester ahead of the original construction schedule and under budget. Hazardous materials abatement and ADA accessibility improvements, various individual classroom upgrades including installation of technology infrastructure and audio-visual equipment to support modern pedagogical methods, and installation of a new, state-of-the-art fire alarm system were all completed this year.
- At **Skyline College**, in addition to the new Student Support & Community Services Center and Science Annex, projects included extensive renovation of the

Pacific Heights School building and various other areas on the main campus to accommodate departments and classrooms displaced by other construction projects and ADA/accessibility improvements campus wide. Academic classroom building 8 and gymnasium building 3 are both undergoing seismic upgrades and modernizations.

- At **Cañada College**, in addition to the Library and Student Resources Center, two modular buildings were converted from office space to much needed, large general lecture classroom facilities. Infrastructure upgrades and repairs were made to service the new building, and a new chiller with adequate capacity to provide air conditioning to the majority of the buildings on campus was installed. The chiller will provide cooling to Buildings 3 and 9 in the near term. Piping has been installed to various other buildings around campus, allowing economical connection to the chiller as the interior systems of these buildings are modernized and upgraded to provide cooling. The campus south quad was renovated, repairing a chronic leak, replacing cracked paving and installation of ADA accessible pathways and ramps through the center of campus. Sixty-five faculty and administrative offices were upgraded during Summer 2005, including new paint, flooring, window treatments and ergonomically correct furniture. The aged campus fire alarm system was replaced.

The Measure C Bond Oversight Committee is pleased with the results of the District's efforts. More detailed information about the College District's bond projects, timelines, and expenditures-to-date are available on the District's web page: [smccd.net](http://smccd.net). From the first page, go to "Quick Links" and go the Bond Oversight Webpage, where you can find the bond projects list, minutes, agendas and reports considered by the Bond Oversight Committee. If you still have questions or concerns, please contact the Bond Oversight Committee at [christensen@smccd.net](mailto:christensen@smccd.net).

The Bond Oversight Committee invites community members to attend its meetings which are held quarterly at the College District Office, 3401 CSM Drive, San Mateo CA 94402. All meetings are open to the public; meeting dates and agendas are posted on the District web site.

**Measure C Bond Oversight Committee :**

Jim Wyatt, Chair

Marion McDowell, Co-Chair

**Members:**

Marta Bookbinder

Coleman Campbell

Chris Eden

Stanley Gross

Rose Jacobs-Gibson

Gene Klein

William Nack

Ruth Nagler

Patrick Cheng

**BOARD REPORT NO. 06-2-101B**

To: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor-Superintendent  
PREPARED BY: James W. Keller, Executive Vice Chancellor, 358-6790

**ADOPTION OF RESOLUTION NO. 06-2 AUTHORIZING ISSUANCE OF  
TAX AND REVENUE ANTICIPATION NOTES**

Tax and Revenue Anticipation Notes (TRANS) are short-term debt instruments issued by community college districts throughout the State to accommodate periods when cash flow is inadequate to cover normal General Fund expenditures. Since the District's major source of funding is through local tax revenues that are distributed in two segments each year, the availability of the TRAN provides appropriate cash flow flexibility for the District. With the exception of 1991-92, the District has issued these instruments for the past twenty years. In order to simplify the process and obtain the best pricing for issuance costs, the District once again is proposing to participate in the California School Boards Association (CSBA) *California Cash Reserve Program* for issuance of tax-exempt TRANS.

The District will reserve the right to determine the maturity date of the TRAN in June 2006, depending on market conditions. The 2006-07 TRAN repayment will be due on June 30, 2007.

Pricing will be during June 2006; at that time, interest rates will be locked in. The District has the option of a fixed-rate investment for the note proceeds and is not obligated to participate until the District executes the pricing confirmation. Proceeds of the TRAN will be available to meet the District's temporary cash flow needs throughout the 2006-07 fiscal year.

Attached Resolution No. 06-2 authorizes the District to participate in the *California Cash Reserve Program* and to issue tax-exempt Tax and Revenue Anticipation Notes in an amount not to exceed \$20,000,000 for fiscal year 2006-07. The resolution authorizes various financing documentation and further authorizes the President of the Board of Trustees, the Chancellor, the Executive Vice Chancellor, the Chief Financial Officer and the Controller to sign all documents in connection with the issuance of the TRAN.

**RECOMMENDATION**

It is recommended that the Board adopt Resolution No. 06-2 authorizing issuance of 2006-07 Tax and Revenue Anticipation Notes in an amount not to exceed \$20,000,000.



**DISTRICT RESOLUTION**

**NAME OF DISTRICT: San Mateo County Community College District\***

**LOCATED IN: County of San Mateo**

**MAXIMUM AMOUNT OF BORROWING: \$ 20,000,000**

**RESOLUTION OF THE GOVERNING BOARD AUTHORIZING THE BORROWING OF FUNDS FOR FISCAL YEAR 2006-2007 AND THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF 2006-2007 TAX AND REVENUE ANTICIPATION NOTES THEREFOR AND PARTICIPATION IN THE CALIFORNIA SCHOOL CASH RESERVE PROGRAM AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY TO ISSUE AND SELL SAID SERIES OF NOTES**

WHEREAS, school districts, community college districts and county boards of education are authorized by Sections 53850 to 53858, both inclusive, of the Government Code of the State of California (the "Act") (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code) to borrow money by the issuance of temporary notes;

WHEREAS, the governing board (the "Board") has determined that, in order to satisfy certain obligations and requirements of the school district, community college district or county board of education specified above (the "District"), a public body corporate and politic located in the County designated above (the "County"), it is desirable that a sum (the "Principal Amount"), not to exceed the Maximum Amount of Borrowing designated above, be borrowed for such purpose during its fiscal year ending June 30, 2007 ("Fiscal Year 2006-2007") by the issuance of its 2006-2007 Tax and Revenue Anticipation Notes (the first series of which shall be referred to herein as the "Series A Notes" and any subsequent series of which shall be referred to herein as "Additional Notes," and collectively with the Series A Notes, the "Notes"), in one or more series (each a "Series"), therefor in anticipation of the receipt of taxes, income, revenue, cash receipts and other moneys to be received by the District for the general fund and, if so indicated in a Pricing Confirmation (as defined in Section 4 hereof), capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District attributable to Fiscal Year 2006-2007;

\* If the Name of the District indicated on the face hereof is not the correct legal name of the District which adopted this Resolution, it shall nevertheless be deemed to refer to the District which adopted this Resolution, and the Name of District indicated on the face hereof shall be treated as the correct legal name of said District for all purposes in connection with the Program (as hereinafter defined).

**WHEREAS, the Principal Amount may, as determined by the Authorized Officer (as hereinafter defined), be divided into two or more portions evidenced by two or more Series of Notes, which Principal Amount is to be confirmed and set in the Pricing Confirmation if one Series of Notes is issued, or if more than one Series of Notes are issued, such Principal Amount will be equal to the sum of the Series Principal Amounts (as defined in Section 2 hereof) as confirmed and set forth in the Pricing Confirmation applicable to each Series of Notes;**

**WHEREAS, the District hereby determines to borrow, for the purposes set forth above, the Principal Amount by the issuance, in one or more Series, of the Notes;\*\***

**WHEREAS, because the District does not have fiscal accountability status pursuant to Section 42650 or Section 85266 of the Education Code of the State of California, it requests the Board of Supervisors of the County to borrow, on the District's behalf, the Principal Amount by the issuance of the Notes in one or more Series;**

**WHEREAS, pursuant to Section 53853 of the Act, if the Board of Supervisors of the County fails or refuses to authorize the issuance of the Notes within the time period specified in said Section 53853, following receipt of this Resolution, and the Notes, in one or more series, are issued in conjunction with tax and revenue anticipation notes, in one or more series, of other Issuers (as hereinafter defined), the District may issue the Notes, in one or more series, in its name pursuant to the terms stated herein;**

**WHEREAS, it appears, and this Board hereby finds and determines, that the Principal Amount, 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 the state and federal governments), cash receipts and other moneys of the District attributable to Fiscal Year 2006-2007 and available for the payment of the principal of each Series of Notes and the interest thereon;**

**WHEREAS, no money has heretofore been borrowed by or on behalf of the District through the issuance of tax anticipation notes or temporary notes in anticipation of the receipt of, or payable from or secured by, taxes, income, revenue, cash receipts or other moneys for Fiscal Year 2006-2007;**

**WHEREAS, pursuant to Section 53856 of the Act, certain moneys which will be received by the District during and attributable to Fiscal Year 2006-2007 can be pledged for the payment of the principal of each Series of Notes (as applicable) and the interest thereon (as hereinafter provided);**

**WHEREAS, the District has determined that it is in the best interests of the District to participate in the California School Cash Reserve Program (the "Program"), whereby participating school districts, community college districts and county boards of education (collectively, the "Issuers") will simultaneously issue tax and revenue anticipation notes;**

**\*\* Unless the context specifically requires otherwise, all references to "Series of Note" herein shall be deemed to refer, to (i) the Note, if issued in one series by the County (or the District, as applicable) hereunder, or (ii) to each individual Series of Notes severally, if issued in two or more series by the County (or the District, as applicable) hereunder.**

**WHEREAS, the Program requires the participating Issuers to sell each series of their tax and revenue anticipation notes to the California School Cash Reserve Program Authority (the "Authority") pursuant to note purchase agreements (collectively, "Purchase Agreements"), each between such individual Issuer and the Authority, and dated as of the date of the Pricing Confirmation applicable to the sale of the individual Issuer's series of notes to be sold, a form of which has been submitted to the Board;**

**WHEREAS, the Authority, pursuant to advice of the underwriter designated in the Pricing Confirmation applicable to the Series of Notes, as underwriter for the Program (the "Underwriter"), will form one or more pools of notes of each participating Issuer (the "Pooled Notes") and assign each respective series of notes to a particular pool (the "Pool") and sell a series of bonds (each a "Series of Pool Bonds") secured by each Pool pursuant to an indenture and/or a supplement thereto (the original indenture and each supplement thereto applicable to a Series of Pool Bonds to which the Note shall be assigned is hereinafter collectively referred to as the "Indenture") between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), each Series distinguished by whether or what type(s) of Credit Instrument(s) (as hereinafter defined) secure(s) such Series, by the principal amounts or portions of principal amounts of the notes of such respective series assigned to the Pool or by other factors, and the District hereby acknowledges and approves the discretion of the Authority, acting upon the advice of the Underwriter, to assign the District's Notes of such respective Series to such Pool and such Indenture as the Authority may determine;**

**WHEREAS, at the time of execution of the Pricing Confirmation applicable to the sale of each Series of Notes to be sold by the District, the District will (in such Pricing Confirmation) request the Authority to issue a Series of Pool Bonds pursuant to an Indenture to which such Series of Notes identified in such Pricing Confirmation will be assigned by the Authority in its discretion, acting upon the advice of the Underwriter, which Series of Pool Bonds will be payable from payments of all or a portion of principal of and interest on such Series of Notes and the other respective series of notes of other participating Issuers assigned to the same Pool and assigned to the same Indenture to which the District's Series of Notes is assigned;**

**WHEREAS, as additional security for the Owners of each Series of Pool Bonds, all or a portion of the payments by all of the Issuers of the respective series of notes assigned to such Series of Pool Bonds may or may not be secured (by virtue or in form of the Series of Pool Bonds, as indicated in the Pricing Confirmation applicable to such Series of Pool Bonds, being secured in whole or in part) by an irrevocable letter (or letters) of credit or policy (or policies) of insurance or proceeds of a separate subordinate bond issue (funded from a portion of the principal of some or all of the respective series of notes assigned to such Series of Pool Bonds) issued pursuant to the applicable Indenture for such purpose (the "Contingency Fund") or other credit instrument (or instruments) (collectively, the "Credit Instrument") issued in the case of a letter or letters of credit or a commitment letter or letters by the credit provider or credit providers (collectively, the "Credit Provider") designated in the applicable Indenture, as finally executed, pursuant to a credit agreement or agreements or commitment letter or letters (collectively, the "Credit Agreement") identified in the applicable Indenture, as finally executed, between, in the case of an irrevocable letter (or letters) of credit or policy (or policies) of insurance, the Authority and the respective Credit Provider;**

WHEREAS, if the Credit Instrument is identified as the Contingency Fund in the Pricing Confirmation applicable to such Series of Notes, the Series of subordinate bonds (the "Series of Contingency Bonds") issued pursuant to the applicable Indenture, as indicated in such Pricing Confirmation, may be secured by an irrevocable letter (or letters) of credit or policy (or policies) of insurance or other credit instrument (the "Contingency Credit Instrument") issued by the credit provider or providers (collectively, the "Contingency Credit Provider") providing such Contingency Credit Instrument identified in such Indenture as finally executed, pursuant to a credit agreement (or agreements) or commitment letter (or letters) (collectively, the "Contingency Credit Agreement") identified in such Indenture as finally executed, such Contingency Credit Agreement being between the Authority and the Contingency Credit Provider;

WHEREAS, if a Series of Contingency Bonds is issued with respect to a Series of Notes, such Series of Notes of the District shall contain a Proceeds/Payment Portion (as defined herein) and may also contain a Contingency Portion (as defined herein), the amount of each such portion to be confirmed by the District at the time of execution of the Pricing Confirmation applicable to such Series of Notes;

WHEREAS, all or portions of the net proceeds of each Series of Notes, may be invested in one or more Permitted Investments (as defined in the Indenture), including under one or more investment agreements with one or more investment providers (if any), which investment agreements and provisions are to be determined in the Pricing Confirmation related to such Series of Notes;

WHEREAS, as part of the Program each participating Issuer approves the Indenture, the alternative forms of Credit Agreements, if any, and the alternative forms of Contingency Credit Agreements, if any, in substantially the forms presented to the Board, with the final form of Indenture, type of Credit Instrument and corresponding Credit Agreement, if any, and type of Contingency Credit Instrument and corresponding Contingency Credit Agreement, if any, to be determined and approved by the Pricing Confirmation related to the Series of Notes issued;

WHEREAS, pursuant to the Program each participating Issuer, whose series of notes is assigned to a Pool as security for a Series of Pool Bonds, will be responsible for its share of (a) the fees of the Trustee and the costs of issuing the applicable Series of Pool Bonds, and (b), if applicable, the fees of the Credit Provider or the fees of the Contingency Credit Provider (which may be payable from, among other sources, investment earnings on the Permitted Investments or the applicable Contingency Account (as defined herein) and/or moneys in the account in the Costs of Issuance Fund applicable to such Series of Pool Bonds established and held under the Indenture), and (c), if applicable, the Issuer's allocable share of all Predefault Obligations and the Issuer's Reimbursement Obligations, if any (each as defined in the Indenture) applicable to such Series of Pool Bonds;

WHEREAS, pursuant to the Program, if a Series of Contingency Bonds is issued to secure a Series of Pool Bonds, each participating Issuer whose series of notes is assigned to the Pool securing such Series of Pool Bonds will be responsible for its share of the costs of issuing the applicable Series of Contingency Bonds, all such costs and fees being payable from

the proceeds of the applicable Series of Pool Bonds or the applicable Series of Contingency Bonds or as may otherwise be indicated in the Pricing Confirmation applicable to the Series of Notes issued;

WHEREAS, pursuant to the Program, the Underwriter will submit an offer to the Authority to purchase, in the case of each Pool of notes, the Series of Pool Bonds and related Series of Contingency Bonds, if any, (collectively, the "Bonds") which will be secured by the Indenture to which such Pool will be assigned;

WHEREAS, because certain proposed changes to the Internal Revenue Code of 1986 and associated regulations relating to pooled bond financings may require certain changes to the Program, the District desires to approve an alternate structure (the "Alternate Program") pursuant to which the District would issue a single Series of Notes to be marketed together with some or all of the notes issued by other school districts, community college districts and county boards of education participating in the Alternate Program;

WHEREAS, under the Alternate Program, the Underwriter will form one or more pools of notes or series of certificates (the "Certificates") of participation (the "Series of Certificates") distinguished by (i) whether and what type(s) of Credit Instrument secures notes comprising each Series, and (ii) possibly other features, all of which the District hereby authorizes the Underwriter to determine;

WHEREAS, the Alternate Program requires the Issuers participating in any particular Series to deposit their tax and revenue anticipation notes with the Trustee pursuant to a trust agreement between such Issuers and the Trustee, dated as of July 1, 2006 (the "Trust Agreement");

WHEREAS, the Alternate Program requires the Trustee, pursuant to the Trust Agreement, to execute and deliver the Certificates evidencing and representing proportionate undivided interests in the payments of principal of and interest on the tax and revenue anticipation notes issued by the Issuers comprising such Series of Certificates;

WHEREAS, if the Alternate Program is implemented, the District desires to have the Trustee execute and deliver a Series of Certificates which evidences and represents interests of the owners thereof in the Note and the notes issued by other Issuers in such Series;

WHEREAS, as additional security for the owners of the Certificates, all or a portion of the payments by all of the Issuers of their respective notes may or may not be secured by one or more Credit Instruments issued by one or more Credit Providers designated in the Trust Agreement, as finally executed, which may be issued pursuant to one or more Credit Agreements designated in the Trust Agreement;

WHEREAS, all or portions of the net proceeds of the Note, may be invested in one or more Permitted Investments (as defined in the Trust Agreement), including under one or more investment agreements with one or more investment providers (if any), which investment agreements and provisions are to be determined in the Pricing Confirmation related to the Note;

WHEREAS, the Alternate Program requires that each participating Issuer approve the Trust Agreement and the alternative Credit Instruments, if any, in substantially the forms presented to the Board, with the final form of Trust Agreement, type of Credit Instrument and corresponding Credit Agreement determined in the Pricing Confirmation;

WHEREAS, pursuant to the Alternate Program each participating Issuer will be responsible for its share of (a) the fees of the Trustee and the costs of issuing the applicable Series of Certificates, and (b), if applicable, the fees of the Credit Provider, the Issuer's allocable share of all Predefault Obligations and the Issuer's Reimbursement Obligations, if any (each as defined in the Trust Agreement);

WHEREAS, pursuant to the Alternate Program, the Underwriter will submit an offer to purchase the Note and the notes issued by other Issuers participating in the same Series of Certificates all as evidenced and represented by such Series of Certificates, (which offer will specify, as designated in the Pricing Confirmation, the principal amount, interest rate and credit instrument (if any)), and has submitted a form of purchase agreement (the "Certificate Purchase Agreement") to the Board; and

WHEREAS, it is necessary to engage the services of certain professionals to assist the District in its participation in the Alternate Program;

NOW, THEREFORE, the Board hereby finds, determines, declares and resolves as follows:

Section 1. Recitals. All the above recitals are true and correct and this Board so finds and determines.

Section 2. Issuance of Notes. If the Alternate Program is implemented, this Section 2 shall not be applicable and shall be disregarded, and the provisions of Section 18(A) shall be applicable in its place.

(A) Initial Issuance of Notes. This Board hereby determines to borrow, and hereby requests the Board of Supervisors of the County to borrow for the District, solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be received by the District for the general fund and, if so indicated in the applicable Pricing Confirmation, the capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation)\* of the District attributable to Fiscal Year 2006-2007, and not pursuant to any common plan of financing of the District, by the issuance by the Board of Supervisors of the County, in the name of the District, of Notes under Sections 53850 et seq. of the Act, designated generally as the District's "2006-2007 [Subordinate]\*\* Tax and Revenue Anticipation Notes, Series \_\_\_\_" in one or more of the following Series, in order of priority of payment as described herein:

(1) the Series A Notes, being the initial Series of Notes issued under this Resolution, together with one or more Series of Additional Notes issued in accordance

\* For purposes of this Resolution, such funds shall be referred to as the "capital fund" and "special revenue fund".

\*\* A Series of Notes shall bear the "Subordinate" designation if it is a Series of Subordinate Notes.

with the provisions of Section 2(B) hereof and payable on a parity with the Series A Notes (collectively, the "Senior Notes"); and

(2) one or more Series of Additional Notes issued in accordance with the provisions of Section 2(B) hereof and payable on a subordinate basis to (i) any Senior Notes, and (ii) any previously issued Subordinate Notes if so specified in the related Pricing Confirmation (collectively, the "Subordinate Notes"), which Subordinate Notes shall be identified as such.

Each such Series of Notes shall be issued in the form of one registered note at the principal amount thereof (the "Series Principal Amount") as set forth in the applicable Pricing Confirmation and all such Series Principal Amounts aggregating to the Principal Amount set forth in such Pricing Confirmations, in each case, to bear a series designation, to be dated the date of its respective delivery to the respective initial purchaser thereof, to mature (without option of prior redemption) not more than fifteen (15) months thereafter on a date (or, possibly dates, if containing a Contingency Portion) indicated on the face thereof and determined in the Pricing Confirmation applicable to such Series of Notes (collectively, the "Maturity Date"), and to bear interest, payable at the applicable maturity (and, if the maturity is longer than twelve (12) months, an additional interest payment shall be payable within twelve (12) months of the issue date, as determined in the applicable Pricing Confirmation) and computed upon the basis of a 360-day year consisting of twelve 30-day months, at a rate (or rates if different interest rates apply to the Proceeds/Payment Portion and the Contingency Portion) not to exceed twelve percent (12%) per annum as determined in the Pricing Confirmation applicable to such Series of Notes and indicated on the face of such Series of Notes (collectively, the "Note Rate").

If the Series of Pool Bonds issued in connection with a Series of Notes is secured in whole or in part by a Credit Instrument or such Credit Instrument (other than the Contingency Fund) secures the Proceeds/Payment Portion of a Series of Notes in whole or in part and all principal of and interest on the Proceeds/Payment Portion of the Series of Notes is not paid in full at maturity applicable to the Proceeds/Payment Portion or payment of principal of and interest on the Proceeds/Payment Portion of such Series of Notes is paid (in whole or in part) by a draw under, payment by or claim upon a Credit Instrument which draw, payment or claim is not fully reimbursed on such date, such Series of Notes shall become a Defaulted Note (as defined in the Indenture), and the unpaid Proceeds/Payment Portion (including the interest component, if applicable) thereof (or the portion (including the interest component, if applicable) thereof with respect to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been fully made) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate (as defined in the Indenture); provided, however, that if the draw on, payment request under or claim on the Credit Instrument is due solely, in the District's case, to a loss on the Permitted Investment applicable to the Proceeds Subaccount (hereinafter defined) attributed to such Series of Notes or the Payment Account (hereinafter defined) attributed to such Series of Notes, the Series of Notes shall not be a Defaulted Note if the Credit Provider has so agreed at the time of issuance of the Credit Instrument.

If the Credit Instrument is the Contingency Fund and a Drawing (as defined in the Indenture) pertaining to the related Series of Notes is not fully reimbursed by the Contingency

Interest Payment Date (as defined in the Indenture), the Series of Notes shall become a Defaulted Contingency Note (as defined in the Indenture), and the unpaid Proceeds/Payment Portion (including the interest component, if applicable) thereof (or portion (including the interest component, if applicable) thereof with respect to which the Contingency Fund applies for which reimbursement on a Drawing has not been fully made) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate. If the Credit Instrument is the Contingency Fund and the Trustee is required to draw on, request payment under or make a claim on the Contingency Credit Instrument to pay the related Series of Contingency Bonds due to an investment loss on the Permitted Investment applicable to the Contingency Fund, the Series of Notes shall, unless otherwise agreed by the Contingency Credit Provider at the time of issuance of the Contingency Credit Instrument, become a Defaulted Contingency Note, and the unpaid Contingency Portion (including the interest component, if applicable) thereof with respect to which the Contingency Credit Instrument applies for which reimbursement on such draw, payment or claim has not been fully made by the Contingency Principal Payment Date shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate.

If a Series of Notes or the Series of Pool Bonds issued in connection therewith is unsecured in whole or in part and such Series of Notes is not fully paid at the Maturity Date, the unpaid Proceeds/Payment Portion thereof (or the portion thereof to which no Credit Instrument applies which is unpaid) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate.

In each case set forth in the preceding three paragraphs, the obligation of the District with respect to such Defaulted Note, Defaulted Contingency Note or unpaid Series of Notes shall not be a debt or liability of the District prohibited by Article XVI, Section 18 of the California Constitution and the District shall not be liable thereon except to the extent of any available revenues attributable to Fiscal Year 2006-2007, as provided in Section 8 hereof.

The percentage of a Series of Notes to which a related Credit Instrument, if any, applies (the "Secured Percentage") shall be (i) equal to 100%, if the size of the Credit Instrument is greater than or equal to the aggregate amount of principal of and interest with respect to the Proceeds/Payment Portion of all unpaid series of notes (or unpaid portions thereof) of all Issuers assigned to the same Series of Pool Bonds as the Series of Notes, as of the Pool Interest Payment Date corresponding to the draw or payment request on the Credit Instrument, or the corresponding Contingency Interest Payment Date, whichever comes first, or (ii) equal to the amount of the related Credit Instrument divided by the aggregate amount of unpaid principal of and interest with respect to the Proceeds/Payment Portion of all unpaid series of notes (or portions thereof) of all Issuers assigned to the same Series of Pool Bonds as such Series of Notes, expressed as a percentage, if the size of the Credit Instrument is less than the aggregate amount of unpaid principal of and interest on the Proceeds/Payment Portion of such unpaid series of notes (or unpaid portions thereof) as of the Pool Interest Payment Date corresponding to the draw or payment request on the Credit Instrument, or the corresponding Contingency Interest Payment Date, whichever comes first. The percentage of a Series of Notes to which the related Contingency Credit Instrument, if any, applies (the "Secured Contingency Percentage") shall be equal to the Secured Percentage. To the extent the term "Secured Percentage" as defined in the Indenture as finally executed differs from the foregoing, the definition contained in the Indenture shall be controlling.



Both the principal of and interest on each Series of Notes shall be payable in lawful money of the United States of America, but only upon surrender thereof, at the corporate trust office of U.S. Bank National Association in Los Angeles, California, or as otherwise indicated in the Indenture or Trust Agreement, as applicable. The Principal Amount may, prior to the issuance of any Series of Notes, be reduced from the Maximum Amount of Borrowing specified above, in the discretion of the Underwriter upon consultation with the Authorized Officer. The Principal Amount shall, prior to the issuance of the last Series of Notes, be reduced from the Maximum Amount of Borrowing specified above if and to the extent necessary to obtain an approving legal opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel") as to the legality thereof and the exclusion from gross income for federal tax purposes of interest thereon. The Principal Amount shall, prior to the issuance of the last Series of Notes, also be reduced from the Maximum Amount of Borrowing specified above, and other conditions shall be met by the District prior to the issuance of each Series of Notes, if and to the extent necessary to obtain from the Credit Provider or the Contingency Credit Provider (as the case may be) securing the related Series of Pool Bonds or corresponding Series of Contingency Bonds (as applicable) to which such Series of Notes is assigned, its agreement to issue the Credit Instrument or Contingency Credit Instrument (as applicable), securing such Series of Pool Bonds or corresponding Series of Contingency Bonds, as the case may be. If the Credit Instrument relating to a Series of Pool Bonds is a letter or letters of credit or policy or policies of insurance, the issuance of the related Series of Notes shall be subject to the approval of such Credit Provider. If the Credit Instrument relating to a Series of Pool Bonds is the Contingency Fund which is backed by a Contingency Credit Instrument, the issuance of the related Series of Notes shall be subject to the approval of the such Contingency Credit Provider. Notwithstanding anything to the contrary contained herein, if applicable, the approval of the corresponding Credit Provider of the issuance of such Series of Notes, the decision of the Credit Provider to deliver the Credit Instrument or, if applicable, the approval of the Contingency Credit Provider of the issuance of such Series of Notes and the decision of the Contingency Credit Provider to deliver the Contingency Credit Instrument shall be in the sole discretion of the Credit Provider or Contingency Credit Provider, as applicable, and nothing herein shall be construed to require the Credit Provider or Contingency Credit Provider to issue a Credit Instrument or Contingency Credit Instrument, as applicable, or to approve the issuance of such Series of Notes.

In the event the Board of Supervisors of the County fails or refuses to authorize the issuance of the Notes within the time period specified in Section 53853 of the Act, following receipt of this Resolution, this Board hereby authorizes issuance of such Notes, in the District's name, in one or more series, pursuant to the terms stated in this Section 2 and the terms stated hereafter. The Notes, in one or more series, shall be issued in conjunction with the note or notes (in each case, in one or more series) of one or more other Issuers as part of the Program and within the meaning of Section 53853 of the Act.

(B) Issuance of Additional Notes. The District (or the County on its behalf, as applicable) may at any time issue pursuant to this Resolution, one or more Series of Additional Notes consisting of Senior Notes or Subordinate Notes (including Subordinate Notes that are further subordinated to previously issued Subordinate Notes, as provided in the applicable Pricing Confirmation), subject in each case to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Series of Additional Notes:

(1) The District shall not have issued any tax and revenue anticipation notes relating to the 2006-2007 fiscal year except (a) in connection with the Program under this Resolution, or (b) notes secured by a pledge of its unrestricted revenues that is subordinate in all respects to the pledge of unrestricted revenues hereunder; the District shall be in compliance with all agreements and covenants contained herein; and no Event of Default shall have occurred and be continuing with respect to any such outstanding previously issued notes or Series of Notes.

(2) The aggregate Principal Amount of Notes issued and at any time outstanding hereunder shall not exceed any limit imposed by law, by this Resolution or by any resolution of the Board amending or supplementing this Resolution (each a "Supplemental Resolution").

(3) Whenever the District shall determine to issue, execute and deliver any Additional Notes pursuant to this Section 2(B), the Series Principal Amount of which, when added to the Series Principal Amounts of all Series of Notes previously issued by the District, would exceed the Maximum Amount of Borrowing authorized by this Resolution, the District shall adopt a Supplemental Resolution amending this Resolution to increase the Maximum Amount of Borrowing as appropriate and shall submit such Supplemental Resolution to the Board of Supervisors of the County as provided in Section 53850 et seq. of the Act with a request that the County issue such Series of Additional Notes in the name of the District as provided in Sections 2(A) and 9 hereof. The Supplemental Resolution may contain any other provision authorized or not prohibited by this Resolution relating to such Series of Additional Notes.

(4) The District may issue a Series of Additional Notes that are Senior Notes payable on a parity with all other Series of Senior Notes of the District or that are Subordinated Notes payable on a parity with one or more Series of outstanding Subordinated Notes, only if it obtains (a) the consent of each Credit Provider relating to each previously issued Series of Notes that will be on a parity with such Series of Additional Notes, and (b) evidence that no rating then in effect with respect to any outstanding Series of Bonds from a Rating Agency will be withdrawn, reduced, or suspended solely as a result of the issuance of such Series of Additional Notes (a "Rating Confirmation"). The District may issue one or more Series of Additional Notes that are subordinate to all previously issued Series of Notes of the District without Credit Provider consent or Rating Confirmation. The District may issue tax and revenue anticipation notes other than in connection with the Program under this Resolution only if such notes are secured by a pledge of its unrestricted revenues that is subordinate in all respects to the pledge of unrestricted revenues hereunder.

(5) Before such Additional Notes shall be issued, the District shall file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Counsel to the District to the effect that (A) such Additional Notes constitute the valid and binding obligations of the District, (B) such Additional Notes are special obligations of the District and are payable from the moneys pledged to the

payment thereof in this Resolution, and (C) the applicable Supplemental Resolution, if any, has been duly adopted by the District.

(b) A certificate of the District certifying as to the incumbency of its officers and stating that the requirements of this Section 2(B) have been met.

(c) A certified copy of this Resolution and any applicable Supplemental Resolution.

(d) If this Resolution was amended by a Supplemental Resolution to increase the Maximum Amount of Borrowing, the resolution of the County Board of Supervisors approving such increase in the Maximum Amount of Borrowing and the issuance of such Additional Notes, or evidence that the County Board of Supervisors has elected to not issue such Additional Notes.

(e) An executed counterpart or duly authenticated copy of the applicable Purchase Agreement.

(f) A Pricing Confirmation relating to the Series of Additional Notes duly executed by an Authorized Officer (as defined in Section 4).

(g) The Series of Additional Notes duly executed by the applicable County representatives as provided in Section 9 hereof, or executed by the applicable Authorized Officers if the County shall have declined to issue the Series of Additional Notes in the name of the District, either in connection with the initial issuance of the Series A Notes or in connection with any Supplemental Resolution increasing the Maximum Amount of Borrowing.

(h) If the Additional Notes are to be Senior Notes, the Credit Provider consent(s) and Rating Confirmation(s) required pursuant to paragraph (4) above.

Upon the delivery to the Trustee of the foregoing instruments and satisfaction of the provisions of Section 2.12 of the Indenture with regard to the issuance of a corresponding Series of Additional Bonds (as defined therein), the Trustee shall authenticate and deliver said Additional Notes to, or upon the written request of, the District. Upon execution and delivery by the District and authentication by the Trustee, said Additional Notes shall be valid and binding notwithstanding any defects in satisfying any of the foregoing requirements.

**Section 3. Form of Notes.** Each Series of the Notes shall be issued in fully registered form without coupons and shall be substantially in the form and substance set forth in (i) Exhibit A if issued by the Board of Supervisors of the County, (ii) Exhibit B if issued by the District, or (iii) Exhibit C if issued by the Board of Supervisors of the County or the District and the Alternate Program is implemented, each as attached hereto and by reference incorporated herein, the blanks in said forms to be filled in with appropriate words and figures.

**Section 4. Sale of Notes; Delegation.** Any one of the President or Chairperson of the Board, the Superintendent, the Assistant Superintendent for Business, the business manager or chief financial/business officer of the District, as the case may be, or, in the absence of said officer, his or her duly appointed assistant (each an "Authorized Officer"), is

hereby authorized and directed to negotiate, with the Authority (if the District participates in the Program) or the Underwriter (if the District participates in the Alternate Program), an interest rate or rates on each Series of the Notes to the stated maturity or maturities thereof, which shall not, in any individual case, exceed twelve percent (12%) per annum (per Series of Notes), and the purchase price to be paid by the Authority or the Underwriter, as applicable, for the respective Series of the Notes, which purchase price shall be at a discount which when added to the District's share of the costs of issuance shall not be more than one percent (1%) of (i) the Principal Amount of the Note, if only one Series of Notes is issued or (ii) the Series Principal Amount of each individual Series of Notes, if more than one series is issued. If such interest rate and price and other terms of the sale of the Series of Notes set out in the Pricing Confirmation applicable to such Series of Notes are acceptable to said Authorized Officer, said Authorized Officer is hereby further authorized and directed to execute and deliver the pricing confirmation supplement applicable to such Series of Notes to be delivered by the Underwriter (on behalf of the Authority) to the District on a date within five (5) days, or such longer period of time as agreed by the Underwriter of said negotiation of interest rate and purchase price during the period from May 1, 2006 through March 1, 2007 (the "Pricing Confirmation"), substantially in the form presented to this meeting as Schedule I to the Purchase Agreement or the Certificate Purchase Agreement, as applicable, with such changes therein as said Authorized Officer shall require or approve, and such other documents or certificates required to be executed and delivered thereunder or to consummate the transactions contemplated hereby or thereby, for and in the name and on behalf of the District, such approval by this Board and such officer to be conclusively evidenced by such execution and delivery. In the event more than one Series of Notes are issued, a separate Pricing Confirmation shall be executed and delivered corresponding to each Series of Notes and the Pricing Confirmation applicable to the first Series of Notes shall also be referred to herein in certain contexts as the "Primary Pricing Confirmation". Any Authorized Officer is hereby further authorized to execute and deliver, prior to the execution and delivery of the Pricing Confirmation applicable to a Series of Notes, the Purchase Agreement or Certificate Purchase Agreement applicable to such Series of Notes, substantially in the form presented to this meeting, with such changes therein as said officer shall require or approve, such approval to be conclusively evidenced by such execution and delivery; provided, however, that any such Purchase Agreement or Certificate Purchase Agreement shall not be effective and binding on the District until the execution and delivery of the corresponding Pricing Confirmation. Delivery of a Pricing Confirmation by fax or telecopy of an executed copy shall be deemed effective execution and delivery for all purposes. If requested by said Authorized Officer at his or her option, any duly authorized deputy or assistant of such Authorized Officer may approve said interest rate or rates and price by execution of the Purchase Agreement(s) or Certificate Purchase Agreement, and/or the corresponding Pricing Confirmation(s).

**Section 5. Program Approval.** If the Alternate Program is implemented, this Section 5 shall not be applicable and shall be disregarded, and the provisions of Section 18(B) shall be applicable in its place. The Pricing Confirmation for a Series of Notes may, but shall not be required to, specify the Series of Pool Bonds and, if applicable, the Series of Contingency Bonds to the Trustee under the Indenture to which such Series of Notes will be assigned (but need not include information about other series of notes assigned to the same pool or their Issuers). The Pricing Confirmation shall indicate whether and what type of Credit Instrument and, if applicable, Contingency Credit Instrument will apply to such Series of Notes.

The form of Indenture, alternative general types and forms of Credit Agreements, if any, and alternative general types and forms of Contingency Credit Agreements, if any, presented to this meeting are hereby acknowledged, and it is acknowledged that the Authority will execute and deliver the Indenture, one or more Supplemental Indentures, one or more Credit Agreements, if applicable, and one or more Contingency Credit Agreements, if applicable, which shall be identified in the Pricing Confirmation applicable to the Series of Notes to be issued, in substantially one or more of said forms with such changes therein as the Authorized Officer who executes such Pricing Confirmation shall require or approve (substantially final forms of the Indenture, the Supplemental Indenture (if applicable), the Credit Agreement and, if applicable, the Contingency Credit Agreement are to be delivered to the Authorized Officer concurrently with the Pricing Confirmation applicable to the Series of Notes to be issued), such approval of such Authorized Officer and this Board to be conclusively evidenced by the execution of the Pricing Confirmation applicable to such Series of Notes. It is acknowledged that the Authority is authorized and requested to issue one or more Series of Pool Bonds pursuant to and as provided in the Indenture as finally executed and, if applicable, each Supplemental Indenture as finally executed. If the Credit Instrument identified in a Pricing Confirmation is the Contingency Fund, it is acknowledged that the Authority is authorized and requested to issue one or more Series of Contingency Bonds pursuant to and as provided in the Indenture as finally executed and, if applicable, each Supplemental Indenture as finally executed. The Authorized Officer is hereby authorized and directed to provide the Underwriter with such information relating to the District as the Underwriter shall reasonably request for inclusion in the Preliminary Official Statement(s) and Official Statement(s) of the Authority. If, at any time prior to the execution of a Pricing Confirmation, any event occurs as a result of which the information contained in the corresponding Preliminary Official Statement or other offering document relating to the District might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Underwriter.

Subject to Section 8 hereof, the District hereby agrees that a Note of a Series shall become a Defaulted Note, the unpaid Proceeds/Payment Portion (including the interest component, if applicable) thereof or the Proceeds/Payment Portion (including the interest component, if applicable) to which a Credit Instrument applies for which full reimbursement on a draw, payment or claim has not been made by the Maturity Date applicable to such Proceeds/Payment Portion shall be deemed outstanding and shall not be deemed to be paid until (i) any Credit Provider providing a Credit Instrument with respect to the Proceeds/Payment Portion of such Series of Notes or the Series of Pool Bonds issued in connection with such Series of Notes, has been reimbursed for any drawings, payments or claims made under or from the Credit Instrument with respect to the Proceeds/Payment Portion of such Note, including interest accrued thereon, as provided therein and in the applicable Credit Agreement, and (ii) the holders of such Series of Notes or the Series of the Pool Bonds issued in connection with such Series of Notes are paid the full principal amount represented by the unsecured portion of such Series of Notes plus interest accrued thereon (calculated at the Default Rate) to the date of deposit of such aggregate required amount with the Trustee. For purposes of clause (ii) of the preceding sentence, holders of such Series of Pool Bonds will be deemed to have received such principal amount upon deposit of such moneys with the Trustee.

Subject to Section 8 hereof, the District hereby agrees that if a Series of Notes shall become a Defaulted Contingency Note, the unpaid Proceeds/Payment Portion and/or (if applicable) Contingency Portion (including the interest component, if applicable) thereof or the Proceeds/Payment Portion and/or Contingency Portion (including the interest component, if applicable) to which a Contingency Credit Instrument, if any, applies for which full reimbursement on a Drawing, or drawing, payment or claim has not been made by the applicable Contingency Principal Payment Date, shall be deemed outstanding and shall not be deemed paid until (i) any Contingency Credit Provider providing a Contingency Credit Instrument with respect to the Series of Contingency Bonds to which such Series of Notes is assigned (against the Contingency Fund of which such Drawing, or drawing, payment or claim was made) has been reimbursed for any drawing or payment or claim made under the Contingency Credit Instrument with respect to such Series of Notes, including interest accrued thereon, as provided therein and in the Contingency Credit Agreement, and (ii) the holders of such Series of Notes or Series of Pool Bonds and/or Series of Contingency Bonds issued in connection with such Series of Notes are paid the full principal amount represented by the unsecured Proceeds/Payment Portion and/or (if applicable) Contingency Portion of such Series of Notes plus interest accrued thereon (calculated at the Default Rate) to the date of deposit of such aggregate required amount with the Trustee. For the purposes of clause (ii) of the preceding sentence, holders of such Series of Pool Bonds and Series of Contingency Bonds will be deemed to have received such principal amount upon deposit of such moneys with the Trustee.

The District agrees to pay or cause to be paid, in addition to the amounts payable under each Series of Notes, any fees or expenses of the Trustee and, to the extent permitted by law, if the District's Series of Notes is secured in whole or in part by a Credit Instrument or, if applicable, a Contingency Credit Instrument (by virtue of the fact that the corresponding Series of Pool Bonds is secured by a Credit Instrument or, if applicable, the Series of Contingency Bonds issued in connection with the Series of Notes is secured by a Contingency Credit Instrument), any Predefault Obligations and Reimbursement Obligations (to the extent not payable under the Series of Notes), (i) arising out of an "Event of Default" hereunder (or pursuant to Section 7 hereof) or (ii) arising out of any other event (other than an event arising solely as a result of or otherwise attributable to a default by any other Issuer). In the case described in (ii) above with respect to Predefault Obligations, the District shall owe only the percentage of such fees, expenses and Predefault Obligations equal (a) in the case where a Credit Provider is applicable, to the ratio of the Principal Amount (or Series Principal Amount as applicable) of its Series of Notes over the aggregate Principal Amounts (or Series Principal Amounts, as applicable) of all series of notes, including such Series of Notes, assigned to the Series of Pool Bonds issued in connection with such Series of Notes, at the time of original issuance of such Series of Pool Bonds, and (b) in the case where a Contingency Credit Provider is applicable, to the ratio of the principal amount of the Contingency Portion of and applicable to its Series of Notes over the aggregate principal amounts of the Contingency Portions of and applicable to all series of notes containing Contingency Portions, including, if applicable, the Series of Notes, assigned to the Series of Contingency Bonds issued in connection with such Series of Notes, at the time of original issuance of such Series of Pool Bonds. Such additional amounts will be paid by the District within twenty-five (25) days of receipt by the District of a bill therefor from the Trustee.

**Section 6. No Joint Obligation.** If the Alternate Program is implemented, this Section 6 shall not be applicable and shall be disregarded, and the provisions of Section 18(C) shall be applicable in its place. Each Series of Notes will be issued in conjunction with a series of notes of one or more other Issuers and will be assigned to a Pool in order to secure a corresponding Series of Pool Bonds and, if applicable, a corresponding Series of Contingency Bonds. In all cases, the obligation of the District to make payments on or in respect to each Series of its Notes is a several and not a joint obligation and is strictly limited to the District's repayment obligation under this Resolution, the resolution of the County providing for the issuance of the Note, if applicable, and such Series of Notes.

**Section 7. Disposition of Proceeds of Notes.** If the Alternate Program is implemented, this Section 7 shall not be applicable and shall be disregarded, and the provisions of Section 18(D) shall be applicable in its place.

The moneys received from the sale of each Series of Pool Bonds issued in connection with a Series of Notes allocable to the District's share of the costs of issuance (which may include any fees and expenses in connection with the related Credit Instrument (or Contingency Credit Instrument, if any) applicable to such Series of Notes or Series of Pool Bonds and the corresponding Series of Contingency Bonds, if any) shall be deposited in an account in the Costs of Issuance Fund established for such Series of Pool Bonds and held and invested by the Trustee under the Indenture and expended as directed by the Authority or the Underwriter on Costs of Issuance as provided in the Indenture. All or a portion of the moneys allocable to each Series of Notes from the sale of the corresponding Series of Pool Bonds, (net of the District's share of the costs of issuance) is hereby designated the "Deposit to Proceeds Subaccount" and shall be deposited in the District's Proceeds Subaccount attributed to such Series of Notes hereby authorized to be created pursuant to, and held and invested by the Trustee under, the Indenture for the District and said moneys may be used and expended by the District for any purpose for which it is authorized to use and expend moneys, upon requisition from such Proceeds Subaccount as specified in the Indenture. In the event a portion of earnings on the Permitted Investment in which the Proceeds Subaccount is invested shall be used to pay the related Credit Provider's or the related Contingency Credit Provider's fees and expenses and/or costs of issuing the related Credit Instrument or the related Contingency Credit Instrument, such funds may be requisitioned by the Authority on behalf of the District. The Pricing Confirmation applicable to each Series of Notes shall set forth such amount of the Deposit to Proceeds Subaccount. The Authorized Officer is hereby authorized to approve the amount of such Deposit to Proceeds Subaccount which shall be not less than 50% of the Net Proceeds.

"Net Proceeds" means, as the case may be, the Principal Amount of the Series of Notes if issued in one series, or the Series Principal Amount of each Series of Notes if more than one Series of Notes is issued net of the District's share of the Costs of Issuance attributable to the corresponding Series of Pool Bonds and, if applicable, the corresponding Series of Contingency Bonds to which such Series of Notes is assigned. Subject to Section 8 hereof, the District hereby covenants and agrees to replenish amounts on deposit in each Proceeds Subaccount attributed to a Series of its Note to the extent practicable from any source of available funds up to an amount equal to the unreplenished withdrawals from such Proceeds Subaccount.

The Trustee shall transfer to each Payment Account (hereinafter defined) relating to a Series of Notes from amounts on deposit in the related Proceeds Subaccount attributed to such Series of Notes on the first day of each Repayment Month (as defined hereinafter) designated in the Pricing Confirmation applicable to such Series of Notes, amounts which, taking into consideration anticipated earnings thereon to be received by the Maturity Date applicable to the related Proceeds/Payment Portion, are equal to the percentages of the principal and interest due with respect to the Proceeds/Payment Portion of such Series of Notes at maturity for the Proceeds/Payment Portion for the corresponding Repayment Month set forth in the Pricing Confirmation applicable to the Series of Notes; provided, however, that on the twentieth day of the next to last Repayment Month designated in each such Pricing Confirmation (or, if only one Repayment Month is applicable to a Series of Notes, on the twentieth day of the month preceding the Repayment Month designated in such Pricing Confirmation), the Trustee shall transfer all remaining amounts in the Proceeds Subaccount attributed to the Series of Notes to the related Payment Account all as and to the extent provided in the Indenture; provided, however, that with respect to the transfer in any such Repayment Month (or month preceding a single Repayment Month), if said amount in the Proceeds Subaccount attributed to a Series of Notes is less than the corresponding percentage set forth in the Pricing Confirmation applicable to the related Series of Notes of the principal and interest due with respect to the Proceeds/Payment Portion of such Series of Notes at maturity for the Proceeds/Payment Portion, the Trustee shall transfer to the related Payment Account attributed to such Series of Notes of the District all amounts on deposit in the Proceeds Subaccount attributed to such Series of Notes on the twentieth day of such Repayment Month (or month preceding a single Repayment Month).

In the event more than one Series of Notes is issued, the District hereby covenants and agrees, subject to Section 8 hereof, to replenish amounts on deposit in the Proceeds Subaccount attributed to each Series of Notes in the following order of priority: first, on a pro-rata basis, the Proceeds Subaccount attributed to each Series of Senior Notes; second, on a pro-rata basis, the Proceeds Subaccount attributed to each Series of Subordinate Notes (except for any Series of Subordinate Notes described in the next clause); and thereafter, the Proceeds Subaccount attributed to any other Series of Subordinate Notes that shall have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, in such order of priority.

For Notes issued in calendar 2006, in the event either (A) the Series Principal Amount of any Series of Notes, together with the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2006, will, at the time of the issuance of such Series of the Notes, (as indicated in the certificate of the District executed as of the date of issuance of such Series of Notes (each "District Certificate")) exceed fifteen million dollars (\$15,000,000), or (B) the Series Principal Amount of any Series of Notes, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2006, will, at the time of the issuance of such Series of Notes (as indicated in the related District Certificate), exceed five million dollars (\$5,000,000), the second following paragraph will apply. In such case, the District shall be deemed a "Safe Harbor Issuer" with respect to such Series of Notes.



For Notes issued in calendar year 2007, in the event either (A) the Series Principal Amount of any Series of Notes, together with the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2007, will, at the time of the issuance of such Series of the Notes, (as indicated in the certificate of the District executed as of the date of issuance of such Series of Notes (each "District Certificate")) exceed fifteen million dollars (\$15,000,000), or (B) the Series Principal Amount of any Series of Notes, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2007, will, at the time of the issuance of such Series of Notes (as indicated in the related District Certificate), exceed five million dollars (\$5,000,000), the following paragraph will apply. In such case, the District shall be deemed a "Safe Harbor Issuer" with respect to such Series of Notes.

Amounts in any Proceeds Subaccount relating to a Series of Notes of the District and attributable to cash flow borrowing shall be withdrawn and expended by the District for any purpose for which the District is authorized to expend funds from the general fund of the District, but, with respect to general fund expenditures, only to the extent that on the date of any withdrawal no other funds are available for such purposes without legislation or judicial action or without a legislative, judicial or contractual requirement that such funds be reimbursed. If on no date that is within six months from the date of issuance of each Series of Notes, the balance in the related Proceeds Subaccount attributable to cash flow borrowing and treated for federal tax purposes as proceeds of such Series of Notes is low enough so that the amounts in the Proceeds Subaccount attributable to such Series of Notes qualify for an exception from the rebate requirements (the "Rebate Requirements") of Section 148 of the Internal Revenue Code of 1986 (the "Code"), the District shall promptly notify the Trustee in writing and, to the extent of its power and authority, comply with instructions from Orrick, Herrington & Sutcliffe LLP, Bond Counsel, supplied to it by the Trustee as the means of satisfying the Rebate Requirements.

The "Proceeds/Payment Portion" of a Note of a Series means a principal amount equal to such Principal Amount of the Series of Notes if the District issues only one Series, or the Series Principal Amount of applicable Series of Notes if the District issues more than one Series of Notes, less the principal amount of the Contingency Portion (defined hereinafter) of such Series of Notes, if any, plus interest accrued thereon at the Note Rate applicable to the Proceeds/Payment Portion of such Series of Notes to the Maturity Date applicable to the Proceeds/Payment Portion of such Series of Notes. The "Contingency Portion" of a Note of a Series means a principal amount which shall be less than or equal to 50% of the Net Proceeds, plus interest accrued thereon at the Note Rate applicable to the Contingency Portion of such Series of Notes to the Maturity Date applicable to the Contingency Portion of such Series of Notes. An amount equal to the principal of the Contingency Portion of each Series of Notes (and, if determined in the Pricing Confirmation applicable to such Series of Notes, net of the District's portion of Costs of Issuance attributable to the Series of Contingency Bonds to which the Series of Notes is assigned) shall be deposited in a separate account established for the Series of Contingency Bonds to which such Series of Notes is assigned in the Contingency Fund (each a "Contingency Account"), hereby authorized to be created pursuant to, and held and invested by the Trustee under the Indenture and said moneys shall be used for the purposes specified in the

Indenture including, but not limited to, payment of principal of and interest on the Series of Contingency Bonds (if any) to which such Series of Notes is assigned. The Pricing Confirmation applicable to such Series of Notes shall set forth the amount of the deposit to the related Contingency Account. Payment of principal of and interest on the Series of Contingency Bonds to which any Series of Notes is assigned and reimbursement to the applicable Contingency Credit Provider, if any, shall be subordinate to payment in full of the principal of and interest on the related Series of Pool Bonds to which such Series of Notes is assigned.

The principal amounts of the Proceeds/Payment Portion and the Contingency Portion of a Series of Notes shall be set forth in the Pricing Confirmation applicable to such Series of Notes and on the face of such Series of Notes. Any Authorized Officer is hereby authorized to approve and confirm the determination of such principal amount of the Proceeds/Payment Portion of a Series of Notes (including, if applicable, the principal amount attributed to cash flow borrowing and the principal amount attributable to construction financing) and the principal amount of the Contingency Portion of a Series of Notes as specified in the Pricing Confirmation applicable to such Series of Notes, by executing and delivering the Pricing Confirmation applicable to such Series of Notes, such execution and delivery to be conclusive evidence of approval by this Board and such Authorized Officer.

**Section 8. Source of Payment.** If the Alternate Program is implemented, this Section 8 shall not be applicable and shall be disregarded, and the provisions of Section 18(E) shall be applicable in its place.

(A) The principal amount of each Series of Notes, together with the interest thereon, shall be payable from taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys which are received by the District for the general fund and, if so indicated in the applicable Pricing Confirmation, the capital fund and/or special revenue fund (if applicable) of the District and are attributable to Fiscal Year 2006-2007 and which are available for payment thereof. As security for the payment of the principal of and interest on all Series of its Notes, subject to the subordination provisions of Section 7 hereof and this Section 8, the District hereby pledges certain unrestricted revenues (as hereinafter provided) which are received by the District for the general fund, and capital fund and/or special revenue fund (if applicable), of the District and are attributable to Fiscal Year 2006-2007, and the principal of each Series of Notes and the interest thereon shall constitute a first lien and charge thereon and shall be payable pro-rata among all such Series of Notes of the District from the first moneys received by the District from such pledged revenues, and, to the extent not so paid, shall be paid from any other taxes, income, revenue, cash receipts and other moneys of the District lawfully available therefor (all as provided for in Sections 53856 and 53857 of the Act) and subject to the subordination provisions of Section 7 hereof and this Section 8. The Noteholders, Bondholders, Credit Provider(s) (if applicable) and, if applicable, the Contingency Credit Provider(s) shall have a first lien and charge on such unrestricted revenues as hereinafter provided which are received by the District and are attributable to Fiscal Year 2006-2007, subject to the subordination provisions of Section 7 hereof and this Section 8.

In order to effect, in part, the pledge referenced in the preceding two sentences, the District agrees to the establishment and maintenance as a special fund of the District of a

separate Payment Account for each Series of its Notes (each a "Payment Account") by the Trustee under the Indenture, and the Trustee is hereby appointed as the responsible agent to maintain such fund until the payment of the principal of the corresponding Series of Notes and the interest thereon, and the District agrees to cause to be deposited directly in each Payment Account (and shall request specific amounts from the District's funds on deposit with the County Treasurer for such purpose) a pro-rata share of the first amounts received in the months specified in the corresponding Pricing Confirmation as sequentially numbered Repayment Months (each individual month a "Repayment Month" and collectively "Repayment Months") (and any amounts received thereafter attributable to Fiscal Year 2006-2007) until the amount on deposit in each Payment Account, taking into consideration anticipated investment earnings thereon to be received by the Maturity Date applicable to the Proceeds/Payment Portion of the respective Series of Notes (as set forth in a certificate from the Underwriter to the Trustee), is equal in the respective Repayment Months identified in the Pricing Confirmation applicable to such Series of Notes to the percentages of the principal of and interest due with respect to the Proceeds/Payment Portion of such Series of Notes at maturity of the Proceeds/Payment Portion specified in the Pricing Confirmation applicable to such Series of Notes; provided that such deposits shall be made in the following order of priority: first, pro-rata to the Payment Account(s) attributable to any Series of Senior Notes; second, pro-rata to the Payment Account(s) attributable to any Series of Subordinate Notes (except for any Series of Subordinate Notes described in the next clause); and thereafter, to the Payment Account(s) attributable to any other Series of Subordinate Notes that shall have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, in such order of priority.

With respect to each Series of Notes, the number of Repayment Months determined in the related Pricing Confirmation shall not exceed six (6) and the amount of new money required to be deposited in any one Repayment Month (if there are more than two Repayment Months) as determined in such Pricing Confirmation shall not exceed fifty percent (50%) of the principal of and interest due with respect to the Proceeds/Payment Portion of such Series of Notes at maturity of the Proceeds/Payment Portion (such pledged amounts being hereinafter called the "Pledged Revenues"); provided, however, that the first Repayment Month of any Series of Subordinate Notes shall not occur prior to the last Repayment Month of any outstanding Series of Notes of a higher priority without the consent of each Credit Provider for such outstanding Notes; provided further, that if the first Repayment Month of any Series of Subordinate Notes occurs in the same month as the last Repayment Month of any outstanding Series of Notes of a higher priority, no deposits shall be made in the Payment Account of such Subordinate Notes until all required amounts shall have been deposited into the Payment Account(s) of all outstanding Series of Notes of a higher priority without the consent of each Credit Provider for such outstanding Notes.

Any Authorized Officer is hereby authorized to approve the determination of the Repayment Months and percentages of the principal and interest due with respect to the Proceeds/Payment Portion of each Series of Notes at maturity of the Proceeds/Payment Portion required to be on deposit in the related Payment Account in each Repayment Month, all as specified in the Pricing Confirmation applicable to such Series of Notes, by executing and delivering the Pricing Confirmation applicable to such Series of Notes, such execution and delivery to be conclusive evidence of approval by this Board and such Authorized Officer.

In the event that on the tenth Business Day (as defined in the Indenture) of each such Repayment Month, the District has not received sufficient unrestricted revenues to permit the deposit into the Payment Account of the full amount of Pledged Revenues to be deposited in the Payment Account from said unrestricted revenues in said month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of all Series of Notes and the interest thereon, as and when such other moneys are received or are otherwise legally available in the following order of priority: first, to satisfy pro-rata any deficiencies attributable to any Series of Senior Notes; second, to satisfy pro-rata any deficiencies attributable to any Series of Subordinate Notes (except for any Series of Subordinate Notes described in the next clause); and thereafter, to satisfy any deficiencies attributable to any other Series of Subordinate Notes that shall have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, in such order of priority. The term "unrestricted revenues" shall mean all taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys, intended as receipts for the general fund and capital fund and/or special revenue fund (if applicable) of the District attributable to Fiscal Year 2006-2007 and which are generally available for the payment of current expenses and other obligations of the District.

In the event a Series of Notes contains a Contingency Portion, the District shall not be obligated to make payments with respect to the principal or interest components of the Contingency Portion except, if not otherwise agreed to by the related Contingency Credit Provider (if any) at the time of issuance of the related Contingency Credit Instrument (if any), in the case where any loss is sustained from the Permitted Investment (as defined in the Indenture), in which the Contingency Account related to such Contingency Portion is invested. In such case, the District hereby pledges and agrees to deposit in such Contingency Account established and held under the Indenture, moneys of the District lawfully available for the payment of principal of such Series of Notes and the interest thereon as and when received, an amount up to an amount equal to the Contingency Portion of such Series of Notes, to the extent necessary to replenish such Contingency Account for any losses sustained from such Permitted Investment.

Such pledge and agreement shall be subordinate to the pledge and agreement pertaining to the Proceeds/Payment Portion of such Series of Notes and in the case of (1) a Contingency Portion of a Series of Additional Notes that are Senior Notes, shall also be subordinate to the pledge and agreement pertaining to the Proceeds/Payment Portion of all other Series of Senior Notes but shall be on a parity with the pledge and agreement pertaining to the Contingency Portion, if any, of each such Series of Senior Notes, (2) a Contingency Portion of a Series of Additional Notes that are Subordinate Notes (except for any Series of Subordinate Notes described in the following clause (3)), shall be subordinate to the pledge and agreement pertaining to (i) the Proceeds/Payment Portion and the Contingency Portion, if any, of all Series of Senior Notes, and (ii) the Proceeds/Payment Portion of all Series of Subordinate Notes, but shall be on a parity with the pledge and agreement pertaining to the Contingency Portion of each such Series of Subordinate Notes (except for any Series of Subordinate Notes described in the following clause (3)), and (3) a Contingency Portion of a Series of Additional Notes that are Subordinate Notes that have been further subordinated to other previously issued Subordinate Notes in the applicable Pricing Confirmation, shall be subordinate to the pledge and agreement pertaining to the Proceeds/Payment Portion and the Contingency Portion, if any, of all Series of

Senior Notes and all previously issued Series of Subordinate Notes specified in such Pricing Confirmation.

In the event the contingency portions (if any) of any series of notes issued by other Issuers comprising the Series of Contingency Bonds of which a Series of Notes is a part (the "Contingency Pool") are invested in the same Permitted Investment as such Series of Notes, and if any losses sustained from such Permitted Investment are less than the aggregate amount of all the contingency portions of the series of notes of other Issuers containing contingency portions comprising the Contingency Pool, the District's obligation to make any deposit referred to in the preceding sentence shall equal the ratio of the principal component of the Contingency Portion of its Series of Notes over the aggregate principal components of the contingency portions of all series of notes including its Series of Notes, comprising the Contingency Pool.

If, pursuant to the preceding paragraph, the District is required to deposit moneys in the Contingency Account, and such deposit is not made by the Maturity Date applicable to the Proceeds/Payment Portion applicable to such Series of Notes, the Series of Notes shall become a Defaulted Note, and the unpaid Contingency Portion (including the interest component, if applicable) thereof shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate. If such deposit is not made by the Maturity Date applicable to the Contingency Portion applicable to such Series of Notes, the Series of Notes shall become a Defaulted Contingency Note and the unpaid Contingency Portion (including interest component, if applicable) thereof shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate. The obligation of the District with respect to such Defaulted Note or Defaulted Contingency Note, as the case may be, shall not be a debt or liability of the District prohibited by Article XVI Section 18 of the California Constitution and the District shall not be liable thereon except to the extent of any legally available revenues attributable to Fiscal Year 2006-2007 and which constitute unrestricted revenues.

(B) Any moneys placed in the Payment Account attributed to a Series of Notes shall be for the benefit of (i) the holders of the Series of Pool Bonds issued in connection with the Pool of which such Series of Notes is a part, (ii) (to the extent provided in the Indenture) the Credit Provider, if any, (iii) if a Series of Contingency Bonds are issued in connection with the Pool of which such Series of Notes is a part and are not secured by a Contingency Credit Instrument, the holders of such Series of Contingency Bonds (to the extent provided in the Indenture), and (iv) if a Series of Contingency Bonds are issued in connection with the Pool of which such Series of Notes is a part and are secured by a Contingency Credit Instrument, the applicable Contingency Credit Provider and the holders of such Series of Contingency Bonds (to the extent provided in the Indenture and the applicable Contingency Credit Agreement). The moneys in the Payment Account attributed to the Series of Notes shall be applied only for the purposes for which the Payment Account is created until the principal of such Series of Notes and all interest thereon are paid or until provision has been made for the payment of the principal of such Series of Notes at maturity of the Proceeds/Payment Portion of such Series of Notes with interest to maturity of the Proceeds/Payment Portion (in accordance with the requirements for defeasance of the related Series of Bonds as set forth in the Indenture) and, if applicable, (to the extent provided in the Indenture and, if applicable, the corresponding Credit Agreement or, if applicable, the corresponding Contingency Credit Agreement) the payment of all Predefault

Obligations and Reimbursement Obligations owing to the corresponding Credit Provider or, if applicable, the corresponding Contingency Credit Provider.

(C) On any interest payment date (if different from the Maturity Date applicable to the Proceeds/Payment Portion) and on the Maturity Date applicable to the Proceeds/Payment Portion of a Series of Notes, the moneys in the Payment Account attributed to such Series of Notes shall be transferred by the Trustee, to the extent necessary, to pay, in the case of an interest payment date, the interest, and in the case of the Maturity Date applicable to the Proceeds/Payment Portion, the principal of and interest with respect to the Proceeds/Payment Portion of such Series of Notes or to reimburse the Credit Provider or Contingency Credit Provider, as applicable, for payments made under or pursuant to the Credit Instrument or Contingency Credit Instrument, as the case may be, subject to the subordination provisions of Section 7 hereof and this Section 8. In the event that moneys in the Payment Account attributed to any Series of Notes are insufficient to pay the principal of and/or interest with respect to the Proceeds/Payment Portion of such Series of Notes in full on an interest payment date and/or the Maturity Date applicable to such Proceeds/Payment Portion, moneys in such Payment Account together with moneys in the Payment Accounts of all other outstanding Series of Notes issued by the District shall be applied in the following priority:

- (1) with respect to all Series of Senior Notes:
  - a. first, to pay interest with respect to the Proceeds/Payment Portion of all Series of Senior Notes pro-rata;
  - b. second, (if on the Maturity Date applicable to the Proceeds/Payment Portion) to pay principal of the Proceeds/Payment Portion of all Series of Senior Notes pro-rata;
  - c. third, to reimburse each applicable Credit Provider for payment, if any, of interest with respect to the Proceeds/Payment Portion of all Series of Senior Notes pro-rata;
  - d. fourth, to reimburse each applicable Credit Provider for payment, if any, of principal with respect to the Proceeds/Payment Portion of all Series of Senior Notes pro-rata;
  - e. fifth, to reimburse each applicable Contingency Credit Provider, if any, for payment, if any, of interest with respect to the Contingency Portion of all Series of Senior Notes pro-rata;
  - f. sixth, to reimburse each applicable Contingency Credit Provider, if any, for payment, if any, of principal with respect to the Contingency Portion of all Series of Senior Notes pro-rata;
  - g. seventh, to pay pro-rata any Reimbursement Obligations of the District and any of the District's pro rata share of Predefault Obligations owing to each applicable Credit Provider or Contingency Credit Provider (if any), relating to all Series of Senior Notes, as applicable;

(2) then, with respect to all Series of Subordinate Notes (except for any Series of Subordinate Notes described in paragraph (3) below), to make the pro-rata payments corresponding to each such Series of Subordinate Notes equivalent to the payments described above in paragraphs (1)(a) through (g), in such order;

(3) then, with respect to all other Series of Subordinate Notes that have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, to make the pro-rata payments corresponding to each such Series of Subordinate Notes equivalent to the payments described above in paragraphs (1)(a) through (g), in such order; and

(4) lastly, to pay any other Costs of Issuance not previously disbursed.

If Contingency Bonds are issued in connection with any Series of Notes and no Contingency Credit Instrument is applicable, the holders of the applicable Series of Contingency Bonds shall have the same priority of rights to payment as a Contingency Credit Provider would have had relating to such Series of Notes according to the priorities set forth above, as well as any other rights to the extent and as stated in the Indenture. Any moneys remaining in or accruing to the Payment Account attributed to each such Series of Notes after the principal of all the Series of Notes and the interest thereon and any Predefault Obligations and Reimbursement Obligations, if applicable, and obligation, if any, to pay any rebate amounts in accordance with the provisions of the Indenture have been paid, or provision for such payment has been made, if any, shall be transferred by the Trustee to the District, subject to any other disposition required by the Indenture, or, if applicable, the related Credit Agreement(s) or Contingency Credit Agreement(s), as applicable.

Nothing herein shall be deemed to relieve the District from its obligation to pay its Note of any Series in full on the applicable Maturity Date(s).

(D) Moneys in the Proceeds Subaccount attributed to each Series of Notes, the Payment Account attributed to such Series of Notes and the Contingency Account attributed to the Series of Contingency Bonds secured by such Series of Notes shall be invested by the Trustee pursuant to the Indenture in an investment agreement or agreements and/or other Permitted Investments as described in and under the terms of the Indenture and as designated in the Pricing Confirmation applicable to such Series of Notes. The type of investments to be applicable to the proceeds of the Series of Notes shall be determined by the District as designated in the Pricing Confirmation applicable to such Series of Notes. In the event the District designates an investment agreement or investment agreements as the investments, the District hereby appoints the Underwriter as designee of the Authority as a party authorized to solicit bids on or negotiate the terms of, the investment agreement or investment agreements and hereby authorizes and directs the Trustee to invest such funds pursuant to such investment agreement or investment agreements (which shall be with a provider or providers rated in one of the two highest long-term rating categories by the rating agency or agencies then rating the applicable Series of Pool Bonds (the "Rating Agency") and acceptable to the corresponding Credit Provider or, if applicable, the corresponding Contingency Credit Provider, and the particulars of which pertaining to interest rate or rates and investment provider or providers will be set forth in the Pricing Confirmation applicable to such Series of Note) and authorizes the Trustee to enter into

such investment agreement or agreements on behalf of the District. The Underwriter, on behalf of itself and any investment broker retained by it, is authorized to accept a fee from the investment provider in an amount not in excess of the present value of annual payments equal to 5/100th of a percent of the weighted average amount reasonably expected to be invested each year of the term of the investment agreement. Upon the advice of the Underwriter, as confirmed in the applicable Pricing Confirmation, the District may elect to have all or portions of the fees, expenses and costs related to the corresponding Credit Provider and corresponding Credit Instrument or corresponding Contingency Credit Provider and corresponding Contingency Credit Instrument payable from interest earnings on the investment agreement or investment agreements or other Permitted Investments. The District's funds in the Proceeds Subaccount attributed to each Series of Notes, the Payment Account attributed to such Series of Notes and the Contingency Account attributed to the Series of Contingency Bonds secured by such Series of Notes shall be accounted for separately and the obligation of the provider or providers of such investment agreement or investment agreements with respect to the District under such investment agreement or investment agreements shall be severable. Unless otherwise and to the extent agreed between the applicable Credit Provider or Contingency Credit Provider and the District, any such investment by the Trustee shall be for the account and risk of the District, and the District shall not be deemed to be relieved of any of its obligations with respect to any Series of Notes, the Predefault Obligations or Reimbursement Obligations, if any, by reason of such investment of the moneys in its Proceeds Subaccount applicable to such Series of Notes, the Payment Account applicable to such Series of Notes and the Contingency Account attributed to the Series of Contingency Bonds secured by such Series of Notes.

If, as of the first Business Day (as defined in the Indenture) of each month, beginning in the month designated in Section 3.03 of the Indenture, the total amount on deposit in the District's Payment Account applicable to any Series of Notes and the Proceeds Subaccount applicable to such Series of Notes, taking into consideration anticipated earnings thereon to the Maturity Date of the Proceeds/Payment Portion of such Series of Notes, is less than the amount required to be on deposit in the Payment Account attributed to such Series of Notes in such month (as specified in the Pricing Confirmation applicable to the Series of Note) and any outstanding Predefault Obligations and Reimbursement Obligations (if any), the District shall promptly file with the Trustee, the applicable Credit Provider, if any, or the applicable Contingency Credit Provider, if any (and as applicable), a Financial Report and on the tenth Business Day of such month, if applicable, a Deficiency Report in substantially the forms set forth as Exhibits C and D to the Indenture and shall provide such other information as the applicable Credit Provider or the applicable Contingency Credit Provider, if any (and as applicable), shall reasonably request. In the event of such deficiency, the District shall have no further right to requisition any moneys from any Proceeds Subaccount applicable to any Series of its Notes issued pursuant to this Resolution.

(E) Any moneys placed in a Contingency Account (if any) shall be for the benefit of and in the following priority: (i) the holders of the related Series of Pool Bonds issued in connection with the Pool to which the related Series of Notes is assigned, (ii) the holders of the related Series of Contingency Bonds issued in connection with the Pool to which such Series of Notes is assigned, and (iii) (to the extent provided in the Indenture and, if applicable, the corresponding Contingency Credit Agreement) the corresponding Contingency Credit Provider. The moneys in the Contingency Account attributable to the Series of Contingency Bonds secured



by a Series of Notes shall be applied only for the purposes for which such Contingency Account is created until the principal of such Series of Notes and all interest thereon are paid or until provision has been made for the payment of the principal of such Series of Notes at maturity of the Proceeds/Payment Portion applicable to such Series of Notes or Contingency Portion applicable to such Series of Notes, whichever is later, with interest to maturity of the Proceeds/Payment Portion applicable to such Series of Notes or Contingency Portion applicable to such Series of Notes, whichever is later, (in accordance with the requirements for defeasance of the related Series of Bonds as set forth in the Indenture) and, if applicable, (to the extent provided in the Indenture and the corresponding Contingency Credit Agreement) the payment of all Predefault Obligations and Reimbursement Obligations owing to the corresponding Contingency Credit Provider.

(F) The moneys in each Contingency Account shall be applied as provided in Articles V and VI of the Indenture and as may otherwise be provided in the Indenture.

(G) Notwithstanding any other investment policy of the District heretofore or hereafter adopted, the investment policy of the District pertaining to each Series of Notes and all funds and accounts established in connection therewith shall be consistent with, and the Board hereby authorizes investment in, the Permitted Investments. Any investment policy adopted by the Board hereafter in contravention of the foregoing shall be deemed to modify the authorization contained herein only if it shall specifically reference this Resolution and Section.

Section 9. Execution of Note. Any one of the Treasurer of the County, or, in the absence of said officer, his or her duly appointed assistant, the Chairperson of the Board of Supervisors of the County or the Auditor (or comparable financial officer) of the County shall be authorized to execute each Note of any Series issued hereunder by manual or facsimile signature and the Clerk of the Board of Supervisors of the County or any Deputy Clerk shall be authorized to countersign each such Note by manual or facsimile signature and to affix the seal of the County to each such Note either manually or by facsimile impression thereof. In the event the Board of Supervisors of the County fails or refuses to authorize issuance of the Series of Notes as referenced in Section 2 hereof, any one of the President or Chair of the governing board of the District or any other member of such board shall be authorized to execute each such Note by manual or facsimile signature and the Secretary or Clerk of the governing board of the District, the Superintendent of the District or any duly appointed assistant thereto, shall be authorized to countersign each such Note by manual or facsimile signature. Said officers of the County or the District, as applicable, are hereby authorized to cause the blank spaces of each such Note to be filled in as may be appropriate pursuant to the applicable Pricing Confirmation. Said officers are hereby authorized and directed to cause the Trustee, as registrar and authenticating agent, to authenticate and accept delivery of each such Note pursuant to the terms and conditions of the corresponding Purchase Agreement or Certificate Purchase Agreement, as applicable, this Resolution and the Indenture or Trust Agreement, as applicable. In case any officer whose signature shall appear on any Series of Notes shall cease to be such officer before the delivery of such Series of Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Each Series of the Notes shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Trustee and showing the date of authentication. Each Series of the Notes shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this

Resolution unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature, and such certificate of authentication upon any such Series of Notes shall be conclusive evidence that such has been authenticated and delivered under this Resolution. The certificate of authentication on a Series of Notes shall be deemed to have been executed by the Trustee if signed by an authorized officer of the Trustee. The Notes need not bear the seal of the District, if any.

**Section 10. Note Registration and Transfer.** (A) As long as any Series of the Notes remains outstanding, the District shall maintain and keep at the principal corporate trust office of the Trustee, books for the registration and transfer of each Series of the Notes. Each Series of the Notes shall initially be registered in the name of the Trustee under the Indenture or Trust Agreement, as applicable, to which such Series of the Notes is assigned. Upon surrender of a Note of a Series for transfer at the office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the County or the District, as applicable, shall execute and the Trustee shall authenticate and deliver, in the name of the designated transferee, a fully registered Note of the same Series. For every transfer of a Note of a Series, the District, the County or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

(B) Subject to Section 6 hereof, the County, the District and the Trustee and their respective successors may deem and treat the person in whose name a Note of a Series is registered as the absolute owner thereof for all purposes, and the County, the District and the Trustee and their respective successors shall not be affected by any notice to the contrary, and payment of or on account of the principal of such Note shall be made only to or upon the order of the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

(C) Any Note of a Series may, in accordance with its terms, be transferred upon the books required to be kept by the Trustee, pursuant to the provisions hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in form approved by the Trustee.

(D) The Trustee or the Authorized Officer of the District, acting separately or together, are authorized to sign any letter or letters of representations which may be required in connection with the delivery of any Series of Pool Bonds and, if applicable, any Series of Contingency Bonds (in each case, to which such Series of Notes is assigned), if such Series of Pool Bonds and, if applicable, Series of Contingency Bonds, are delivered in book-entry form.

(E) The Trustee will keep or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of each Note of a Series issued, which shall be open to inspection by the County and the District during regular business hours. Upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may

prescribe, register or transfer or cause to be registered or transferred, on such books, the Notes of a Series presented as hereinbefore provided.

(F) If any Note of a Series shall become mutilated, the County or the District, as applicable, at the expense of the registered owner of such Note of a Series, shall execute, and the Trustee shall thereupon authenticate and deliver a new Note of like tenor, series and number in exchange and substitution for the Note so mutilated, but only upon surrender to the Trustee of the Note so mutilated. Every mutilated Note so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the County or the District, as applicable. If any Note of a Series shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County, the District and the Trustee and, if such evidence be satisfactory to them and indemnity satisfactory to them shall be given, the County or the District, as applicable, at the expense of the registered owner, shall execute, and the Trustee shall thereupon authenticate and deliver a new Note of like tenor, series and number in lieu of and in substitution for the Note so lost, destroyed or stolen (or if any such Note of a Series shall have matured (as of the latest maturity date indicated on the face thereof) or shall be about to mature (as of the latest maturity date indicated on the face thereof), instead of issuing a substitute Note, the Trustee may pay the same without surrender thereof). The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Note issued pursuant to this paragraph and of the expenses which may be incurred by the County or the District, as applicable, and the Trustee in such preparation. Any Note of a Series issued under these provisions in lieu of any Note of a Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the County (on behalf of the District) or on the part of the District, as applicable, whether or not the Note of a Series so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Resolution with all other Notes of the same Series secured by this Resolution.

Section 11. Covenants Regarding Transfer of Funds. It is hereby covenanted and warranted by the District that it will not request the County Treasurer to make temporary transfers of funds in the custody of the County Treasurer to meet any obligations of the District during Fiscal Year 2006-2007 pursuant to Article XVI, Section 6 of the Constitution of the State of California.

Section 12. Representations and Covenants.

(A) The District is a political subdivision duly organized and existing under and by virtue of the laws of the State of California and has all necessary power and authority to (i) adopt this Resolution and any supplement hereto, and enter into and perform its obligations under the Purchase Agreement(s) or Certificate Purchase Agreement, as applicable, (ii) authorize the County to issue one or more Series of Notes on its behalf or, if applicable, issue one or more Series of Notes, and (iii) accept its obligations under the Credit Agreement(s), or, if applicable, the Contingency Credit Agreement(s).

(B) (i) Upon the issuance of each Series of Notes, the District will have taken all action required to be taken by it to authorize the issuance and delivery of such Series of Notes and the performance of its obligations thereunder, (ii) the District has full legal right, power and authority to request the County to issue and deliver such Series of Notes on behalf of the District

and to perform its obligations as provided herein and therein, (iii) if applicable, the District has full legal right, power and authority to issue and deliver each Series of Notes and accept its obligations under the Credit Agreement(s), or, if applicable, the Contingency Credit Agreement(s).

(C) The issuance of each Series of Notes, the adoption of this Resolution, the acceptance of the District's obligations under the Credit Agreement(s), or, if applicable, the Contingency Credit Agreement(s) and the execution and delivery of the Purchase Agreement(s), Certificate Purchase Agreement, Trust Agreement and Credit Agreement(s), if applicable, and compliance with the provisions hereof and thereof will not conflict with, breach or violate any law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the District is subject or by which it is bound.

(D) Except as may be required under blue sky or other securities law of any state or Section 3(a)(2) of the Securities Act of 1933, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the District required for the issuance and sale of each Series of Notes or the consummation by the District of the other transactions contemplated by this Resolution except those the District shall obtain or perform prior to or upon the issuance of each Series of Notes.

(E) The District has (or will have prior to the issuance of the first Series of Notes) duly, regularly and properly adopted a budget for Fiscal Year 2006-2007 setting forth expected revenues and expenditures and has (or will have prior to the issuance of the first Series of Notes) complied with all statutory and regulatory requirements with respect to the adoption of such budget. The District hereby covenants that it will (i) duly, regularly and properly prepare and adopt its revised or final budget for Fiscal Year 2006-2007, (ii) provide to the Trustee, the Credit Provider(s), if any, the Contingency Credit Provider(s), if any, and the Underwriter, promptly upon adoption, copies of such revised or final budget and of any subsequent revisions, modifications or amendments thereto and (iii) comply with all applicable law pertaining to its budget.

(F) The Principal Amount if only one Series of Notes is issued hereunder, and if more than one Series of Notes is issued hereunder, the sum of the Series Principal Amounts of all Series of Notes issued hereunder by or on behalf of the District, plus the interest payable thereon, on the date of issuance of the final Series of Notes to be issued, will not exceed fifty percent (50%) of the estimated amounts of the District's uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys to be received by the District for the general fund and, if applicable, capital fund and/or special revenue fund of the District attributable to Fiscal Year 2006-2007 all of which will be legally available to pay principal of and interest on such Notes.

(G) The County has experienced an ad valorem property tax collection rate of not less than eighty-five percent (85%) of the average aggregate amount of ad valorem property taxes levied within the District in each of the five fiscal years from Fiscal Year 1999-2000 through Fiscal Year 2004-2005, and the District, as of the date of adoption of this Resolution and on the date of issuance of each Series of Notes, reasonably expects the County to have collected

and to collect at least eighty-five percent (85%) of such amount for Fiscal Years 2005-2006 and 2006-2007, respectively.

(H) The District (i) has not defaulted within the past twenty (20) years, and is not currently in default, on any debt obligation, (ii) to the best knowledge of the District, has never defaulted on any debt obligation, and (iii) has never filed a petition in bankruptcy.

(I) The District's most recent audited financial statements present fairly the financial condition of the District as of the date thereof and the results of operation for the period covered thereby. Except as has been disclosed to the Underwriter and the Credit Provider(s), if any, or the Contingency Credit Provider(s), if any (and as applicable), there has been no change in the financial condition of the District since the date of such audited financial statements that will in the reasonable opinion of the District materially impair its ability to perform its obligations under this Resolution and each Series of Notes. The District agrees to furnish to the Underwriter, the Trustee, the Credit Provider(s), if any, and the Contingency Credit Provider(s), if any, promptly, from time to time, such information regarding the operations, financial condition and property of the District as such party may reasonably request, including the Financial Report and Deficiency Report, if appropriate, appearing as Exhibits C and D to the Indenture or Trust Agreement, as applicable.

(J) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, arbitrator, governmental or other board, body or official, pending or, to the best knowledge of the District, threatened against or affecting the District questioning the validity of any proceeding taken or to be taken by the District in connection with each Series of Notes, the Purchase Agreement(s) or Certificate Purchase Agreement, as applicable, the Indenture or Trust Agreement, as applicable, the Credit Agreement(s), if any, the Contingency Credit Agreement(s), if any, or this Resolution, or seeking to prohibit, restrain or enjoin the execution, delivery or performance by the District of any of the foregoing, or wherein an unfavorable decision, ruling or finding would have a materially adverse effect on the District's financial condition or results of operations or on the ability of the District to conduct its activities as presently conducted or as proposed or contemplated to be conducted, or would materially adversely affect the validity or enforceability of, or the authority or ability of the District to perform its obligations under, each Series of Notes, the Purchase Agreement(s) or Certificate Purchase Agreement, as applicable, the Indenture or Trust Agreement, as applicable, the Credit Agreement(s), if any, the Contingency Credit Agreement(s), if any, or this Resolution.

(K) The District will not directly or indirectly amend, supplement, repeal, or waive any portion of this Resolution (i) without the consents of the Credit Provider(s), if any, or the Contingency Credit Provider(s), if any (and as applicable), or (ii) in any way that would materially adversely affect the interests of any holder or Owner of any Series of the Notes, Pool Bonds, Contingency Bonds, if any, or Certificates, as applicable, issued in connection with any Series of the Notes; provided, however that, if the Program is implemented, the District may adopt one or more Supplemental Resolutions without any such consents in order to increase the Maximum Amount of Borrowing in connection with the issuance of one or more Series of Additional Notes as provided in Section 2(B)(4) hereof.

(L) Upon issuance of a Series of Notes, such Series of Notes, this Resolution and the District's acceptance of its obligations under the corresponding Credit Agreement or, if applicable, the corresponding Contingency Credit Agreement, will constitute legal, valid and binding agreements of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy or other laws affecting creditors' rights generally, the application of equitable principles if equitable remedies are sought, the exercise of judicial discretion in appropriate cases and the limitations on legal remedies against school districts, community college districts and county boards of education, as applicable, in the State of California.

(M) It is hereby covenanted and warranted by the District that all representations and recitals contained in this Resolution are true and correct, and that the District and its appropriate officials have duly taken, or will take, all proceedings necessary to be taken by them, if any, for the levy, receipt, collection and enforcement of the Pledged Revenues in accordance with law for carrying out the provisions of this Resolution and each Series of Notes.

(N) The District shall not incur any indebtedness that is not issued in connection with the Program or the Alternate Program under this Resolution and that is secured by a pledge of its unrestricted revenues unless such pledge is subordinate in all respects to the pledge of unrestricted revenues hereunder.

(O) So long as the applicable Credit Provider is not in default under the corresponding Credit Instrument or the applicable Contingency Credit Provider, if any, is not in default under the corresponding Contingency Credit Agreement, the District hereby agrees to pay its pro rata share of all Predefault Obligations and all Reimbursement Obligations attributable to the District in accordance with provisions of the applicable Credit Agreement, if any, the applicable Contingency Credit Agreement, if any, and/or the Indenture or Trust Agreement, as applicable. Prior to the Maturity Date applicable to the Proceeds/Payment Portion of a Series of Notes, moneys in the District's Payment Account attributed to such series of the Note shall not be used to make such payments. The District shall pay such amounts promptly upon receipt of notice from the applicable Credit Provider or from the applicable Contingency Credit Provider, if any, that such amounts are due to it by instructing the Trustee to pay such amounts to the applicable Credit Provider or the applicable Contingency Credit Provider, as appropriate, on the District's behalf by remitting to the applicable Credit Provider or the applicable Contingency Credit Provider, as appropriate, moneys held by the Trustee for the District and then available for such purpose under the Indenture or Trust Agreement, as applicable. If such moneys held by the Trustee are insufficient to pay the District's pro rata share of such Predefault Obligations and all Reimbursement Obligations attributable to the District (if any), the District shall pay the amount of the deficiency to the Trustee for remittance to the applicable Credit Provider or the applicable Contingency Credit Provider, as appropriate.

(P) So long as any Series of Pool Bonds, Contingency Bonds or Certificates issued in connection with a Series of Notes are Outstanding, or any Predefault Obligation or Reimbursement Obligation is outstanding, the District will not create or suffer to be created any pledge of or lien on such Series of Notes other than the pledge and lien of the Indenture or Trust Agreement, as applicable.

(Q) As of the date of adoption of this Resolution, based on the most recent report prepared by the Superintendent of Public Instruction of the State of California, the District does not have a negative certification (or except as disclosed in writing to the Credit Provider(s), if any, and the Contingency Credit Provider(s), if any, a qualified certification) applicable to the fiscal year ending June 30, 2006 (the "Fiscal Year 2005-2006") within the meaning of Section 42133 of the Education Code of the State of California. The District covenants that it will immediately deliver a written notice to the Authority, Underwriter, the Credit Provider(s) (if applicable), the Contingency Credit Provider(s), if any, and Bond Counsel if it (or, in the case of County Boards of Education, the County Superintendent of Schools) files with the County Superintendent of Schools, the County Board of Education or the State Superintendent of Public Instruction or receives from the County Superintendent of Schools or the State Superintendent of Public Instruction a qualified or negative certification applicable to Fiscal Year 2005-2006 or Fiscal Year 2006-2007 prior to the respective Closing Date referenced in each Pricing Confirmation or the Maturity Date of each Series of Notes.

(R) To the extent required by law and by the State Superintendent of Public Instruction, the District fully funded its Reserve for Economic Uncertainties for Fiscal Year 2005-2006 and will fully fund its Reserve for Economic Uncertainties for Fiscal Year 2006-2007.

(S) The District will maintain a positive general fund balance in Fiscal Year 2006-2007.

(T) The District will maintain an investment policy consistent with the policy set forth in Section 8(G) or the last paragraph of Section 18(E) hereof, as applicable.

(U) The District covenants that it will immediately deliver a written notice to the Authority, the Underwriter, the Credit Provider(s) (if applicable), the Contingency Credit Provider(s), if any, and Bond Counsel upon the occurrence of any event which constitutes an Event of Default hereunder or would constitute an Event of Default but for the requirement that notice be given, or time elapse, or both.

Section 13. Tax Covenants. (A) The District will not take any action or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on each Series of Notes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Without limiting the generality of the foregoing, the District will not make any use of the proceeds of any Series of the Notes or any other funds of the District which would cause any Series of the Notes to be an "arbitrage bond" within the meaning of Section 148 of the Code, a "private activity bond" within the meaning of Section 141(a) of the Code, or an obligation the interest on which is subject to federal income taxation because it is "federally guaranteed" as provided in Section 149(b) of the Code. The District, with respect to the proceeds of (each) (the) Series of the Notes, will comply with all requirements of such sections of the Code and all regulations of the United States Department of the Treasury issued or applicable thereunder to the extent that such requirements are, at the time, applicable and in effect.

**(B)** In the event the District is deemed a Safe Harbor Issuer (as defined in Section 7 or 18(D), as applicable), this paragraph (B) shall apply. The District covenants that it shall make all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of (each) (the) Series of Notes due to the United States Treasury, shall segregate and set aside from lawfully available sources the amount such calculations may indicate may be required to be paid to the United States Treasury, and shall otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with the instructions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel referred to in Section 7 or 18(D) hereof, as applicable, to assure compliance with the Rebate Requirements. If the balance in the Proceeds Subaccount attributed to cash flow borrowing and treated for federal tax purposes as proceeds of the Series of Notes is not low enough to qualify amounts in the Proceeds Subaccount attributed to cash flow borrowing for an exception to the Rebate Requirements on at least one date within the six month period following the date of issuance of the Series of Notes (calculated in accordance with Section 7 or 18(D) hereof, as applicable), the District will reasonably and prudently calculate the amount, if any, of investment profits which must be rebated to the United States and will immediately set aside, from revenues attributable to the Fiscal Year 2006-2007 or, to the extent not available from such revenues, from any other moneys lawfully available, the amount of any such rebate in the Rebate Fund referred to in this Section 13(B). In addition, in such event, the District shall establish and maintain with the Trustee a fund (with separate subaccounts therein for each Series of Notes if more than one series is issued) separate from any other fund established and maintained hereunder and under the Indenture or Trust Agreement, as applicable, designated as the "2006-2007 Tax and Revenue Anticipation Note Rebate Fund" or such other name as the Indenture or Trust Agreement, as applicable, may designate. There shall be deposited in such Rebate Fund such amounts as are required to be deposited therein in accordance with the written instructions from Bond Counsel pursuant to Section 7 or 18(D) hereof, as applicable.

**(C)** Notwithstanding any other provision of this Resolution to the contrary, upon the District's failure to observe, or refusal to comply with, the covenants contained in this Section 13, no one other than the holders or former holders of each Series of Notes, the Bond or Certificate Owners, as applicable, the Credit Provider(s), if any, the Contingency Credit Provider(s), if any, or the Trustee on their behalf shall be entitled to exercise any right or remedy under this Resolution on the basis of the District's failure to observe, or refusal to comply with, such covenants.

**(D)** The covenants contained in this Section 13 shall survive the payment of all Series of the Notes.

#### **Section 14. Events of Default and Remedies.**

If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default":

**(A)** Failure by the District to make or cause to be made the deposits to any Payment Account or Contingency Account, as applicable, required to be made hereunder on or before the fifteenth (15th) day after the date on which such deposit is due and payable, or failure by the District to make or cause to be made any other payment



required to be paid hereunder on or before the date on which such payment is due and payable;

(B) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Resolution, for a period of fifteen (15) days after written notice, specifying such failure and requesting that it be remedied, is given to the District by the Trustee, any Credit Provider, if applicable, or any Contingency Credit Provider, if applicable, unless the Trustee and such Credit Provider or such Contingency Credit Provider, if applicable, shall all agree in writing to an extension of such time prior to its expiration;

(C) Any warranty, representation or other statement by or on behalf of the District contained in this Resolution or the Purchase Agreement(s) or Certificate Purchase Agreement, as applicable, (including the Pricing Confirmation(s)) or the Credit Agreement(s) or Contingency Credit Agreement(s) (if and as applicable) or in any requisition or any Financial Report or Deficiency Report delivered by the District or in any instrument furnished in compliance with or in reference to this Resolution or the Purchase Agreement(s) or Certificate Purchase Agreement, as applicable, or the Credit Agreement(s) or Contingency Credit Agreement(s) (if and as applicable) or in connection with any Series of the Notes, is false or misleading in any material respect;

(D) Any event of default constituting a payment default occurs in connection with any other bonds, notes or other outstanding debt of the District;

(E) A petition is filed against the District under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect and is not dismissed within 30 days after such filing, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Bond or Certificate Owners' (or Noteholders') interests;

(F) The District files a petition in voluntary bankruptcy or seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;

(G) The District admits insolvency or bankruptcy or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the District or any of its property is appointed by court order or appointed by the State Superintendent of Public Instruction or takes possession thereof and such order remains in effect or such possession continues for more than 30 days, but the Trustee shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its and the Bond or Certificate Owners' or Noteholders' interests; and

(H) An "Event of Default" under the terms of the resolution, if any, of the County providing for the issuance of the Notes (and any Series thereof).

Whenever any Event of Default referred to in this Section 14 shall have happened and be continuing, subject to the provisions of Section 17 hereof, the Trustee shall, in addition to any other remedies provided herein or by law or under the Indenture or Trust Agreement, if applicable, have the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps:

(1) Without declaring any Series of Notes to be immediately due and payable, require the District to pay to the Trustee, for deposit into the applicable Payment Account(s) of the District or Contingency Account(s) (as appropriate) under the Indenture or Trust Agreement, as applicable, an amount equal to (i) all of the principal of the Proceeds/Payment Portions of all Series of Notes and interest thereon to the respective final maturity(ies) of the Proceeds/Payment Portions applicable to all Series of Notes or (ii) all of the principal of the Contingency Portions of all Series of Notes and interest thereon to the respective final maturity(ies) of the Contingency Portions applicable to all Series of Notes, as appropriate, plus all other amounts due hereunder, and upon notice to the District the same shall become immediately due and payable by the District without further notice or demand; and

(2) Take whatever other action at law or in equity (except for acceleration of payment on any Series of Notes) which may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

Notwithstanding the foregoing, and subject to the provisions of Section 17 hereof and to the terms of the Indenture or Trust Agreement, as applicable, concerning exercise of remedies which shall control if inconsistent with the following, if any Series of Notes is secured in whole or in part by a Credit Instrument (other than the Contingency Fund) or if a Credit Provider is subrogated to rights under any Series of Notes, as long as each such Credit Provider has not failed to comply with its payment obligations under the corresponding Credit Instrument, each such Credit Provider shall have the right to direct the remedies upon any Event of Default hereunder, and, notwithstanding the foregoing, if a Contingency Credit Instrument is applicable, as long as the applicable Contingency Credit Provider has not failed to comply with its payment obligations under the corresponding Contingency Credit Agreement, each such Contingency Credit Provider shall have the right to direct the remedies upon any Event of Default hereunder, in each case so long as such action will not materially adversely affect the rights of any Pool Bond or Certificate Owner, as applicable, (to which the Series of Notes applies) primarily and any Contingency Bond Owner (to which the Series of Notes applies) secondarily, and each Credit Provider's (if any) or each Contingency Credit Provider's (if any), and as applicable, prior consent shall be required to any remedial action proposed to be taken by the Trustee hereunder, except that nothing contained herein shall affect or impair the right of action of any Owner of a Certificate to institute suit directly against the District to enforce payment of the obligations evidenced and represented by such Owner's Certificate.

If the applicable Credit Provider is not reimbursed on any interest payment date applicable to the Proceeds/Payment Portion of the corresponding Series of Notes for the drawing, payment or claim, as applicable, used to pay principal of and interest on the Proceeds/Payment Portion of such Series of Notes due to a default in payment on such Series of Notes by the District, as provided in Section 5.03 of the Indenture or Trust Agreement, as applicable, or if any principal of or interest on the Proceeds/Payment Portion of such Series of Notes remains unpaid after the Maturity Date applicable to the Proceeds/Payment Portion of such Series of Notes, such Series of Notes shall be a Defaulted Note, the unpaid Proceeds/Payment Portion (including the interest component, if applicable) thereof or the portion (including the interest component, if applicable) to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been made shall be deemed outstanding and shall bear interest at the Default Rate until the District's obligation on the Defaulted Note is paid in full or payment is duly provided for, all subject to Section 8 hereof.

If the Credit Instrument is the Contingency Fund and the principal of and/or interest on the Proceeds/Payment Portion of a Series of Notes is not paid as required by each Pool Interest Payment Date applicable to such Series of Notes or the corresponding Contingency Interest Payment Date applicable to such Series of Notes, whichever is earlier, such Series of Notes shall become a Defaulted Note or a Defaulted Contingency Note, as applicable, and the unpaid Proceeds/Payment Portion (including the interest component, if applicable) thereof (or the portion thereof with respect to which the related Contingency Account applies for which reimbursement on a Drawing has not been fully made) shall be deemed outstanding and shall bear interest at the Default Rate until the District's obligation on such Defaulted Note or Defaulted Contingency Note, as the case may be, is paid in full or payment is duly provided for, all subject to Section 8 hereof.

If the Credit Instrument is the Contingency Fund and pursuant to Section 8 hereof the District is required to deposit moneys in the Contingency Account applicable to the Series of Contingency Bonds to which such Series of Notes is assigned and such deposit is not made by each Pool Interest Payment Date applicable to such Series of Notes or the corresponding Contingency Interest Payment Date applicable to such Series of Notes, whichever is earlier, such Series of Notes shall become a Defaulted Note or a Defaulted Contingency Note, as applicable, and the unpaid Contingency Portion (including interest component, if applicable) thereof shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate until the District's obligation on such Defaulted Note or Defaulted Contingency Note, as the case may be, is paid in full or payment is duly provided for, all subject to Section 8 hereof.

**Section 15. Trustee.** The Trustee is hereby appointed as paying agent, registrar and authenticating agent for any and all Series of Notes. The District hereby directs and authorizes the payment by the Trustee of the interest on and principal of any and all Series of Notes when such become due and payable, from the corresponding Payment Account and the corresponding Contingency Account, as applicable, held by the Trustee in the name of the District in the manner set forth herein. The District hereby covenants to deposit funds in each such Payment Account and Contingency Account, as applicable, at the times and in the amounts specified herein to provide sufficient moneys to pay the principal of and interest on any and all Series of Notes on the day or days on which each such Series matures. Payment of any and all

Series of Notes shall be in accordance with the terms of the applicable Series of Notes and this Resolution and any applicable Supplemental Resolution.

The District hereby agrees to maintain the Trustee under the Indenture or Trust Agreement, as applicable, as paying agent, registrar and authenticating agent of any and all Series of Notes.

The District further agrees to indemnify, to the extent permitted by law and without making any representation as to the enforceability of this covenant, and save the Trustee, its directors, officers, employees and agents harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under the Indenture or Trust Agreement, as applicable, including but not limited to costs and expenses incurred in defending against any claim or liability, which are not due to its negligence or default.

**Section 16. Sale of Notes.** If the Alternate Program is implemented, this Section 16 shall not be applicable and shall be disregarded, and the provisions of Section 18(F) shall be applicable in its place. Each Series of Notes shall be sold to the Authority in accordance with the terms of the Purchase Agreement applicable to such Series of Notes, in each case as hereinbefore approved.

**Section 17. Subordination.** (a) Anything in this Resolution to the contrary notwithstanding, the indebtedness evidenced by each Series of Subordinate Notes shall be subordinated and junior in right of payment, to the extent and in the manner hereinafter set forth, to all principal of, premium, if any, and interest on each Series of Senior Notes and any refinancings, refundings, deferrals, renewals, modifications or extensions thereof.

In the event of (1) any insolvency, bankruptcy, receivership, liquidation, reorganization, readjustment, composition or other similar proceeding relating to the District or its property, (2) any proceeding for the liquidation, dissolution or other winding-up of the District, voluntary or involuntary, and whether or not involving insolvency or bankruptcy proceedings, (3) any assignment for the benefit of creditors, or (4) any distribution, division, marshalling or application of any of the properties or assets of the District or the proceeds thereof to creditors, voluntary or involuntary, and whether or not involving legal proceedings, then and in any such event, payment shall be made to the parties and in the priority set forth in Section 8(C)(1), (2) and (3) hereof, and each party of a higher priority shall first be paid in full before any payment or distribution of any character, whether in cash, securities or other property shall be made in respect of any party of a lower priority.

If any payment or distribution of any character, whether in cash, securities or other property, shall be received by any party or such party's representative; in contravention of any of the terms of this Section, such payment or distribution or security shall be held in trust for the benefit of, and shall be paid over or delivered and transferred to, the party entitled to such payment or distribution.

The subordination provisions of this Section have been entered into for the benefit of the holders of the Series of Senior Notes, the Credit Provider(s) applicable thereto and the Contingency Credit Provider(s), if any, applicable thereto and, notwithstanding any provision of

this Resolution, may not be supplemented, amended or otherwise modified without the written consent of all such holders, the Credit Provider(s) and, if applicable, the Contingency Credit Provider(s).

Notwithstanding any other provision of this Resolution, the terms of this Section shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any Series of Senior Notes is rescinded, annulled or must otherwise be returned by any holder of Series of Senior Notes or such holder's representative, upon the insolvency, bankruptcy or reorganization of the District or otherwise, all as though such payment has not been made.

In no event may any holder of all or any part of the Series of Subordinate Notes, or the Credit Provider(s) applicable thereto and the Contingency Credit Provider(s), if any, applicable thereto, exercise any right or remedy available to it on account of any Event of Default on the Series of Subordinate Notes, (1) at any time at which payments with respect thereto may not be made by the District on account of the terms of this Section, or (2) prior to the expiration of forty-five (45) days after the holders of the Series of Subordinate Notes, or the Credit Provider(s) applicable thereto and the Contingency Credit Provider(s), if any, applicable thereto, shall have given notice to the District and to the holders of the Series of Senior Notes and the Credit Provider(s) applicable thereto and the Contingency Credit Provider(s), if any, applicable thereto, of their intention to take such action.

The terms of this Section, the subordination effected hereby and the rights of the holders of the Series of Senior Notes shall not be affected by (a) any amendment of or addition or supplement to any Series of Senior Notes or any instrument or agreement relating thereto, including without limitation, this Resolution, (b) any exercise or non-exercise of any right, power or remedy under or in respect of any Series of Senior Notes or any instrument or agreement relating thereto, or (c) any waiver, consent, release, indulgence, extension, renewal, modification, delay or other action, inaction or omission, in respect of any Series of Senior Notes or any instrument or agreement relating thereto or any security therefor or guaranty thereof, whether or not any holder of any Series of Subordinate Notes shall have had notice or knowledge of any of the foregoing.

In the event that a Series of Additional Subordinate Notes is further subordinated in the applicable Pricing Confirmation, at the time of issuance thereof, to all previously issued Series of Subordinate Notes of the District, the provisions of this Section 17 relating to Series of Senior Notes shall be applicable to such previously issued Series of Subordinate Notes and the provisions of this Section 17 relating to Series of Subordinate Notes shall be applicable to such Series of Additional Subordinate Notes.

**Section 18. Provisions Applicable to Alternate Program.** The Board hereby authorizes the Authority, upon consultation with Bond Counsel and the Underwriter and taking into account any amendments or changes to the Code and associated regulations, to determine whether to implement the Program or the Alternate Program, which determination shall be set forth in the Pricing Confirmation. The provisions of this Section 18 shall be applicable only if the Alternate Program is implemented. The Board hereby approves the District's participation in the Alternate Program upon the terms and conditions set forth in this Section 18. If the Alternate Program is implemented, any references in this Resolution to a Series of Pool Bonds shall be

deemed to refer to the applicable Series of Certificates evidencing and representing proportionate undivided interests in the payments of principal of and interest on the District's Note, any references to the Indenture shall be deemed to refer to the Trust Agreement, any references to the Proceeds/Payment Portion of a Note shall be deemed to refer to the principal amount of such Note, and any references to the Contingency Fund, the Contingency Credit Instrument, the Contingency Credit Provider, the Contingency Credit Agreement, the Contingency Portion, Subordinate Notes, or Additional Notes shall not be applicable and shall be disregarded.

(A) **Issuance of Notes.** If the Alternate Program is implemented, Section 2 of this Resolution shall not be applicable and shall be disregarded, and the provisions of this subsection 18(A) shall be applicable in its place. If the Alternate Program is implemented, neither the District nor the County on the District's behalf, shall issue any Additional Notes, any Subordinate Notes, or any Notes with a Contingency Portion, but the County or the District, as applicable, shall issue only one Series of Notes which shall conform to the provisions of this subsection 18(A). This Board hereby determines to borrow, and hereby requests the Board of Supervisors of the County to borrow for the District, solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be received by the District for the general fund and, if so indicated in the applicable Pricing Confirmation, the capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation)\* of the District attributable to Fiscal Year 2006-2007, and not pursuant to any common plan of financing of the District, by the issuance by the Board of Supervisors of the County, in the name of the District, of a note in the Principal Amount under Sections 53850 et seq. of the Act, designated the District's "2006-2007 Tax and Revenue Anticipation Note" (the "Note"), to be issued in the form of one fully registered note at the principal amount thereof as set forth in the applicable Pricing Confirmation, to be dated the date of its delivery to the initial purchaser thereof, to mature (without option of prior redemption) not more than fifteen (15) months thereafter on a date indicated on the face thereof and determined in the Pricing Confirmation (the "Maturity Date"), and to bear interest, payable at maturity (and, if the maturity is longer than twelve (12) months, an additional interest payment shall be payable within twelve (12) months of the issue date, as determined in the Pricing Confirmation) and computed upon the basis of a 360-day year consisting of twelve 30-day months, at a rate not to exceed twelve percent (12%) per annum as determined in the Pricing Confirmation and indicated on the face of the Note (the "Note Rate"). If the Note as evidenced and represented by the Series of Certificates is secured in whole or in part by a Credit Instrument and is not paid at maturity or is paid (in whole or in part) by a draw under or claim upon a Credit Instrument which draw or claim is not fully reimbursed on such date, it shall become a Defaulted Note (as defined in the Trust Agreement), and the unpaid portion thereof (or the portion thereof with respect to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been fully made) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate (as defined in the Trust Agreement); provided, however, that if the draw on, payment request under or claim on the Credit Instrument is due solely, in the District's case, to a loss on the Permitted Investment applicable to the Proceeds Subaccount or the Payment Account, the Note shall not be a Defaulted Note if the Credit Provider has so agreed at the time of issuance of the Credit Instrument.

\* For purposes of this Resolution, such funds shall be referred to as the "capital fund" and "special revenue fund".

If the Note as evidenced and represented by the Series of Certificates is unsecured in whole or in part and is not fully paid at maturity, the unpaid portion thereof (or the portion thereof to which no Credit Instrument applies which is unpaid) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate. In each case set forth in the preceding two sentences, the obligation of the District with respect to such Defaulted Note or unpaid Note shall not be a debt or liability of the District prohibited by Article XVI, Section 18 of the California Constitution and the District shall not be liable thereon except to the extent of any available revenues attributable to Fiscal Year 2006-2007, as provided in Section 18(E) hereof. The percentage of the Note as evidenced and represented by the Series of Certificates to which a Credit Instrument, if any, applies (the "Secured Percentage") shall be (i) equal to 100%, if the size of the Credit Instrument is greater than or equal to the aggregate amount of principal of and interest on unpaid notes (or unpaid portions thereof) comprising such Series or (ii) equal to the amount of the Credit Instrument divided by the aggregate amount of unpaid principal of and interest on notes (or portions thereof), expressed as a percentage, if the size of the Credit Instrument is less than the aggregate amount of unpaid principal of and interest on notes (or unpaid portions thereof) as of the maturity date. Both the principal of and interest on the Note shall be payable in lawful money of the United States of America, but only upon surrender thereof, at the corporate trust office of U.S. Bank National Association in Los Angeles, California. The principal amount of the Note shall, prior to the issuance thereof, be reduced from the Maximum Amount of Borrowing specified above if and to the extent necessary to obtain an approving legal opinion of Orrick, Herrington & Sutcliffe ("Bond Counsel") as to the legality thereof and the exclusion from gross income for federal tax purposes of interest thereon.

In the event the Board of Supervisors of the County fails or refuses to authorize the issuance of the Note within the time period specified in Section 53853 of the Act, following receipt of this Resolution, this Board hereby authorizes issuance of such Note, in the District's name, in one series, pursuant to the terms stated in this subsection 18(A) and this Resolution. The Note shall be issued in conjunction with the note or notes of one or more other Issuers as part of the Alternate Program and within the meaning of Section 53853 of the Act.

(B) **Approval of Alternate Program.** If the Alternate Program is implemented, Section 5 of this Resolution shall not be applicable and shall be disregarded, and the provisions of this subsection 18(B) shall be applicable in its place. The Note shall be combined with notes of other Issuers into a Series of Certificates as set forth in general terms in the Pricing Confirmation (which need not include specific information about such other notes or Issuers), and shall be marketed and sold simultaneously with such other notes of that Series with such credit support (if any) referred to in the Pricing Confirmation, and shall be evidenced and represented by the Certificates which shall evidence and represent proportionate, undivided interests in the Note in the proportion that the face amount of the Note bears to the total aggregate face amount of the Note and the notes issued by other Issuers which the Series of Certificates represent. Such Certificates may be delivered in book-entry form.

The form of Trust Agreement and alternative general types and forms of Credit Agreements, if any, presented to this meeting are hereby approved, and each Authorized Officer is hereby authorized and directed to execute and deliver the Trust Agreement and a Credit Agreement, if applicable, which shall be identified in the Pricing Confirmation, in substantially one or more of said forms (a substantially final form of Credit Agreement delivered to such

Authorized Officer concurrent with the Pricing Confirmation), with such changes therein as said officer shall require or approve, such approval of this Board and such officer to be conclusively evidenced by the execution of the Trust Agreement, Credit Agreement and Pricing Confirmation, respectively.

The form of the Preliminary Official Statement presented to this meeting is hereby approved, and the Underwriter is hereby authorized to distribute the Preliminary Official Statement in connection with the offering and sale of the Certificates. Each Authorized Officer is hereby authorized and directed to provide the Underwriter with such information relating to the District as the Underwriter shall reasonably request for inclusion in the Preliminary Official Statement. Upon inclusion of the information relating to the District therein, the Preliminary Official Statement is, except for certain omissions permitted by Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), hereby deemed final within the meaning of the Rule; provided that no representation is made as to the information contained in the Preliminary Official Statement relating to the other Issuers or any Credit Provider. The Authority is hereby authorized to certify on behalf of the District that the Preliminary Official Statement is, as of its date, deemed final within the meaning of the Rule. If, at any time prior to the execution of the Pricing Confirmation, any event occurs as a result of which the information contained in the Preliminary Official Statement relating to the District might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Underwriter. The Authority is hereby authorized and directed, at or after the time of the sale of any Series of Certificates, for and in the name and on behalf of the District, to execute a final Official Statement in substantially the form of the Preliminary Official Statement presented to this meeting, with such additions thereto or changes therein as the Authority may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

The Trustee is authorized and directed to execute Certificates on behalf of the District pursuant to the terms and conditions set forth in the Trust Agreement, in the aggregate principal amount specified in the Trust Agreement, and substantially in the form and otherwise containing the provisions set forth in the form of the Certificate contained in the Trust Agreement. When so executed, the Certificates shall be delivered by the Trustee to the Underwriter upon payment of the purchase price thereof, pursuant to the terms of the Trust Agreement and the Certificate Purchase Agreement.

Subject to Section 18(E) hereof, the District hereby agrees that if the Note as evidenced and represented by the Series of Certificates shall become a Defaulted Note, the unpaid portion thereof or the portion to which a Credit Instrument applies for which full reimbursement on a draw, payment or claim has not been made by the Maturity Date shall be deemed outstanding and shall not be deemed to be paid until (i) the Credit Provider providing a Credit Instrument with respect to the Series of Certificates, and therefore, if applicable, all or a portion of the District's Note, if any, has been reimbursed for any drawings or payments made under the Credit Instrument with respect to the Note, including interest accrued thereon, as provided therein and in the applicable Credit Agreement, and, (ii) the holders of the Series of the Certificates which evidence and represent the Note are paid the full principal amount represented by the unsecured portion of the Note plus interest accrued thereon (calculated at the Default Rate) to the date of deposit of such aggregate required amount with the Trustee. For purposes of clause (ii) of the



preceding sentence, holders of the Series of Certificates will be deemed to have received such principal amount upon deposit of such moneys with the Trustee.

The District agrees to pay or cause to be paid, in addition to the amounts payable under the Note, any fees or expenses of the Trustee and, to the extent permitted by law, if the District's Note as evidenced and represented by the Series of Certificates is secured in whole or in part by a Credit Instrument, any Predefault Obligations and Reimbursement Obligations (to the extent not payable under the Note), (i) arising out of an "Event of Default" hereunder (or pursuant to Section 18(D) hereof) or (ii) arising out of any other event (other than an event arising solely as a result of or otherwise attributable to a default by any other Issuer). In the case described in (ii) above with respect to Predefault Obligations, the District shall owe only the percentage of such fees, expenses and Predefault Obligations equal to the ratio of the principal amount of its Note over the aggregate principal amounts of all notes, including the Note, of the Series of Certificates of which the Note is a part, at the time of original issuance of such Series of Certificates. Such additional amounts will be paid by the District within twenty-five (25) days of receipt by the District of a bill therefor from the Trustee.

(C) **No Joint Obligation; Certificate Owners' Rights.** If the Alternate Program is implemented, Section 6 of this Resolution shall not be applicable and shall be disregarded, and the provisions of this subsection 18(C) shall be applicable in its place. The Note shall be marketed and sold simultaneously with the notes of other Issuers and shall be aggregated and combined with notes of other Issuers participating in the Alternate Program into a Series of Certificates evidencing and representing an interest in several, and not joint, obligations of each Issuer. The obligation of the District to Owners of Certificates is a several and not a joint obligation and is strictly limited to the District's repayment obligation under this Resolution, the resolution of the County providing for the issuance of the Note, if applicable, and the Note as evidenced and represented by such Series of Certificates.

Owners of Certificates, to the extent of their interest in the Note, shall be treated as owners of the Note and shall be entitled to all the rights and security thereof; including the right to enforce the obligations and covenants contained in this Resolution and the Note. The District hereby recognizes the right of the owners of the Certificates acting directly or through the Trustee to enforce the obligations and covenants contained in the Note, this Resolution and the Trust Agreement. The District shall be directly obligated to each owner of the Certificates for the principal and interest payments on the Note evidenced and represented by the Certificates without any right of counterclaim or offset arising out of any act or failure to act on the part of the Trustee.

(D) **Disposition of Proceeds of the Note.** If the Alternate Program is implemented, Section 7 of this Resolution shall not be applicable and shall be disregarded, and the provisions of this subsection 18(D) shall be applicable in its place. The moneys received from the sale of the Note allocable to the District's share of the costs of issuance (which shall include any issuance fees in connection with a Credit Instrument applicable to the Note, if any) shall be deposited in the Costs of Issuance Fund held and invested by the Trustee under the Trust Agreement and expended as directed by the Underwriter on costs of issuance as provided in the Trust Agreement. The moneys received from the sale of the Note (net of the District's share of the costs of issuance) is hereby designated the "Deposit to Proceeds Subaccount" and shall be

deposited in the District's Proceeds Subaccount hereby authorized to be created pursuant to, and held and invested by the Trustee under, the Trust Agreement for the District and said moneys may be used and expended by the District for any purpose for which it is authorized to expend funds upon requisition from the Proceeds Subaccount as specified in the Trust Agreement. The Pricing Confirmation shall set forth the amount of the Deposit to Proceeds Subaccount. The Authorized Officer is hereby authorized to approve the amount of such Deposit to Proceeds Subaccount which shall be not less than 50% of the Net Proceeds. "Net Proceeds" means the Principal Amount of the Note, net of the District's share of the Costs of Issuance. Subject to Section 18(E), the District hereby covenants and agrees to replenish amounts on deposit in its Proceeds Subaccount to the extent practicable from any source of available funds up to an amount equal to the unreplenished withdrawals from such Proceeds Subaccount.

The Trustee shall transfer to the Payment Account (hereinafter defined) of the District from amounts on deposit in the Proceeds Subaccount on the first day of each Repayment Month (as defined hereinafter) designated in the Pricing Confirmation, amounts which, taking into consideration anticipated earnings thereon to be received by the Maturity Date, are equal to the percentages of the principal and interest due with respect to the Note at maturity for the corresponding Repayment Month set forth in the Pricing Confirmation; provided, however, that on the twentieth day of the next to last Repayment Month designated in such Pricing Confirmation (or, if only one Repayment Month is applicable to a Series of Notes, on the twentieth day of the month preceding the Repayment Month designated in such Pricing Confirmation), the Trustee shall transfer all remaining amounts in the Proceeds Subaccount to the Payment Account all as and to the extent provided in the Trust Agreement; provided, however, that with respect to the transfer in any such Repayment Month (or month preceding a single Repayment Month), if said amount in the Proceeds Subaccount is less than the corresponding percentage set forth in the Pricing Confirmation of the principal and interest due with respect to the Note at maturity, the Trustee shall transfer to the related Payment Account of the District all amounts on deposit in the Proceeds Subaccount on the twentieth day of such Repayment Month (or month preceding a single Repayment Month).

For Notes issued in calendar year 2006, in the event either (A) the Principal Amount of any Notes, together with the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2006, will, at the time of the issuance of such Notes, (as indicated in the certificate of the District executed as of the date of issuance of such Notes (each "District Certificate")) exceed fifteen million dollars (\$15,000,000), or (B) the Principal Amount of any Notes, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2006, will, at the time of the issuance of such Notes (as indicated in the related District Certificate), exceed five million dollars (\$5,000,000), the following paragraph will apply. In such case, the District shall be deemed a "Safe Harbor Issuer" with respect to such Notes.

Amounts in the Proceeds Subaccount of the District and attributable to cash flow borrowing shall be withdrawn and expended by the District for any purpose for which the District is authorized to expend funds from the general fund of the District, but, with respect to

general fund expenditures, only to the extent that on the date of any withdrawal no other funds are available for such purposes without legislation or judicial action or without a legislative, judicial or contractual requirement that such funds be reimbursed. If on no date that is within six months from the date of issuance of the Notes, the balance in the related Proceeds Subaccount attributable to cash flow borrowing and treated for federal tax purposes as proceeds of such Notes is low enough so that the amounts in the Proceeds Subaccount qualify for an exception from the rebate requirements (the "Rebate Requirements") of Section 148 of the Internal Revenue Code of 1986 (the "Code"), the District shall promptly notify the Trustee in writing and, to the extent of its power and authority, comply with instructions from Orrick, Herrington & Sutcliffe LLP, Bond Counsel, supplied to it by the Trustee as the means of satisfying the Rebate Requirements.

(E) **Source of Payment.** If the Alternate Program is implemented, Section 8 of this Resolution shall not be applicable and shall be disregarded, and the provisions of this subsection 18(E) shall be applicable in its place. The principal amount of the Note, together with the interest thereon, shall be payable from taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys which are received by the District for the general fund and, if so indicated in the Pricing Confirmation, the capital fund and/or special revenue fund (if applicable) of the District and are attributable to Fiscal Year 2006-2007 and which are available for payment thereof. As security for the payment of the principal of and interest on the Note, the District hereby pledges certain unrestricted revenues (as hereinafter defined) which are received by the District for the general fund, and capital fund and/or special revenue fund (if applicable), of the District and are attributable to Fiscal Year 2006-2007, and the principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the first moneys received by the District from such pledged revenues, and, to the extent not so paid, shall be paid from any other taxes, income, revenue, cash receipts and other moneys of the District lawfully available therefor (all as provided for in Sections 53856 and 53857 of the Act). In order to effect this pledge, the District agrees to the establishment and maintenance of the Payment Account as a special fund of the District (the "Payment Account") by the Trustee under the Trust Agreement as the responsible agent to maintain such fund until the payment of the principal of the Note and the interest thereon, and the District agrees to cause to be deposited (and shall request specific amounts from the District's funds on deposit with the County Treasurer for such purpose) directly therein the first amounts received in the months specified in the Pricing Confirmation as sequentially numbered Repayment Months (each individual month a "Repayment Month" and collectively "Repayment Months") (and any amounts received thereafter attributable to Fiscal Year 2006-2007) until the amount on deposit in such fund, taking into consideration anticipated investment earnings thereon to be received by the Maturity Date (as set forth in a certificate from the Underwriter to the Trustee), is equal in the respective Repayment Months identified in the Pricing Confirmation to the percentages of the principal of and interest due on the Note at maturity as specified in the Pricing Confirmation. The number of Repayment Months determined in the Pricing Confirmation shall not exceed six (6) and the amount of new money required to be deposited in any one Repayment Month (if there are more than two Repayment Months) as determined in the Pricing Confirmation shall not exceed fifty percent (50%) of the principal and interest due on the Note at maturity (such pledged amounts being hereinafter called the "Pledged Revenues"). The Authorized Officer is hereby authorized to approve the determination of the Repayment Months and percentages of the principal and interest due on the

Note at maturity required to be on deposit in the Payment Account in each Repayment Month, all as specified in the Pricing Confirmation, by executing and delivering the Pricing Confirmation, such execution and delivery to be conclusive evidence of approval by this Board and such officer. In the event that on the tenth Business Day (as defined in the Trust Agreement) of each such Repayment Month, the District has not received sufficient unrestricted revenues to permit the deposit into the Payment Account of the full amount of Pledged Revenues to be deposited in the Payment Account from said unrestricted revenues in said month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of the Note and the interest thereon, as and when such other moneys are received or are otherwise legally available. The term "unrestricted revenues" shall mean all taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts, and other moneys, intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

Any moneys placed in the Payment Account shall be for the benefit of the owner of the Note and (to the extent provided in the Trust Agreement) the Credit Provider, if any. The moneys in the Payment Account shall be applied only for the purposes for which the Payment Account is created until the principal of the Note and all interest thereon are paid or until provision has been made for the payment of the principal of the Note at maturity with interest to maturity (in accordance with the requirements for defeasance of the Certificates as set forth in the Trust Agreement) and (to the extent provided in the Trust Agreement), if applicable, the payment of all Predefault Obligations and Reimbursement Obligations owing to the Credit Provider.

On any interest payment date (if different from the Maturity Date) and on the Maturity Date of the Note, the moneys in the Payment Account shall be transferred by the Trustee, to the extent necessary, to pay the principal of and interest on the Note or to reimburse the Credit Provider for payments made under or pursuant to the Credit Instrument. In the event that moneys in the Payment Account are insufficient to pay, in the case of an interest payment date, the interest, and in the case of the Maturity Date, the principal of and interest on the Note in full, moneys in the Payment Account shall be applied in the following priority: first to pay interest on the Note; second to pay principal of the Note; third to reimburse the Credit Provider for payment of interest, if any, on the Note; fourth to reimburse the Credit Provider for payment of principal, if any, of the Note; and fifth to pay any Reimbursement Obligations of the District and any of the District's pro rata share of Predefault Obligations owing to the Credit Provider. Any moneys remaining in or accruing to the Payment Account after the principal of the Note and the interest thereon and any Predefault Obligations and Reimbursement Obligations, if applicable, have been paid, or provision for such payment has been made, shall be transferred by the Trustee to the District, subject to any other disposition required by the Trust Agreement.

Moneys in the Proceeds Subaccount and the Payment Account shall be invested by the Trustee pursuant to the Trust Agreement in the Investment Agreement (as defined in the Trust Agreement) and other Permitted Investments (as defined in the Trust Agreement) as described in and under the terms of the Trust Agreement, and as designated in the Pricing Confirmation. The type of investments to be applicable to the proceeds of the Note shall be determined by the District as designated in the Pricing Confirmation. In the event the District designates an

investment agreement or investment agreements as the investments, the District hereby appoints the Underwriter as its designee as a party authorized to solicit bids on or negotiate the terms of, the investment agreement or investment agreements. The District hereby directs the Trustee to invest such funds pursuant to such investment agreement or investment agreements (which shall be with a provider or providers rated in one of the two highest long-term rating categories by the rating agency or agencies then rating the applicable Series of Certificates (the "Rating Agency") and acceptable to the corresponding Credit Provider and the particulars of which pertaining to interest rate or rates and investment provider or providers will be set forth in the Pricing Confirmation) and authorizes the Trustee to enter into such investment agreement or investment agreements on behalf of the District. The Underwriter, on behalf of itself and any investment broker retained by it, is authorized to accept a fee from the investment provider in an amount not in excess of the present value of annual payments equal to 5/100th of a percent of the weighted average amount reasonably expected to be invested each year of the term of the investment agreement. Upon the advice of the Underwriter, as confirmed in the Pricing Confirmation, the District may elect to have all or portions of the fees, expenses and costs related to the corresponding Credit Provider and corresponding Credit Instrument payable from interest earnings on the investment agreement or investment agreements or other Permitted Investments. The District's funds shall be accounted for separately and the obligation of the provider or providers of such investment agreement or investment agreements with respect to the District under such investment agreement or investment agreements shall be severable. Any such investment by the Trustee shall be for the account and risk of the District and the District shall not be deemed to be relieved of any of its obligations with respect to the Note, the Predefault Obligations or Reimbursement Obligations, if any, by reason of such investment of the moneys in its Proceeds Subaccount and Payment Account.

If, as of the first Business Day (as defined in the Trust Agreement) of each month, beginning in the month designated in Section 3.03 of the Trust Agreement, the total amount on deposit in the District's Payment Account and Proceeds Subaccount, taking into consideration anticipated earnings thereon to the Maturity Date of the Note, is less than the amount required to be on deposit in the Payment Account in such month (as specified in the Pricing Confirmation) and any outstanding Predefault Obligations and Reimbursement Obligations (if any), the District shall promptly file with the Trustee, and the Credit Provider, if any, a Financial Report and on the tenth Business Day of such month, if applicable, a Deficiency Report in substantially the forms set forth as Exhibits C and D to the Trust Agreement and shall provide such other information as the Credit Provider shall reasonably request. In the event of such deficiency, the District shall have no further right to requisition any moneys from the Proceeds Subaccount.

Notwithstanding any other investment policy of the District heretofore or hereafter adopted, the investment policy of the District pertaining to the Note and all funds and accounts established in connection therewith shall be consistent with, and the Board hereby authorizes investment in, the Permitted Investments. Any investment policy adopted by the Board hereafter in contravention of the foregoing shall be deemed to modify the authorization contained herein only if it shall specifically reference this Resolution and Section.

(F) Sale of Notes. If the Alternate Program is implemented, Section 16 of this Resolution shall not be applicable and shall be disregarded, and the provisions of this subsection 18(F) shall be applicable in its place. The Note as evidenced and represented by the Series of

Certificates shall be sold to the Underwriter, in accordance with the terms of the Certificate Purchase Agreement, hereinbefore approved.

(G) **Appointment of Professionals.** If the Alternate Program is implemented, the law firm of Orrick, Herrington & Sutcliffe LLP is hereby appointed Bond Counsel for the Series of Certificates and the Alternate Program, and Piper Jaffray & Co. is hereby appointed underwriter for the Series of Certificates and the Alternate Program. Kutak Rock LLP is hereby appointed as special counsel to the District.

(H) **Form 8038-G.** Any Authorized Officer is hereby authorized to execute and deliver any Information Return for Tax-Exempt Governmental Obligations, Form 8038-G of the Internal Revenue Service ("Form 8038-G"), in connection with the issuance of the Note and the related Series of Certificates. To the extent permitted by law, the Authority, the Trustee, the Underwriter and Bond Counsel are each hereby authorized to execute and deliver any Form 8038-G for and on behalf of the District in connection with the issuance of the Note and the related Series of Certificates, as directed by an Authorized Officer of the District.

**Section 19. Continuing Disclosure Undertaking.** The provisions of this Section 19 shall be applicable only if the Alternate Program is implemented.

(A) The District covenants, for the sole benefit of the Owners of the Series of Certificates which evidence and represent the Note (and, to the extent specified in this Section 19, the beneficial owners thereof), that the District shall provide in a timely manner, through the Trustee acting as dissemination agent (the "Dissemination Agent") to each nationally recognized municipal securities information repository or to the Municipal Securities Rulemaking Board, and to any State of California information depository, notice of any of the following events with respect to the District's outstanding Note, if material (each a "Listed Event"): (1) principal and interest payment delinquencies on the Note and the related Series of Certificates; (2) non-payment related defaults; (3) modifications to rights of Owners and beneficial owners of the Series of Certificates which evidence and represent the Note; (4) optional, contingent or unscheduled bond calls; (5) defeasances; (6) rating changes; (7) adverse tax opinions or events affecting the tax-exempt status of the Note and the related Series of Certificates; (8) unscheduled draws on debt service reserves reflecting financial difficulties; (9) unscheduled draws on the credit enhancement reflecting financial difficulties; (10) substitution of credit or liquidity providers, or their failure to perform; and (11) release, substitution or sale of property securing repayment of the Note.

Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable federal securities laws. The Authority and the Dissemination Agent shall have no responsibility for such determination and shall be entitled to conclusively rely upon the District's determination.

If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly provide the Authority and the Dissemination Agent with a notice of such occurrence which the Dissemination Agent agrees to file with the Municipal Securities Rulemaking Board and the State Repository.

(B) In the event of a failure of the District to comply with any provision of this section, any Owner or beneficial owner of the related Series of Certificates may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. A default under this section shall not be deemed an Event of Default under Section 14 hereof, and the sole remedy under this section in the event of any failure of the District to comply with this section shall be an action to compel performance.

(C) For the purposes of this section, a "beneficial owner" shall mean any person which has the power, directly or indirectly, to make investment decisions concerning ownership of any Certificates of the Series which evidences and represents the Note (including persons holding Certificates through nominees, depositories or other intermediaries).

(D) The District's obligations under this section shall terminate upon the legal defeasance, prior redemption or payment in full of its Note. If such termination occurs prior to the final maturity of the related Certificates, the District shall give notice of such termination in the same manner as for a Listed Event under subsection (A) of this section.

(E) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this section. In no event shall the Dissemination Agent be responsible for preparing any notice or report or for filing any notice or report which it has not received in a timely manner and in a format suitable for reporting. Nothing in this section shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this section or any other means of communication, or including any other notice of occurrence of a Listed Event, in addition to that which is required by this section. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this section, the District shall have no obligation under this section to update such information or include it in any future notice of occurrence of a Listed Event.

(F) Notwithstanding any other provision of this Resolution, the District with the consent of the Dissemination Agent and notice to the Authority may amend this section, and any provision of this section may be waived, provided that the following conditions are satisfied:

(1) If the amendment or waiver relates to the provisions of subsection (A) of this section, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Note and the related Certificates, or the type of business conducted;

(2) The undertaking, as amended or taking into account such waiver, would in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Note and the related Certificates, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(3) The amendment or waiver either (i) is approved by the Owners or beneficial owners of the Certificates of the Series which evidences and represents the Note in the same manner as provided in the Trust Agreement for amendments to the Trust Agreement with the consent of Owners or beneficial owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or beneficial owners of the related Certificates. In the event of any amendment or waiver of a provision of this section, notice of such change shall be given in the same manner as for an event listed under subsection (A) of this section, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver; provided, however, the District shall be responsible for preparing such narrative explanation.

(G) The Dissemination Agent shall have only such duties as are specifically set forth in this section. The Dissemination Agent shall not be liable for the exercise of any of its rights hereunder or for the performance of any of its obligations hereunder or for anything whatsoever hereunder, except only for its own willful misconduct or gross negligence. Absent gross negligence or willful misconduct, the Dissemination Agent shall not be liable for an error of judgment. No provision hereof shall require the Dissemination Agent to expend or risk its own funds or otherwise incur any financial or other liability or risk in the performance of any of its obligations hereunder, or in the exercise of any of its rights hereunder, if such funds or adequate indemnity against such risk or liability is not reasonably assured to it. The District hereby agrees to compensate the Dissemination Agent for its reasonable fees in connection with its services hereunder, but only from the District's share of the costs of issuance deposited in the Costs of Issuance Fund held and invested by the Trustee under the Trust Agreement.

(H) This section shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter and Owners and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 20. Approval of Actions. The aforementioned officers of the County or the District, as applicable, are hereby authorized and directed to execute each Series of Notes and to cause the Trustee to authenticate and accept delivery of each Series of Notes pursuant to the terms and conditions of the applicable Purchase Agreement and the Indenture, or the Certificate Purchase Agreement and the Trust Agreement, as applicable. All actions heretofore taken by the officers and agents of the County, the District or this Board with respect to the sale and issuance of the Notes and participation in the Program are hereby approved, confirmed and ratified and the officers and agents of the County and the officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions and execute any and all certificates, requisitions, agreements, notices, consents, and other documents, including tax certificates, letters of representations to the securities depository, guaranteed investment contracts, other or additional municipal insurance policies or credit enhancements or credit agreements or insurance commitment letters, if any, and closing certificates, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of each Series of Notes in accordance with, and related transactions contemplated by, this Resolution. The officers of the District referred to above in Section 4 hereof, and the officers of the County referred to above in Section 9 hereof, are hereby designated as "Authorized District Representatives" under the Indenture or Trust Agreement, as applicable.



In the event that any Series of Notes or a portion thereof is secured by a Credit Instrument, the Authorized Officer is hereby authorized and directed to (i) acknowledge the terms of the corresponding Credit Agreement or the corresponding Contingency Credit Agreement, as applicable, and (ii) provide the corresponding Credit Provider or the corresponding Contingency Credit Provider (as applicable), with any and all information relating to the District as such corresponding Credit Provider or corresponding Contingency Credit Provider may reasonably request.

**Section 21. Proceedings Constitute Contract.** The provisions of each Series of Notes and of this Resolution shall constitute a contract between the District and the registered owner of such Series of Notes, the registered owners of the Series of Bonds or Certificates to which such Series of Notes is assigned, the corresponding Credit Provider(s), if any, and the corresponding Contingency Credit Provider(s), if any (and as applicable), and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, and shall be irrevocable.

**Section 22. Limited Liability.** Notwithstanding anything to the contrary contained herein or in any Series of Notes or in any other document mentioned herein or related to any Series of Notes or to any Series of Pool Bonds, Series of Contingency Bonds or Series of Certificates to which such Series of Notes may be assigned, the District shall not have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby except to the extent payable from moneys available therefor as set forth in Section 8 hereof and the County is not liable for payment of the Note or any other obligation of the District hereunder.

**Section 23. Severability.** In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 24. Submittal of Resolution to County.** The Secretary or Clerk of the Board of the District is hereby directed to submit one certified copy each of this Resolution to the Clerk of the Board of Supervisors of the County, to the Treasurer of the County and to the County Superintendent of Schools.

**EXHIBIT A  
FORM OF NOTE**

R-1

§

DISTRICT/ BOARD OF EDUCATION  
COUNTY OF CALIFORNIA

2006-2007 [SUBORDINATE]<sup>\*</sup> TAX AND REVENUE ANTICIPATION NOTE, SERIES \_\_\_

Date of  
Original Issue

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

SERIES PRINCIPAL AMOUNT: DOLLARS

PROCEEDS/PAYMENT PORTION: DOLLARS

PRINCIPAL AMOUNT OF PROCEEDS/PAYMENT PORTION: DOLLARS

CONTINGENCY PORTION: DOLLARS

PRINCIPAL AMOUNT OF CONTINGENCY PORTION: DOLLARS

Interest Rate Applicable  
to Proceeds/Payment Portion  
\_\_\_%

Maturity Date Applicable  
to Proceeds/Payment Portion

Interest Rate Applicable  
to Contingency Portion  
\_\_\_%

Maturity Date Applicable  
to Contingency Portion

| First<br>Repayment Month  | Second<br>Repayment Month   | Third<br>Repayment Month  | Fourth<br>Repayment Month   | Fifth<br>Repayment Month  |
|---|---|---|---|---|
| ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due with<br>respect to Proceeds/<br>Payment Portion of<br>Note at maturity) | ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due with<br>respect to Proceeds/<br>Payment Portion of<br>Note at maturity) | ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due with<br>respect to Proceeds/<br>Payment Portion of<br>Note at maturity) | ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due with<br>respect to Proceeds/<br>Payment Portion of<br>Note at maturity) | 100% (Total of<br>principal and interest<br>due with respect to<br>Proceeds/ Payment<br>Portion of Note at<br>maturity)** |

FOR VALUE RECEIVED, the District/Board of Education designated above (the "District"), located in the County designated above (the "County"), acknowledges itself indebted to and promises to pay on the applicable maturity date specified above to the registered owner identified above, or registered assigns, the applicable principal amount specified above, together with interest thereon from the date hereof until the applicable principal amount shall have been paid, payable [on 1, 2007 and thereafter, and] on the applicable maturity date specified above in lawful money of the United States of America, at the applicable rate of interest specified above (the "Note Rate"). Principal of and interest on this Note are payable in

<sup>\*</sup> To bear this designation if this Note is a Series of Subordinate Notes.

<sup>\*\*</sup> Number of Repayment Months and percentages and amount of Proceeds/Payment Portion of Note shall be determined in Pricing Confirmation (as defined in the Resolution) applicable to the Series of Notes.

such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts, such principal and interest to be paid upon surrender hereof at the principal corporate trust office of U.S. Bank National Association in Los Angeles, California, or its successor in trust (the "Trustee"). Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30-day months, in like lawful money from the date hereof until the applicable maturity date specified above and, if funds are not provided for payment at the applicable maturity, thereafter on the basis of a 360-day year for actual days elapsed until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note as the same shall fall due; provided, however, no interest shall be payable for any period after the applicable maturity during which the holder hereof fails to properly present this Note for payment. If the District fails to pay interest on this Note on any interest payment date or pay the principal of or interest on this Note on the maturity date applicable to the Proceeds/Payment Portion or the Credit Provider (as defined in the Resolution hereinafter described), if any, is not reimbursed in full for the amount drawn on or paid pursuant to the Credit Instrument (as defined in the Resolution) or the Contingency Credit Provider (as defined in the Resolution), if any, is not reimbursed for the amount drawn on or paid pursuant to the Contingency Credit Instrument (as defined in the Resolution) to pay all or a portion of the Proceeds/Payment Portion (including the interest component, if applicable) or the Contingency Portion (including the interest component, if applicable) of this Note on the date of such payment, this Note shall become a Defaulted Note (as defined and with the consequences set forth in the Resolution). If any portion of the Proceeds/Payment Portion or the Contingency Portion is unpaid on the Contingency Interest Payment Date corresponding to this Note (if applicable and as more particularly described and defined in the Resolution) this Note shall become a Defaulted Contingency Note (as defined and with the consequences set forth in the Resolution).

It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of certain resolutions of the governing boards of the District and the County duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees.

The principal of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District for the general fund [and capital fund and/or special revenue fund] of the District and are attributable to Fiscal Year 2006-2007 and which are available for payment thereof. As security for the payment of the principal of and interest on the Note, the District has pledged the first amounts of unrestricted revenues of the District received in the sequentially numbered Repayment Months set forth on the face hereof (and any amounts received thereafter attributable to Fiscal Year 2006-2007) until the amount on deposit in the Payment Account (as defined in the Resolution) in each such month, taking into consideration anticipated earnings thereon to be received by the maturity date, applicable to the Proceeds/Payment Portion, is equal to the corresponding percentages of principal of and interest due with respect to the Proceeds/Payment Portion of the Note at such maturity set forth on the face hereof (such pledged amounts being hereinafter called the "Pledged Revenues"), and the principal of the Note and the interest thereon shall constitute a

first lien and charge thereon and shall be payable from the Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor as set forth in the Resolution.\*\*\* The Contingency Portion of the Note shall be paid from moneys of the District lawfully available therefor after payment of the Proceeds/Payment Portion but only to the extent, and as set forth in, the Resolution. The full faith and credit of the District is not pledged to the payment of the principal of or interest on this Note. The County is not liable for payment of this Note.

This Note is transferable, as provided by the Resolution, only upon the books of the District kept at the office of the Trustee, by the registered owner hereof in person or by its duly authorized attorney, upon surrender of this Note for transfer at the office of the Trustee, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the registered owner hereof or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, a fully registered Note will be issued to the designated transferee or transferees.

The County, the District and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the County, the District and the Trustee shall not be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been signed by the Trustee.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Note, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

\*\*\* If this Note is a Series of Additional Notes, the following shall be added: Such Pledge shall be [on a parity with/subordinate to] the [parity/senior] pledge of Pledged Revenues and other moneys of the District securing the previously issued Series of Senior Notes, to the extent, and as set forth in, the Resolution.

IN WITNESS WHEREOF, the Board of Supervisors of the County has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the County and countersigned by the manual or facsimile signature of its duly authorized officer and caused its official seal to be affixed hereto either manually or by facsimile impression hereon as of the date of authentication set forth below.

COUNTY OF

By  
Title:

(SEAL)

Countersigned

By  
Title:

## ASSIGNMENT

For Value Received, the undersigned,  
hereby sells, assigns and transfers unto \_\_\_\_\_ (Tax  
Identification or Social Security No. \_\_\_\_\_) the within Note and all rights thereunder,  
and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney  
to transfer the within Note on the books kept for registration thereof, with full power of  
substitution in the premises.

Dated:

**NOTICE:** The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

**Signature Guaranteed:**

**NOTICE:** Signature(s) must be guaranteed by an eligible guarantor institution.

**EXHIBIT B  
FORM OF NOTE**

R-1

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DISTRICT/ BOARD OF EDUCATION  
COUNTY OF , CALIFORNIA

2006-2007 [SUBORDINATE]\* TAX AND REVENUE ANTICIPATION NOTE, SERIES \_\_\_

Date of  
Original Issue

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

SERIES PRINCIPAL AMOUNT: DOLLARS

PROCEEDS/PAYMENT PORTION: DOLLARS

PRINCIPAL AMOUNT OF PROCEEDS/PAYMENT PORTION: DOLLARS

CONTINGENCY PORTION: DOLLARS

PRINCIPAL AMOUNT OF CONTINGENCY PORTION: DOLLARS

Interest Rate Applicable  
to Proceeds/Payment Portion  
\_\_\_%

Maturity Date Applicable  
to Proceeds/Payment Portion

Interest Rate Applicable  
to Contingency Portion  
\_\_\_%

Maturity Date Applicable  
to Contingency Portion

| First<br>Repayment Month  | Second<br>Repayment Month   | Third<br>Repayment Month  | Fourth<br>Repayment Month   | Fifth<br>Repayment Month  |
|---|---|---|---|---|
| ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due with<br>respect to Proceeds/<br>Payment Portion of<br>Note at maturity) | ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due with<br>respect to Proceeds/<br>Payment Portion of<br>Note at maturity) | ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due with<br>respect to Proceeds/<br>Payment Portion of<br>Note at maturity) | ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due with<br>respect to Proceeds/<br>Payment Portion of<br>Note at maturity) | 100% (Total of<br>principal and interest<br>due with respect to<br>Proceeds/ Payment<br>Portion of Note at<br>maturity)** |

FOR VALUE RECEIVED, the District/Board of Education designated above (the "District"), located in the County designated above (the "County"), acknowledges itself indebted to and promises to pay on the applicable maturity date specified above to the registered owner identified above, or registered assigns, the applicable principal amount specified above, together with interest thereon from the date hereof until the applicable principal amount shall have been paid, payable [on 1, 2007 and thereafter, and] on the applicable maturity date specified above in lawful money of the United States of America, at the applicable rate of interest specified above (the "Note Rate"). Principal of and interest on this Note are payable in

\* To bear this designation if this Note is a Series of Subordinate Notes.

\*\* Number of Repayment Months and percentages and amount of Proceeds/Payment Portion of Note shall be determined in Pricing Confirmation (as defined in the Resolution) applicable to the Series of Notes.

such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts, such principal and interest to be paid upon surrender hereof at the principal corporate trust office of U.S. Bank National Association in Los Angeles, California, or its successor in trust (the "Trustee"). Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30-day months, in like lawful money from the date hereof until the applicable maturity date specified above and, if funds are not provided for payment at the applicable maturity, thereafter on the basis of a 360-day year for actual days elapsed until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note as the same shall fall due; provided, however, no interest shall be payable for any period after the applicable maturity during which the holder hereof fails to properly present this Note for payment. If the District fails to pay interest on this Note on any interest payment date or pay the principal of or interest on this Note on the maturity date applicable to the Proceeds/Payment Portion or the Credit Provider (as defined in the Resolution hereinafter described), if any, is not reimbursed in full for the amount drawn on or paid pursuant to the Credit Instrument (as defined in the Resolution) or the Contingency Credit Provider (as defined in the Resolution), if any, is not reimbursed for the amount drawn on or paid pursuant to the Contingency Credit Instrument (as defined in the Resolution) to pay all or a portion of the Proceeds/Payment Portion (including the interest component, if applicable) or the Contingency Portion (including the interest component, if applicable) of this Note on the date of such payment, this Note shall become a Defaulted Note (as defined and with the consequences set forth in the Resolution). If any portion of the Proceeds/Payment Portion or the Contingency Portion is unpaid on the Contingency Interest Payment Date corresponding to this Note (if applicable and as more particularly described and defined in the Resolution) this Note shall become a Defaulted Contingency Note (as defined and with the consequences set forth in the Resolution).

It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of a resolution of the governing board of the District duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees.

The principal of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District for the general fund [and capital fund and/or special revenue fund] of the District and are attributable to Fiscal Year 2006-2007 and which are available for payment thereof. As security for the payment of the principal of and interest on the Note, the District has pledged the first amounts of unrestricted revenues of the District received in the sequentially numbered Repayment Months set forth on the face hereof (and any amounts received thereafter attributable to Fiscal Year 2006-2007) until the amount on deposit in the Payment Account (as defined in the Resolution) in each such month, taking into consideration anticipated earnings thereon to be received by the maturity date applicable to the Proceeds/Payment Portion, is equal to the corresponding percentages of principal of and interest due with respect to the Proceeds/Payment Portion of the Note at such maturity set forth on the face hereof (such pledged amounts being hereinafter called the "Pledged Revenues"), and the principal of the Note and the interest thereon shall constitute a



first lien and charge thereon and shall be payable from the Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor as set forth in the Resolution.\*\*\* The Contingency Portion of the Note shall be paid from moneys of the District lawfully available therefor after payment of the Proceeds/Payment Portion but only to the extent, and as set forth in, the Resolution. The full faith and credit of the District is not pledged to the payment of the principal of or interest on this Note. The County is not liable for payment of this Note.

This Note is transferable, as provided by the Resolution, only upon the books of the District kept at the office of the Trustee, by the registered owner hereof in person or by its duly authorized attorney, upon surrender of this Note for transfer at the office of the Trustee, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the registered owner hereof or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, a fully registered Note will be issued to the designated transferee or transferees.

The District and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the District and the Trustee shall not be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been signed by the Trustee.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Note, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

\*\*\* If this Note is a Series of Additional Notes, the following shall be added: Such Pledge shall be [on a parity with/subordinate to] the [parity/senior] pledge of Pledged Revenues and other moneys of the District securing the previously issued Series of Senior Notes, to the extent, and as set forth in, the Resolution.

IN WITNESS WHEREOF, the governing board of the District has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the District and countersigned by the manual or facsimile signature of its duly authorized officer as of the date of authentication set forth below.

DISTRICT/  
BOARD OF EDUCATION

By  
Title:

[(SEAL)]

Countersigned

By  
Title:

**ASSIGNMENT**

For Value Received, the undersigned, \_\_\_\_\_, hereby  
sells, assigns and transfers unto \_\_\_\_\_ (Tax Identification or  
Social Security No. \_\_\_\_\_) the within Note and all rights thereunder, and  
hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the  
within Note on the books kept for registration thereof, with full power of substitution in the  
premises.

**Dated:**

**NOTICE:** The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

**Signature Guaranteed:**

**NOTICE:** Signature(s) must be guaranteed by an eligible guarantor institution.

**EXHIBIT C  
FORM OF NOTE - ALTERNATE PROGRAM**

R-1

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DISTRICT/ BOARD OF EDUCATION  
COUNTY OF CALIFORNIA  
2006-2007 TAX AND REVENUE ANTICIPATION NOTE, SERIES \_\_\_

Date of  
Original Issue

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

PRINCIPAL AMOUNT: DOLLARS

| Interest Rate   |   | Maturity Date   |   |  |
|---|---|---|---|--|
| ___%  |   |   |   |  |
| First<br>Repayment Month  | Second<br>Repayment Month   | Third<br>Repayment Month  | Fourth<br>Repayment Month   | Fifth<br>Repayment Month                           |
| ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due at<br>maturity) | ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due at<br>maturity) | ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due at<br>maturity) | ___% (Total of<br>[principal] [interest]<br>[principal and<br>interest] due at<br>maturity) | 100% (Total of<br>principal and interest<br>due)** |

FOR VALUE RECEIVED, the District/Board of Education designated above (the "District"), located in the County designated above (the "County"), acknowledges itself indebted to and promises to pay on the applicable maturity date specified above to the registered owner identified above, or registered assigns, the applicable principal amount specified above, together with interest thereon from the date hereof until the applicable principal amount shall have been paid, payable [on 1, 2007 and thereafter, and] on the applicable maturity date specified above in lawful money of the United States of America, at the rate of interest specified above (the "Note Rate"). Principal of and interest on this Note are payable in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts, such principal and interest to be paid upon surrender hereof at the principal corporate trust office of U.S. Bank National Association in Los Angeles, California, or its successor in trust (the "Trustee"). Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30-day months, in like lawful money from the date hereof until the applicable maturity date specified above and, if funds are not provided for payment at the applicable maturity, thereafter on the basis of a 360-day year for actual days elapsed until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note as the same shall fall due; provided, however, no interest shall be payable for any period after the applicable maturity during which the holder hereof fails to properly present this Note for payment. If the District

\*\* Number of Repayment Months and percentages and amount of principal of Note shall be determined in Pricing Confirmation (as defined in the Resolution).

fails to pay interest on this Note on any interest payment date or pay the principal of or interest on this Note on the maturity date or the Credit Provider (as defined in the Resolution hereinafter described), if any, is not reimbursed in full for the amount drawn on or paid pursuant to the Credit Instrument (as defined in the Resolution) to pay all or a portion of the principal of and interest on this Note on the date of such payment, this Note shall become a Defaulted Note (as defined and with the consequences set forth in the Resolution).

[It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of a resolution of the governing board of the District duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees.]<sup>\*</sup>

[It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of certain resolutions of the governing boards of the District and the County duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees.]<sup>\*\*</sup>

The principal of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District for the general fund [and capital fund and/or special revenue fund] of the District and are attributable to Fiscal Year 2006-2007 and which are available for payment thereof. As security for the payment of the principal of and interest on the Note, the District has pledged the first amounts of unrestricted revenues of the District received in the sequentially numbered Repayment Months set forth on the face hereof (and any amounts received thereafter attributable to Fiscal Year 2006-2007) until the amount on deposit in the Payment Account (as defined in the Resolution) in each such month, taking into consideration anticipated earnings thereon to be received by the maturity date, is equal to the corresponding percentages of principal of and interest due on the Note at such maturity set forth on the face hereof (such pledged amounts being hereinafter called the "Pledged Revenues"), and the principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor as set forth in the Resolution. The full faith and credit of the District is not pledged to the payment of the principal of or interest on this Note. The County is not liable for payment of this Note.

This Note is transferable, as provided by the Resolution, only upon the books of the District kept at the office of the Trustee, by the registered owner hereof in person or by its duly authorized attorney, upon surrender of this Note for transfer at the office of the Trustee, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee

<sup>\*</sup> This paragraph is applicable only if the Note is issued by the District.

<sup>\*\*</sup> This paragraph is applicable only if the Note is issued by the County.

duly executed by the registered owner hereof or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, a fully registered Note will be issued to the designated transferee or transferees.

The [County, the]\* District and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and [the County,]\* the District and the Trustee shall not be affected by any notice to the contrary.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication and Registration hereon shall have been signed by the Trustee.

It is hereby certified that all of the conditions, things and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Note do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and that the amount of this Note, together with all other indebtedness of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

[IN WITNESS WHEREOF, the Board of Supervisors of the County has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the County and countersigned by the manual or facsimile signature of its duly authorized officer and caused its official seal to be affixed hereto either manually or by facsimile impression hereon as of the date of authentication set forth below.]\*

[IN WITNESS WHEREOF, the governing board of the District has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the District and countersigned by the manual or facsimile signature of its duly authorized officer as of the date of authentication set forth below.]\*\*

[COUNTY OF \_\_\_\_\_ ]\*  
[DISTRICT/  
BOARD OF EDUCATION] \*\*

By  
Title:

[(SEAL)]

Countersigned

By  
Title:

\* Applicable only if the Note is issued by the County.

\*\* This paragraph is applicable only if the Note is issued by the District.

**ASSIGNMENT**

For Value Received, the undersigned, \_\_\_\_\_, hereby  
sells, assigns and transfers unto \_\_\_\_\_ (Tax Identification or  
Social Security No. \_\_\_\_\_) the within Note and all rights thereunder, and  
hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the  
within Note on the books kept for registration thereof, with full power of substitution in the  
premises.

Dated: \_\_\_\_\_

**NOTICE:** The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

**Signature Guaranteed:**

**NOTICE:** Signature(s) must be guaranteed by an eligible guarantor institution.

**SECRETARY'S CERTIFICATE**

I, \_\_\_\_\_, Secretary of the Governing Board of the [Insert name of District] District/ [Insert name of County if District is an Office of Education] Board of Education, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of the District/Board of Education duly and regularly held at the regular meeting place thereof on the \_\_\_ day of \_\_\_\_\_, 2006, of which meeting all of the members of said Governing Board had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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 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 said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect. The Maximum Amount of Borrowing specified in the foregoing resolution is \$ \_\_\_\_\_.

Dated: \_\_\_\_\_, 2006

Secretary of the Governing Board  
of the [Insert Name of District] District/ [Insert  
name of County if District is an Office of  
Education] Board of Education



**BOARD REPORT NO. 06-2-102B**

**TO:** Members of the Board of Trustees  
**FROM:** Ron Galatolo, Chancellor-Superintendent  
**PREPARED BY:** José D. Nuñez, Executive Director, Facilities Planning & Operations, 358-6836

**ADOPTION OF RESOLUTION NO. 06-3 AUTHORIZING PARTICIPATION IN  
SETTLEMENT AGREEMENT WITH ENRON ENERGY MARKETING CORPORATION**

In March 1998, the San Mateo County Community College District was among a group of 36 districts that entered into five-year contracts with PG&E Energy Services (later known as Enron Energy Marketing Corporation) for provision of direct access energy to the districts. The Community College League of California (CCLC) Electricity Consortium negotiated the contract on behalf of the districts. In December 2001, Enron Corporation (including its energy component) filed for Chapter 11 reorganization with the U.S. Bankruptcy Court. On August 13, 2002, the District was served with a contract termination notice from Enron.

In October 2002, the San Mateo County Community College District along with 35 other Districts filed a claim in a bankruptcy proceeding against Enron and its subsidiaries. The CCLC and bankruptcy counsel for the District and the CCLC, Gibson, Dunn and Crutcher, have succeeded in negotiating a settlement of the claims of the various districts against Enron, and of Enron's counter-claims against various districts, as more fully described in the attached Resolution, Settlement Memorandum and Settlement Agreement. In addition to approving the substance of the Settlement Agreement with Enron, this Resolution will also delegate to the CCLC the authority to execute the Settlement Agreement with Enron, and commit the District to participating in the "true-up" process.

The formula used for the "true-up" allows for all districts that were damaged by Enron's actions and that filed claims against Enron to receive a percentage of the accounts receivable reduction (\$6.1 million) approximately equal to their percentage of the total electric load for all districts.

The District portion for the League's Settlement Escrow Account is \$9,339.00. Enron claimed the District owed \$319,619 for electricity used but not paid for; thus, this settlement saves the District \$310,280. Furthermore, the settlement will also have all claims against the District be dropped by Enron.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve the resolution authorizing settlement of the District's Bankruptcy claims against Enron, including participation in the "True-up" process, and authorizing the Community College League of California to execute the settlement agreement on behalf of the district.

**RESOLUTION 06-3  
BY THE GOVERNING BOARD OF  
THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
STATE OF CALIFORNIA**

**RESOLUTION AND AUTHORIZATION TO ENTER INTO  
SETTLEMENT AGREEMENT WITH ENRON**

This Resolution and Authorization to Enter Into Settlement Agreement (the "Agreement") is entered into this 15th day of February 2006, by the Governing Board of the San Mateo County Community College District (hereinafter the "District") in favor of the Community College League of California (hereinafter the "League") (*the "District," together with the League, the "Parties," and each a "Party"*), with respect to the global settlement of the claims and counter-claims set forth in the lawsuit brought by Enron Energy Marketing Corp. ("Enron") against the District and certain other California community college districts in the United States Bankruptcy Court for the Southern District of New York (Adv. Action No. 05-01242-AJG) (the "Trading Claim Litigation").

**RECITALS**

In light of the competing claim amounts at issue between the District and Enron, the complexity of the legal and factual issues remaining to be resolved, the expense and uncertainty of further litigation, and for the reasons set forth in the memorandum from the League to the District entitled Information on Terms of Settlement Reached with Enron ("Settlement Memorandum"), the District believes it is in its best interests to fully and finally resolve the District's disputes with Enron by consummating the settlement agreement negotiated by the League with Enron. Accordingly, the League and the District agree as follows:

**AGREEMENT**

1. The District Resolves and Approves Participation in the Settlement Agreement: By this Resolution, the District hereby approves and agrees to (a) enter into and to be fully bound by the terms of the global settlement reached by and between the League and Enron ("Settlement Agreement and Mutual Release", a copy of which is enclosed), which provides in part that, in exchange for the District's complete waiver and release of claims against Enron, Enron will release the District from any and all liability in the Trading Claim Litigation; and (b) to fully participate in the "true up" process set forth in the Settlement Memorandum (enclosed).

2. The District has Taken the Required Actions to Approve the Settlement Agreement: The District certifies that it has received the Settlement Memorandum and the Settlement Agreement, that it is authorized to enter into the Settlement Agreement and that by adopting this Resolution it has taken any and all steps necessary to approve the Settlement Agreement and its participation in the "true up" process set forth in the Settlement Memorandum, including, but not limited to obtaining all necessary approvals of the District's Governing Board. The Governing Board hereby delegates to its chief executive officer the authority to sign this Resolution on its behalf.

3. The District Authorizes the League to Act on the District's Behalf: The District expressly grants and delegates to the League, through Ray Giles, the Interim Vice President of Operations of the League, authority (and to the extent necessary, limited power of attorney) to execute the Settlement Agreement with Enron on the District's behalf, to execute any other documents contemplated therein and to take any other actions to consummate the Settlement Agreement. The scope of the District's authorization is limited to the consummation of the Settlement Agreement, and the District expressly waives any and all claims against the League and Ray Giles arising from or related to any act undertaken within the scope of this authorization.

4. The District Agrees to Perform According to the "True-Up" Procedures: In order to achieve fairness between those districts holding claims against Enron and those districts that owe Enron receivables, the District understands and acknowledges the requirements of the equitable "True-Up" process set forth in the Settlement Memorandum according to which the districts entering into the Settlement Agreement shall either pay into or receive from the League's Settlement Escrow Account the amounts designated in the Bankruptcy Settlement True Up Schedule (enclosed). For the benefit of all districts named in the Trading Claim Litigation, the District hereby expressly agrees to comply with the "True-Up" process and to pay any amounts due as indicated in the Bankruptcy Settlement True Up Schedule to the League's Settlement Escrow Account within ten (10) business days of the District's execution of this Agreement.

5. Participation in the "True-Up" Process is a Pre-Requisite to Entering into The Settlement Agreement: The District expressly acknowledges and agrees that it may not participate in nor receive the benefit of the Settlement Agreement and the dismissal of the Trading Claim Litigation unless it agrees to participate in the True-Up process and make the payments as set forth in the Bankruptcy Settlement True Up Schedule, if any.

6. Miscellaneous:

(a) Entire Agreement: This Agreement, the Settlement Agreement, and the Settlement Memorandum set forth the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements.

(b) Governing Law: This Agreement is to be governed by and construed in accordance with the laws of the State of California, except where superseded by federal bankruptcy law.

(c) Execution: This Agreement may be executed by facsimile or electronic signature followed by delivery of the original executed Agreement.

IN WITNESS WHEREOF, the District has executed this Agreement as of the day and year first above written.

**DISTRICT**

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT,**

By:

Name: James W. Keller

Title: Executive Vice-Chancellor

PLEASE RETURN TO:

Ray Giles  
Vice President of Operations (Interim)  
Community College League of California  
2017 O Street  
Sacramento, CA 95814  
Phone: 916-444-8641

**BOARD REPORT NO. 06-2-103B**

TO: Members of the Board of Trustees  
FROM: Ron Galatolo, Chancellor-Superintendent  
PREPARED BY: James W. Keller, Executive Vice Chancellor, 358-6790

**RECEIPT AND ACCEPTANCE OF THE 2004-05  
BOND FINANCIAL AND PERFORMANCE REPORTS**

Attached are copies of the financial and performance reports of the San Mateo County Community College District Capital Outlay - Bond Fund records, prepared by the Board-approved firm of Vavrinek, Trine, Day & Company. The audits were based upon the fiscal year ending June 30, 2005. These reports were reviewed and accepted by the Bond Oversight Committee.

**RECOMMENDATION**

It is recommended that the Board of Trustees receive and accept the 2004-05 financial and performance reports for the District Capital Outlay – Bond Fund.

**BOARD REPORT NO. 06-2-104B**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: Shirley Kelly, President, College of San Mateo  
Tom Mohr, President, Cañada College  
Victoria Morrow, President, Skyline College

**UPDATE OF ART ON CAMPUS PROGRAMS AND APPROVAL OF PURCHASE  
OF SCULPTURE FOR CAÑADA COLLEGE**

At its November 9, 2005 meeting, the Board engaged in a discussion and provided feedback to the Chancellor and College Presidents on the topic of art on campus. At that time, the Trustees recommended that each College return to the Board with periodic updates regarding process, planning, selection criterion and other details regarding their projects.

The campuses have proceeded with their programs and are now at various stages in planning, development and implementation. At this Board meeting, the Presidents desire to update the Trustees on the status and specifics of their individual campus initiatives.

Additionally, Cañada College has identified an initial element for their program and is asking the Board for approval of purchase of a sculpture to be placed at the front of the new Library/Learning Center. The piece was created by Deborah Butterfield, an artist renowned for her exquisite sculptures of horses. Constructed in wood and cast in bronze, Butterfield's work can be seen in public and private collections throughout the world.

More information regarding the artist and sculpture will be provided during Cañada's presentation. Following are the specifics regarding size, purchase price and installation costs for the piece:

Title: Untitled (#2947.1)  
Measurements: 90"x100"x34"  
Price: \$223,000.00 (This is a \$17,000 discount from the price of \$240,000.00.)  
Delivery and Installation: \$6,850.00 (all inclusive)

Project funding is from Capital Improvement Funds and not to exceed \$250,000, which includes a contingency for mounting, taxes on supplies and insurance.

**RECOMMENDATION**

It is recommended that the Board approve the purchase of the Deborah Butterfield sculpture (Untitled - #2947.1) for Cañada College for an amount not to exceed \$250,000.



# Cañada College Board Report



February 15, 2006

## Cañada Research Team Honored at International Tech Conference

A team of Cañada College researchers and San Mateo County Community College District students were honored in February at the Hewlett Packard Higher Education Technology for Teaching Conference held in Monterey.

Cañada College was one of six colleges and universities worldwide invited to give a presentation at the conference. The Cañada presentation focused on how HP wireless technology is used during classroom instruction to create an Interactive Learning Network that allows real-time student assessment and assistance with individual or group focus.

Cañada's presentation received *"The Most Convincing Evidence of Impact"*



*Wireless Wonders: Amelito Enriquez, professor of engineering and mathematics, works with SMCCCD students at February's HP Higher Education Technology for Teaching Conference.*

Award. Only two awards were given to the more than 50 presentations.

"I am so proud of our team, especially the students who participated in the presentation," said team leader Amelito Enriquez, professor

of engineering and mathematics at Cañada.

Students included Rosa Aguilar, Juan Alcantar, Juan Jimenez, Alvaro Martinez, and Juan Quant. All five attend either Cañada, Skyline or the College of San Mateo.

## Process Developed for Choosing Inscription on Amphitheater Steps

As part of the construction of the Library/Learning Resource Center, an amphitheater will be created to connect the new building with the Frisbee lawn near Building 13. Interim President Tom Mohr, working

with student leaders and the College Council, has developed a process for choosing an inscription that will be inscribed on the amphitheater steps. "This is an opportunity to leave a lasting legacy," Mohr said. "I'm happy that we could come together

as a campus community to develop a process to choose a fitting inscription." The College Council will choose five finalists in March and forward them to the campus community for a vote.

## Helia Ying Hired as Payroll Clerk

**H**elia Ying of San Mateo has joined the college as the new payroll clerk.



She'll be assisting Terry Watson, financial analyst, and Vickie Nunes, college business officer. Ying was the partnership accountant for Technology Funding Inc., in charge of payroll and partnership accounts. This is her first job in higher education. Helia lives with her husband and has two daughters.

## KinderCaminata Set for April 28

**K**inderCaminata returns for a fifth year on April 28 as approximately 1,500 local kindergarten students, teachers, and parents will descend on campus.

They will be met by 50 local professionals and business leaders who will explain how a college education helps them with their careers. This includes police

officers, firefighters, scientists, teachers, hair stylists, and more.

"This is a tremendous event," said Interim President Tom Mohr. "We are proud to be able to work with the local school districts and business community to impress upon these kids and their parents the importance of attending college."



## Carlson to Lecture on African-American Women Activists

**C**oretta Scott King and Rosa Parks are viewed as the matriarchs of the modern civil rights movement but a series of lesser known African-American women political activists were instrumental in laying the foundation for their work.

It's these lesser known activists that will be the focus of a lecture by Chuck Carlson, professor of history at Cañada College. The lecture will be held from 10:10 to 11 a.m., Wednesday, Feb. 22 in the library. It is part of the college's celebration of African-American History Month.

"Many people don't know that there were a number of dynamic African-American women activists that contributed to significant change in this country in the 100 years or so before Coretta Scott King and Rosa Parks," Carlson said. "I want to give exposure to those women."

Carlson has taught classes on feminist studies at Stanford University and has taught history at Hartnell College. He's currently working on his dissertation.



# Happenings at Cañada

February 15 through March 21, 2006

| Date | Time              | Event   |
|------|-------------------|---|
| 2/16 |                   | The Cañada College Art Department presents "The Displaced Past." "The Displaced Past" an art exhibition of recent works on paper by the artist and Cañada alum, Miriam Hitchcock The exhibition will run from February 10 to March 10, 2006, in the Main Theatre Gallery, Building 3. |
| 2/17 | 2:00 P.M.         | Men's Baseball vs. Napa College<br>Men's Basketball – Coast Conference Division Game (home)   |
| 2/18 | 2:00 P.M.         | Men's Baseball vs. Feather River College (home)   |
| 2/19 | 10:30 A.M.        | Men's Baseball vs. Shasta College (home)  |
| 2/21 | 12:45 - 3:15 P.M. | Cañada College English/Lit Film Series presents "Mortorcycle Diaries." This film series is presented as a supplement to the Film Studies and Appreciation classes at Cañada, and is open to all students and staff. Admission is FREE. Location – Building 3, Room 148                |
| 2/22 | 10:00 A.M.        | Black History Month Event – African American Women Activist, Library  |
|      | TBA               | Men's Basketball Regionals, Location TBA  |
|      | 2:00 P.M.         | Men's Baseball vs. American River College (home)  |
| 2/23 | 12:00 P.M.        | San Mateo Union High School District Tour<br>Black History Month Event – The Negro Baseball League: An American Legacy, Main Theater  |
|      | 2:00 P.M.         | Men's Baseball vs. Los Medanos (home)   |
|      | TBA               | Men's Basketball Regionals, Location TBA  |
| 2/25 | 10:30 A.M.        | Men's Baseball vs. Marin College (home)   |
| 2/26 | 12:00 P.M.        | Men's Baseball vs. Laney College (home)   |
| 2/28 | 12-1 P.M.         | Black History Month Event – Discussion & Presentation on Reparations, Bldg. 13, Room 110<br>Men's Baseball vs. Hartnell College (home)  |

- |      |                   |   |
|------|-------------------|---|
| 3/4  | 12:00 P.M.        | Men's Baseball vs. College of San Mateo (home)  |
| 3/7  | 11 A.M. – noon    | Black History Month Event "This Little Light of Mine: The Fannie Lou Hamer Story" – Main Theater  |
|      | 12:45 – 3:15 P.M. | Cañada College English/Lit Film Series presents "Fist Full of Dollars." This film series is presented as a supplement to the Film Studies and Appreciation classes at Cañada, and is open to all students and staff. Admission is FREE. Location Building 3, Room 148 |
| 3/9  | 12:00 – 2:00 P.M. | "Side by Side: A Journey with Depression" Hosted by ASCC and the Cañada Health Center   |
|      | 2:00 P.M.         | Men's Baseball vs. West Valley College (home)   |
| 3/11 | 12:00 P.M.        | Men's Baseball vs. Mission College (away)   |
| 3/13 | 7:00 - 9:30 P.M.  | Cañada College English/Lit Film Series presents "Rear Window" This film series is presented as a supplement to the Film Studies and Appreciation classes at Cañada, and is open to all students and staff. Admission is FREE. Location Building 3, Room 148.          |
| 3/14 | 2:00 P.M.         | Men's Baseball vs. City College of San Francisco (away)   |
| 3/16 | 2:00 P.M.         | Men's Baseball vs. Ohlone College (home)  |
| 3/18 | 12:00 P.M.        | Men's Baseball vs. Cabrillo College (home)  |
| 3/21 | 12:45 – 3:15 P.M. | Cañada College English/Lit Film Series presents "The Killers"<br>This film series is presented as a supplement to the Film Studies and Appreciation classes at Cañada, and is open to all students and staff. Admission is FREE. Location Building 3, Room 148.       |



# COLLEGE OF SAN MATEO

## Office of the President

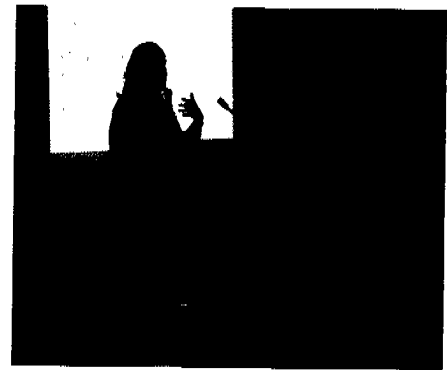
### Executive Report to the Board of Trustees

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FEBRUARY 15, 2006

#### CSM HOSTS HOW-TO-ASSESS WORKSHOP

Last week, approximately 120 faculty, staff and administrators from the three colleges attended a How-to-Assess Workshop conducted by **Mary Allen**, former director of the California State University Institute for Teaching and Learning and founding director of the Assessment Center at CSU, Bakersfield. CSM continues to make progress in the area of student learning outcomes and the critical component of assessing stated outcomes was the focus of this hands-on, interactive workshop. Workshop topics included: best practices in outcomes assessment, accreditation expectations for assessment and SLOs, assessment in learning-centered institutions and aligning SLOs with courses and curricula. **Sandra Comerford**, CSM's assessment coordinator, planned the event.



*Mary Allen Leads Assessment Workshop*



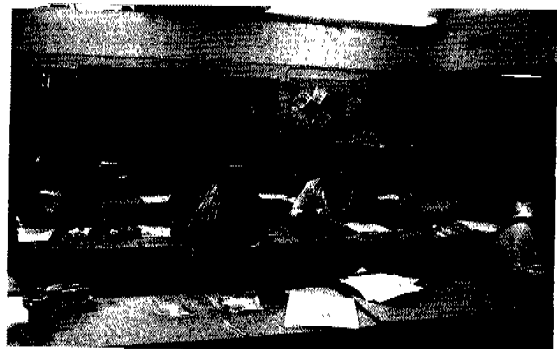
#### PRESIDENT'S LECTURE SERIES CONTINUES

The President's Lecture Series: Diverse Voices in Writing resumes on Monday, March 13, at 11am with award-winning author **Bharati Mukherjee**. Dr. Mukherjee has written more than 10 books, including "The Middleman and Other Stories," for which she won the National Book Critics' Circle Award. Her latest books are "The Tree Bride," and "Desirable Daughters." A native of Calcutta, India, she is currently a professor at UC Berkeley. The presentation takes place in CSM's Theatre and will be followed by a reception and book signing. This series is made possible by a generous grant from the Lane Family Charitable Trust.

*Bharati Mukherjee*

#### YOUTH LEADERS VISIT CAMPUS

On January 30, a group of 21 high school students participating in the San Mateo Chamber of Commerce's Youth Leadership program visited CSM as part of Business-Education Link Day. The day's activities include a tour of various occupational programs to learn about career opportunities associated with the programs and presentations on how to run a business and successful interview skills.



*Youth Leadership Students at CSM*



*A Young John Madden*

## **ALUMNUS MADDEN ELECTED TO FOOTBALL HALL OF FAME**

**John Madden**, who played football at CSM in the 1950s, was recently elected to the Pro Football Hall of Fame. Madden, who is known widely as a popular football commentator, received the honor based on his success as a professional coach. With a career record of more than 100 wins and a regular season winning percentage of nearly 76 percent, he led the Oakland Raiders to the Super Bowl title during the 1976 football season. Madden follows Bill Walsh, another CSM player from the 1950s and coach of three San Francisco 49ers Super Bowl victories, into the Hall of Fame.

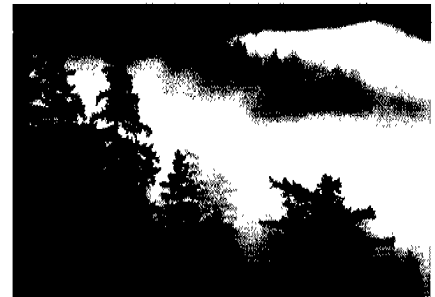
## **NEWS FROM KCSM**

KCSM-FM recently completed its winter fund drive and when the final numbers were tallied, the station brought in pledges totaling \$403,579. This figure not only surpassed the original goal of \$375,000 but also covered a \$25,000 short fall due to last semester's Hurricane Katrina relief effort.

KCSM-TV was recently notified that it has received a Digital Distribution Fund (DDF) grant in the amount of \$297,767 for master control. The master control project totals \$591,535 and requires the station to match the federal dollars. After many discussions, KCSM was able to leverage some of the construction money that was used for additional air conditioning and electrical service needed for moving master control into a new space in Building 9 as part of the match that was needed.

## **NOTABLE**

The artwork of **Richard Lohmann**, professor of photography, is featured on the front cover of the February 2006 edition of *Shutterbug* magazine. Also, an article entitled "The Art and Craft of Richard Lohmann" and four additional photographs by Lohmann appear inside and are part of the publication's "Pro Profile" for the month. The article is available at [http://shutterbug.com/techniques/digital\\_darkroom/0206traditional/](http://shutterbug.com/techniques/digital_darkroom/0206traditional/). For a sample of Lohmann's photographs, visit [www.richardlohmman.com](http://www.richardlohmman.com).



*Photo by Richard Lohmann*

**Steve Robison**, coordinator of student activities, has recently been named a Sam W. Walton Free Enterprise Fellow by the Students in Free enterprise. Founded in 1975, the Students In Free Enterprise is a non-profit organization that mobilizes university students to create economic opportunities for others while discovering their own potential.

## **EVENTS AROUND CAMPUS**

▶ On February 22, at 10:15 am, CSM's Foreign Language Department is hosting a presentation by **Dr. Jennifer Mergy**, a foreign service officer with the State Department. Dr. Mergy will discuss careers in diplomacy with the State Department, her reasons for choosing her current assignment at a post in the Middle East, and the importance of foreign language learning for America's young professionals. Dr. Mergy is a 1984 graduate of CSM. The presentation will take place in the Foreign Language Center, 18-122.

## **EVENTS AROUND CAMPUS, CONTINUED**

▶ **Dr. Nathalie Cabrol**, planetary geologist and principal investigator at the SETI Institute, NASA Ames Research Center was the guest speaker at the San Mateo County Astronomical Society's monthly meeting hosted by CSM and held in the Planetarium. Her presentation was on the exploration of Mars and the ongoing work of the two robot rovers, "Spirit" and "Opportunity."

▶ CSM's Financial Aid Office sponsored "Cash for College Day," a free event for students and parents to learn about financial aid information and eligibility. Hands-on assistance was provided to families completing the Free Applications for Federal Student Aid (FAFSA). The event also included a \$1,000 scholarship drawing.

### **2006 CSM Service & Leadership Conference**



▶ The "2006 CSM Service & Leadership Conference: Get Connected... Make a Difference," was held on campus last week. Designed for high school and college students, educators and community leaders, the day's activities included workshops that inspire voting, promote diversity dialogue and provide civic engagement. The conference also featured speakers from local campuses, including CSM, San Francisco State University, City College of San Francisco and Notre Dame de Namur University.

▶ On February 23 from 10:30-11:30 am, CSM's Transfer Services will present Nursing Major Day on February in Building 5's Gallery Room. Representatives from Cal State East Bay, San Francisco State University and San Jose State University will be present to discuss topics, including requirements, selection process, scholarships and job placement.

# COLLEGE of SAN MATEO

1700 West Hillsdale Boulevard • San Mateo, CA 94402  
(650) 574-6161

## CALENDAR OF EVENTS For the SMCCCD Board Meeting of February 15, 2006

| <b>Day / Date</b>                              | <b><u>Event</u></b>  | <b>Location /Time</b>                  |
|--|--|--|
| Wednesdays                                     | <b>Farmers' Market</b><br>Wednesday Farmers' Market will be temporarily moved from Lot 15 to Lot 16  | Lot 16<br>10 a.m. – 2 p.m.             |
| Fridays<br>2 <sup>nd</sup> Friday of the Month | <b>CSM Planetarium Show</b><br>January through May 2006<br>For info call 650.574.6272  | CSM<br>Bldg. 13                        |
| Saturdays                                      | <b>Farmers' Market</b>   | Lot 1<br>9 a.m. – 1 p.m.               |
| Wednesday<br>February 15                       | <b>Women's Basketball</b><br>CSM vs. Chabot College  | CSM<br>5:30 p.m.                       |
| Thursday<br>February 16                        | <b>Men's Baseball</b><br>CSM vs. Napa College  | CSM<br>2 p.m.                          |
| Friday<br>February 17                          | <b>Men's Baseball</b><br>CSM vs. Feather River College   | CSM<br>2 p.m.                          |
| Saturday<br>February 18                        | <b>Men's Baseball</b><br>CSM vs. Shasta College  | CSM<br>1 p.m.                          |
| Tuesday<br>February 21                         | <b>Men's Baseball</b><br>CSM vs. San Jose City College   | CSM<br>2 p.m.                          |
| Thursday<br>February 23                        | <b>Nursing Major Day</b><br>A Transfer Services Event<br>Representatives from Cal State East Bay, San Francisco State University and San Jose State University will be present to discuss topics, including requirements, selection process, scholarships and job placement. | CSM Bldg. 5<br>10:30 a.m. – 11:30 a.m. |

For info about Transfer Services and its January through March events visit [collegeofsanmateo.com](http://collegeofsanmateo.com) and 650.358.6839 or call Mike Mitchell at 650.574.6662 and email at [michellm@smccd.net](mailto:michellm@smccd.net)



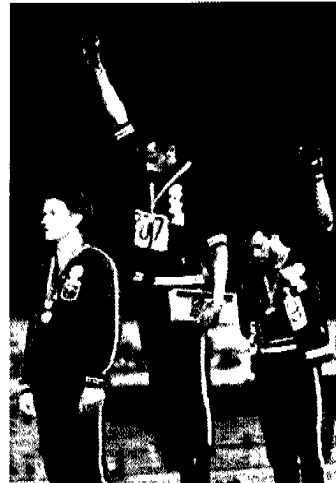
**SKYLINE COLLEGE**  
**EXECUTIVE REPORT FOR THE BOARD OF TRUSTEES**  
**FEBRUARY 15, 2006**

**ANNOUNCEMENT**

**Skyline College names interim dean for Language Arts division:** Connie Beringer, professor of English, has been named interim dean replacing Anita Martinez. Connie has been an instructor in the district for 20 years and is coordinator of the Honors Transfer program at Skyline. She served as district Academic Senate president for 2003-2004 and 2004-2005 and was Skyline Academic Senate president from 2001-2003. She is looking forward to serving faculty in a different capacity.

**APPRECIATION**

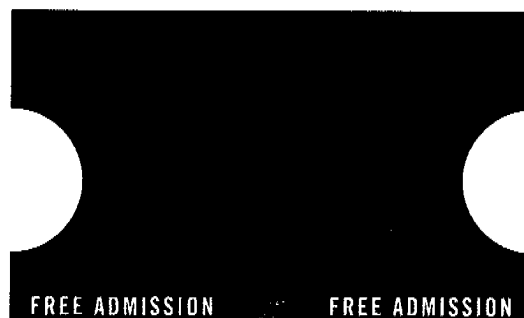
**Skyline shines in the Speak Out on Racism forum:** Many students and staff shared a truly memorable experience in the forum that was held on February 1, 2006. The discussion was held in conjunction with the showing of the movie "Crash" on January 25, which was facilitated by Professor Phyllis Taylor. The Associated Students of Skyline College, led by President Taylor Angel, arranged the forum event, and Skyline wishes to express its appreciation to him, along with Professor George Wright who introduced activist and humanitarian Dr. Tommie Smith, the keynote speaker. Thanks also to the fascinating and informative panelists: Lori Adrian, Rachel Bell, Masao Suzuki, James Wong, Daniel Tostado and Sara Figuero.



*Tommie Smith (center) was the keynote speaker at Skyline's Speak Out on Racism forum. He is pictured here with John Carlos protesting during the 200 meter medal ceremony at the 1968 Olympics in Mexico City.*

**Art on Campus Committee:** Skyline wishes to acknowledge the efforts of those who served on the Art on Campus Task Force and did such a great job for the college on this important project: Donna Bestock and Bridget Fischer, co-chairs; Doria Bernard; Melchie Cabrigas; Kathy Fitzpatrick; Richard Inokuchi; Linda Kisich; Judy Lariviere; Sue Lorenzo; Julene Rhoan; and Arthur Takayama. The college is now forming a new standing committee for Art on Campus. The guidelines the Task Force developed are available now on Skyline's website at <http://www.smccd.net/accounts/skynotes/>. The membership of the new standing committee is consistent with that recommended by the Art on Campus Task Force and all of those who participated in the Task Force are being invited to continue, along with a few additional members.

**Museum of Tolerance (MOT) Film Festival:** Skyline College is extremely proud of its annual Museum of Tolerance (MOT) film festival because it reflects the college's value related to Campus Climate: *We value a campus-wide climate that reflects a 'students first philosophy' with mutual respect between all constituencies and appreciation for diversity.* This year's two-part series was entitled "Reconcilable Differences," and two films produced by local filmmakers were shown. Heidi Schmidt Emberling's *Tangled Roots* focused on issues of heritage and identity. Emberling is the daughter of an



American Jewish mother and a German father, who discovers that her grandfather was a Nazi. Berkeley filmmaker Mikko Jokela was on hand for the showing of his film, *Mixed Feelings*, on February 9. Jokela's film is a personal look at growing up in America from the perspective of mixed race Asian Americans. Skyline wishes to thank the President's Council and the President's Innovation Fund for the funding for the festival. Skyline also owes thanks to a number of people who have worked consistently to further Skyline's college-wide interest in issues of diversity. The key Skyline people involved in the film festival were: Barbara Daley and Betty Lindgren-Young, festival coordinators, and authors of the Innovation Fund proposal; Carla Campillo and Donna Elliott, who have provided consistent MOT leadership, served as theater managers, and were the developers of the programs and flyers; and Rich Tidd for the theater set-up and media. Many Skyline colleagues also served as ushers and assistants for the program.

## PROGRAM NEWS

**Educational and Facilities Master Planning:** Invitations to participate in the Educational and Facilities Master Planning (EFMP) Task Force have been sent to Skyline's Management Council, Institutional Planning Council, Academic Senate, Classified Council, Associated Students of Skyline College and a representative from Disabled Students Programs and Services and work will begin next week. There will be a variety of ways to impact the decisions the college ultimately makes about its facilities projects, including not only this Task Force, but also in college-wide open forums. The college's existing program review and planning materials will also be critical to the process.

**Skyline College co-sponsors a successful convening of the regional Gateway Programs:** Skyline College, along with Gruber and Pereira Associates proudly co-sponsored the "Gateway Convening" held by The Career Ladders Project on Friday, February 3, 2006 at Preservation Park in Oakland. The Convening was funded by the Walter S. Johnson Foundation and the Stuart Foundation. The Gateway Program is a learning community of instruction and support that prepares students for success in college and careers. Skyline College collaborated with Cañada College to launch the first gateway programs in the region. The one-day event convened key participants from across the multiple agencies, organizations and community colleges involved in



delivering this innovative program. The Convening presented an opportunity for practitioners to network, analyze successes and challenges and engage in collective problem solving to enhance or improve Gateway Programs. Citing the importance of scalable programs to serve the students targeted by Gateway, California Community College system Chancellor Mark Drummond addressed the attendees. Dave Militzer, Educational Policy Consultant for the California Workforce Investment Board and José Millan, Vice Chancellor for Economic and Workforce Development of the Chancellor's Office also provided remarks. The event was attended by CCCCCO Board of Governors Vice President, Kay Albiani, and Ms. Fran Kennedy from the Director of Employment Development Department Office and 120 additional representatives of the multiple agencies, organizations and colleges involved with the Gateway Program. Participating as resource people to the various breakout discussions, Skyline College attendees included: Vice President of Instruction Regina Stanback-Stroud; Science Math and Technology Dean Mike Williamson; Learning Center Director Susan Andrien; Math Instructor Mary Bravewoman; Gateway to Healthcare Careers Instructor Glory Lane; Center for Workforce Development Director William Watson; and Center for Workforce Development Program Services Coordinator Adolfo Leiva.

**Financial Aid and Scholarship season at Skyline:**

The Financial Aid staff is doing a great job to get the word out to students that there are resources available to help them with their education. Recently, all staff received a packet from the Financial Aid office which encouraged staff to spread information about financial aid and scholarships that are available. In addition, staff and the campus ambassadors are available to make brief in class presentations about financial aid. The application deadline for scholarships is Wednesday, March 15, 2006.

Applications are available on the Skyline website at [www.skylinecollege.edu](http://www.skylinecollege.edu) or in the Financial Aid Office just inside the Student Services One Stop on the main floor of Building Two. Skyline wishes to thank Karen Chadwick for her leadership and to the rest of the Financial Aid staff for their work on this critical task: Sherri Hancock, Maria Escobar, Regina Morrison, Randy Claros, Juanita Quintero and the Financial Aid Office student assistants. The same people were responsible for our annual Cash for College Day on February 4th. The turnout was double that of the prior year. Participants learned about the different sources for financial aid, along with a detailed overview of how to complete the application forms.



*Luanne Buchman, representing Skyline's loan guarantee agency Ed Fund, presented information on financial aid at Skyline's Cash for College Day.*

**Digital Oral Research Project:** Last semester, students in the Digital Oral Research Project (Library Science 110), a short course taught by Eric Brenner, created online oral history projects in conjunction with Liza Erpelo's English 165 course (part of the Kababayan program). In the Oral Research course the students interviewed members of the Filipino American community about many of the issues they were reading and

writing about in the English course and then edited their interviews using digital audio editing software and created web pages containing audio segments from the interviews, plus photographs and descriptions related to their interview topics. Students also wrote research essays for English 165 that dealt with their interview topics. They are now part of the Skyline College/North San Mateo County Online Oral History Archives. The students' web pages and essays are available for viewing and listening at <http://skylinecollege.edu/library/oralhist/>.

## SKYLINE SHINES

**Skyline Shines Awards:** In recognition of individuals or groups who help Skyline to shine in terms of its quality of programs and services and its reputation for quality, the college has designed a new award called *Skyline Shines*. Two awards will be made annually: one to a member or group of the Skyline employees and one to a member or group from the community. The Call for Nominations for the Skyline Shines Awards has been sent out to all Skyline employees and is being disseminated to the community through both the president's council and via a press release. The Call for Nominations letter includes the criteria for the awards. The awardees would be those who most help the college live up to the college's values, which are: campus climate, open access, academic excellence, community connection and shared governance. The deadline for nominations is April 3, 2006. The Call for Nominations is posted on Skyline's website at <http://www.smccd.net/accounts/skynotes/>.

**Skyline's Automotive program receives NATEF recertification:** Skyline wishes to congratulate the faculty and staff of its automotive program for the recent recertification by NATEF - the National Automotive Technicians Education Foundation, Inc. - which has recertified our General Automobile and our Toyota-TEN Automobile technician training programs. Their letter to Skyline says, "We commend you and your staff for maintaining your program's standards, and continuing to meet the industry's requirements. The explosion in automotive technology makes your high quality automotive training program more valuable than ever." Thanks to the following faculty and staff that are responsible for this achievement: Rick Escalambre, Jerry Ciraolo, Kevin Sullivan, Paul Spakowski, Tom Broxholm, Steve McAfee, Dan Ming, Clydie Rizzo, Perry Dair, Don Ross and Alex Pfaeffle.



**Skyline faculty member wins Soroptimist award:** Skyline wishes to congratulate Marijane Datson, member of its English faculty, who has won the Soroptimist "Making a Difference for Women" Award from the North San Mateo County chapter. The award honors women who, through their professional or personal efforts, are making extraordinary differences in the lives of women or girls. In addition to her teaching in the Women in Transition program, Marijane has made a significant contribution to the reputation of Skyline College as a center for the intellectual

nurturance of women of all ages through the creation of the annual *WOW! Women on Writing* Conference. Marijane will receive \$1,000 which will be awarded to the charity of her choice, which is Skyline College's *WOW!* Conference. Marijane also advances as a nominee to the regional Soroptimist award.

## EVENTS

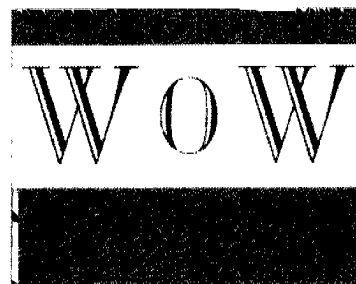
**Culture Comes Alive at Skyline College, February 14, 2006:** The 10<sup>th</sup> annual Skyline Open Reading in the Gallery Theatre from 12:30-2:00 on Wednesday, February 14<sup>th</sup>. Staff, faculty, and students are invited to read poetry or other spoken words in a cozy atmosphere to an enthusiastic audience. All readings must be original work. English professors Katharine Harer and Marijane Datson developed Culture Comes Alive more than 10 years ago in an effort to bring some of the riches of the Bay Area's literary community to Skyline's campus.

**Hip Hop Concert, February 24, 2006:** Skyline's Black Student Union will present "Pop Yo Collar" Katrina Relief Concert on Friday, February 24, 2006 in the Main Theatre from 7:00 p.m. to 10:00 p.m. The concert will feature a variety of Bay Area hip hop artists. Co-sponsors include the Latino American Student Organization (LASO), United Playaz, and Black & Brown Entertainment. A minimum donation of \$10 is requested. Food will be sold in the lobby.

**Making the Connection: Plug Into College, February 25, 2006:** Skyline College will host a one-day conference for college students, high school students and parents that will focus on academic and career resources on Saturday, February 25, 2006 from 8:00 a.m. to 4:00 p.m. The conference, presented by Minority Student Alliance, will include information on college applications, financial aid, how to be successful in college, careers, internships, educational success for teenage mothers, transitioning from high school to college, educational issues of diverse communities and specific information from California universities. Participants will also be able to meet recruiters from schools such as UCLA, SFSU and Stanford University. This is a great opportunity for high school students to meet college students and talk to them first hand. Simultaneous workshops in English and Spanish will be held for parents. Registration is \$10 per person and includes breakfast, lunch, and all material fees. Advance registration is required by February 16<sup>th</sup>.



**WOW! Women on Writing Conference, March 4, 2006:** The fourth annual conference celebrating International Women's Day will be held at Skyline College on Saturday, March 4, 2006. Registration is open until February 24<sup>th</sup> and is \$65 for faculty and staff members and \$25 for students. Poet Janice Mirikitani, Executive Director of the Glide Foundation and author of *Love Works*, will be the



keynote speaker. A Book Talk panel featuring authors Ruthanne Lum McCunn, *Thousand Pieces of Gold*; Rose Castillo Guilbault, *Farmworker's Daughter*; and Beth Lisick, *Everybody Into the Pool*, will be moderated by Kathleen de Azevedo Feinblum, Skyline professor of English and author of *Samba Dreamers*. Workshop faculty include poets Genny Lim and Skyline Professor of English Katharine Harer, agent Dena Fischer, editor Patricia Holt, food writer Joyce Goldstein, playwright Amy Freed, and Tristine Rainer, director of the Center for Autobiographic Studies in Pasadena. Also included will be mystery writer Rhys Bowen and science fiction writer Pat Murphy. Registration forms are available on the Skyline website at [www.skylinecollege.edu](http://www.skylinecollege.edu) or by calling Skyline's Development, Marketing and Public Relations Department at 650-738-4324.

**Expanding Your Horizons in Math and Science (EYH), March 18, 2006:** Skyline College presents the 26<sup>th</sup> annual Expanding Your Horizons in Math and Science, a conference for 6<sup>th</sup> through 12<sup>th</sup> grade young women to learn about career opportunities in math and science. Each girl will be able to attend three hands-on workshops during the all-day conference, as well as meet women who use science and math in their careers as well as women in non-traditional careers. Workshops are held in biotechnology, medicine and allied health, life sciences, physical sciences and computer science. Girls will also have an opportunity to learn about the college experience. Programs for parents are included. The keynote speaker is Samantha Mohr, Chief Meteorologist with CBS 5. More than 15,000 young women have attended EYH since its inception in 1980. Expanding Your Horizons is sponsored by the Genentech Foundation for Biomedical Sciences.



*EYH participants prepare for a workshop on medicine.*

**National Library Week Festivities, April 3-7, 2006:** In celebration of National Library Week, the Skyline Library will have special book displays, giveaways for students, and a drawing for a grand prize gift certificate. The festivities will culminate in a special presentation by National Library Week speaker will be Kevin Starr, Professor of History at the University of Southern California, and former California State Librarian. Dr. Starr is also the author of numerous books on California history, including *Inventing the Dream: California through the Progressive Era*, *Endangered Dreams: The Great Depression in California*, and *California: A History*. The Skyline Library owns 11 of his books. This will be Dr. Starr's second visit to Skyline College. Nearly ten years ago, on September 25, 1996, he was the keynote speaker at the dedication ceremony for Building 5, which houses the library. A special thank you to Barbara Daley for arranging Dr. Starr's speaking engagement, whose appearance is funded by the President's Innovation Fund. Dr. Starr's presentation will take place on April 7 at 11:00 a.m. in the Main Theatre.



## **Skyline College**

### **Art on Campus Policy**



...(A)rt establishes the basic human truths which must serve as touchstones of our judgment. The artist, however faithful to his personal vision of reality, becomes the last champion of the individual mind and sensibility against an intrusive society and an officious state.

John F. Kennedy  
address to Amherst 10/63



### **Art on Campus Task Force Charge**

- Recommend policy to the President
  - Appropriate media for art works
  - Subject matter
  - Locations—indoor and outdoor
  - Selection procedure



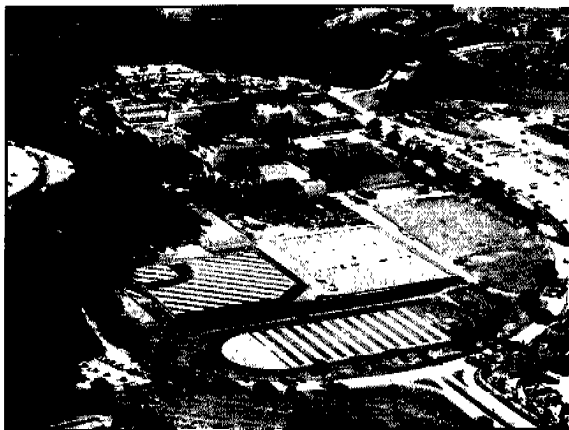
### **Task Force Committee members**

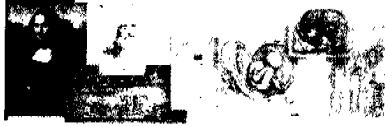
- |                             |                |
|-----------------------------|----------------|
| • Donna Bestock, co-chair   | administration |
| • Bridget Fischer, co-chair | faculty        |
| • Doria Bernard             | classified     |
| • Melchie Cabrigas          | student        |
| • Kathy Fitzpatrick         | classified     |
| • Richard Inokuchi          | administration |
| • Linda Kisich              | classified     |
| • Judy Lanvierre            | DSPS           |
| • Sue Lorenzo               | classified     |
| • Julene Rhoan              | classified     |
| • Arthur Takayama           | faculty        |



### **Nature of the Art Works**

- Subject Matter
- Media
- Accessibility
- Good Neighbor Policy





**Current art works**



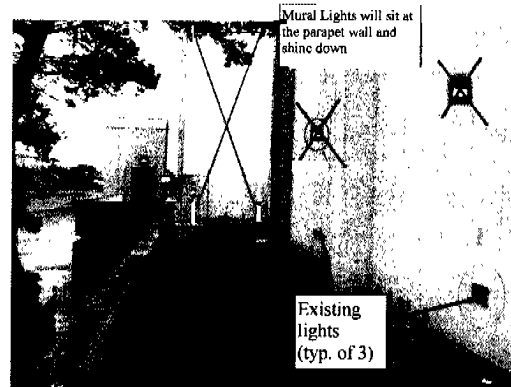
**Policy Summary**

- This policy gives a set of principles and procedures for art on the Skyline College campus to be used by the campus community to propose, acquire, install, document and maintain art works for both indoor and outdoor display. Provisions are made to have the works accessible to all and to assure safety and comfort for the campus and its neighbors.



**Location of Art Works**

- Indoor
- Outdoor
- Rotation of art works

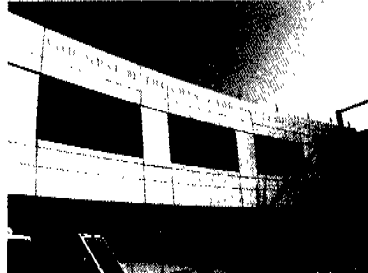


Mural wall and exterior lighting - Version 2



### **Building 6 inscription**

- You must be the change you wish to see in the world.
  - Mahatma Gandhi



### **Potential sites for future art works**



### **Selection process**

- A standing committee
- Process