

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT BOARD AGENDA  
REGULAR MEETING  
October 28, 2009  
District Office Board Room  
3401 CSM Drive, San Mateo, CA 94402**

**NOTICE ABOUT PUBLIC PARTICIPATION AT BOARD MEETINGS**

*The Board welcomes public discussion.*

- *The public's comments on agenda items will be taken at the time the item is discussed by the Board.*
- *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 should 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) 358-6753.*
- *Regular Board meetings are tape recorded; tapes are kept for one month.*

*Government Code §54957.5 states that public records relating to any item on the open session agenda for a regular board meeting should be made available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to the members of the Board. The Board has designated the Chancellor's Office at 3401 CSM Drive for the purpose of making those public records available for later inspection; members of the public should call 650-358-6753 to arrange a time for such inspection.*

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**6:00 p.m.      ROLL CALL**

**Pledge of Allegiance**

**DISCUSSION OF THE ORDER OF THE AGENDA**

**MINUTES**

09-10-3      [Minutes of the Study Session of the Board of Trustees of October 14, 2009](#)

**STATEMENTS FROM EXECUTIVES AND STUDENT REPRESENTATIVES**

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

**NEW BUSINESS**

09-10-2A      [Approval of Personnel Actions: Changes in Assignment, Compensation, Placement, Leaves, Staff Allocations and Classification of Academic and Classified Personnel](#)

**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.*

09-10-1CA      [Ratification of First Quarter Warrants, 2009-2010](#)

09-10-2CA      [Authorization and Utilization of Oakland Unified School District Contract for Districtwide Moving Services](#)

## **Other Recommendations**

- 09-10-2B [Adoption of New Policies 2.19, Nondiscrimination; 2.51, Reporting of Crimes; and 6.19, Multiple and Overlapping Enrollments; Amendment of Policies 2.20, Equal Employment Opportunity; 2.29, Sexual Assault Education, Prevention and Reporting; 2.60, Resignations; 6.04, Minimum Class Size Guidelines; 6.21, Grading and Academic Record Symbols; 6.90, Community Education Classes; 7.03, Eligibility Requirements for Admission of International Students; and 7.07, Non-resident Tuition Fees](#)
- 09-10-100B [Transfer of Funds into Post Retirement Trust](#)
- 09-10-101B [Adoption of Resolution No. 09-9 Authorizing Lease Financing of the Acquisition and Construction of Cañada Vista, and Approving Related Documents and Actions](#)

## **STATEMENTS FROM BOARD MEMBERS**

## **COMMUNICATIONS**

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### **MEETING OF THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT FINANCING CORPORATION**

1. Call to Order
2. Roll Call
3. [Approval of Minutes of December 10, 2008 Meeting](#)
4. [Adoption of Resolution No. 09-1 Approving Lease Financing Documents in Connection with the Financing of the Acquisition and Construction of Cañada Vista](#)
5. Adjournment

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## **RECESS TO CLOSED SESSION**

1. Closed Session Personnel Items – None
2. Conference with Labor Negotiator  
Agency Negotiator: Harry Joel  
Employee Organizations: AFT and CSEA

## **CLOSED SESSION ACTIONS TAKEN**

## **ADJOURNMENT**

**Minutes of the Study Session of the Board of Trustees  
San Mateo County Community College District  
October 14, 2009  
San Mateo, CA**

**The meeting was called to order at 6:07 p.m.**

**Board Members Present:** President Karen Schwarz, Vice President Patricia Miljanich, Trustees Helen Hausman, Richard Holober and Dave Mandelkern, and Student Trustee Virginia Medrano Rosales

**Others Present:** Chancellor Ron Galatolo, Executive Vice Chancellor Jim Keller, Skyline College President Victoria Morrow, College of San Mateo President Michael Claire, Cañada College Vice President of Instruction Sarah Perkins and Cañada College Academic Senate President Martin Partlan

**Pledge of Allegiance**

**DISCUSSION OF THE ORDER OF THE AGENDA**

In order to accommodate guests, Barbara Christensen, Director of Community and Government Relations, asked that item 09-10-1C, Financing Plan for Cañada Vista, be considered immediately after Approval of Personnel Actions. There were no objections.

**MINUTES**

It was moved by Trustee Hausman and seconded by Trustee Holober to approve the minutes of the September 23, 2009 meeting of the Board. The motion carried, all members voting "Aye."

It was moved by Trustee Mandelkern and seconded by Trustee Hausman to approve the minutes of the October 6, 2009 meeting of the Board. The motion carried, all members voting "Aye."

**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 (09-10-1A)**

It was moved by Trustee Holober and seconded by Trustee Hausman to approve the actions in Board Report No. 09-10-1A. The motion carried, all members voting "Aye."

**FINANCING PLAN FOR CAÑADA VISTA (09-10-1C)**

Ms. Christensen provided updates on College Vista and Cañada Vista. She said the total cost of College Vista, which opened in December 2005, was \$9.3 million or \$233.52 per square foot. As of July 1, 2009, rents have repaid the District \$1.5 million and have funded a long-term capital reserve of \$120,000; between \$35,000-50,000 is added each year to this reserve. Since opening, nine residents have moved out to buy a home. The estimated cost for Cañada Vista is \$14.5 million or \$241.66 per square foot, which is 3.5% higher than College Vista. All units at Cañada Vista will be air conditioned, the units are slightly larger on average, the units have upgraded soundproofing and roofing, and the clubhouse is three times larger than the one at College Vista.

Ms. Christensen displayed photographs showing the progress of the Cañada Vista construction. She said the contract completion date is June 18, 2010. Construction is currently ahead of schedule, but the actual completion date will depend on rain and any schedule complications.

Trustee Mandelkern asked what the appropriate reserve account amount is for capital improvements such as repainting, reroofing, etc. Ms. Christensen said that in order to determine the appropriate amount, staff and the property manager went through capital items and determined what the replacement costs would be at the end of the normal life of each item. The reserve is set at an amount to provide those replacement costs when needed.

Executive Vice Chancellor Keller said the primary vehicle for financing a building is issuance of Certificates of Participation. The traditional method would be to finance the building over 30 years at the existing rate and sell off the Certificates of Participation. However, because of the current difference between long-term and short-term rates, District staff has met with bond counsel and the underwriter to discuss ways to take advantage of the short-term rates. The recommendation is to issue a short-term note over a long-term period with a five-year guaranteed rate which is currently approximately 2.25%. The note would be sold to the District using its retirement fund. Currently much of the money in the retirement fund is in the County comingled fund and is earning less than 1%. With this proposal, more money would be brought into the retirement fund at the higher short-term rate. No underwriting would be necessary and the issuance costs would be limited to bond counsel, title insurance and other insurance.

Bond counsel Chris Lynch of Jones Hall explained that the proposal is a lease-back arrangement whereby the District would lease certain of its existing assets to its Financing Corporation (Corporation) and the Corporation would immediately lease them back to the District. The Corporation would assign its right to receive lease payments to the retirement fund and the retirement fund would then give the District the amount of money it needs to finance construction of Cañada Vista. The leased assets would be the CSM library and public safety center. Mr. Lynch said the lease-back structure is very common in California and was used for College Vista. Mr. Lynch outlined the documents that will be brought to the Board on October 28 if a decision is made to go forward with the proposal:

1. A Lease Agreement between the District and the Financing Corporation
2. An Assignment in which the Corporation assigns its rights to receive lease payments to the retirement fund
3. Approving Resolutions of both the District Board of Trustees and the Corporation Board of Directors

Trustee Holober asked if, as both lender and borrower, the District has a requirement to be at arm's length and look at competitive interest rates. Mr. Lynch said this proposal is structured to be as close as possible to a market normal transaction, as if a third party unrelated to the District were buying the financing. Mr. Lynch said he and the District are working with the underwriter, Morgan Stanley, to make sure the interest rate chosen is appropriate for this situation.

Regarding the need to diversify the retirement pool, Trustee Holober asked if this proposal is overly concentrated with one issuer. Chancellor Galatolo said the concentration is high, at about 45% of the money in the retirement fund, but that the District is the one that must pay it back. He said the plan would enhance the District's ability to gain interest for the retirement fund rather than keeping that money in the County comingled fund where it earns less than 1%. Chancellor Galatolo said that general obligation funds have been set aside and are available to defease the lease financing at any time. Every year the situation would be evaluated and the Board would decide whether to defease or continue on. Chancellor Galatolo said the proposal is structured to allow the greatest flexibility.

Trustee Mandelkern said he is also concerned about the concentration issue. He requested further information on the structure of the retirement fund, whether the fund has an investment policy, any relevant Education

Code or other government code sections, and who the trustees of the fund are. Trustee Mandelkern said there is no question that the District would intend to repay the loan, but if there are unforeseen circumstances, e.g. an earthquake causing the property to be red-tagged so that no rents were coming in, the overconcentration in the retirement fund could become a factor. Executive Vice Chancellor Keller said the retirement fund, like all other District funds, is controlled by the Board. He said the Board approved establishment of a trust fund for post retirement benefits and a Retirement Board of Authority, members of which serve at the discretion of the Board of Trustees. However, this trust fund is not the same as the retirement fund that is to provide the funding. Chancellor Galatolo said that in the event of an unforeseen circumstance, the obligation would be paid off using the general obligation funds set aside for this purpose. Mr. Flynn said that security measures mimic those of traditional lease financing, including rental interruption insurance and the fact that the District must ask the Board annually to appropriate the lease payments as part of the budget.

Trustee Mandelkern asked for clarification on the library and public safety center being used as collateral. Mr. Lynch said that in order to obligate the District to make payments on an annual basis, it is necessary to use an existing asset which is available to the District at the current time. He added that collateral simply means it is available to be leased on an annual basis and the District can obligate itself to make lease payments; there is not a deed of trust which would be subject to foreclosure.

Trustee Holober asked if there is an amount that should be retained in the retirement fund to use for cash flow purposes if the State does not make timely payments to the District. Executive Vice Chancellor Keller said the District borrows from other funds for this purpose and looks at the retirement fund as a last resort. Chancellor Galatolo added that as part of the annual analysis, the District will look at the combination of cash flow and appropriate timing with market conditions to determine if it is time to use general obligation funds to offset the obligation.

Noting that many analysts predict an increase in interest rates, Trustee Mandelkern asked about opting for a relatively short duration as opposed to trying to lock in a longer duration at a lower interest rate now. Executive Vice Chancellor Keller said that long-term rates in California are not favorable at this time. Chancellor Galatolo said this is why it is important to have general obligation funds available for use when the timing dictates. Trustee Mandelkern said that 45% is very high and asked if any thought has been given to doing part of the financing through the vehicle recommended in the proposal and part through separate financing. Chancellor Galatolo said this could be done but it would trigger the costs of issuance and that other financing would not carry a greater guarantee.

Vice President Miljanich said it is important to note that the Board takes its concern about the retirement fund seriously. She said it is also important to note that employees will benefit from the development of this project.

Chancellor Galatolo said that in response to concerns expressed by the Board, staff will look into investment policy guidelines under California Government Code Section 53600. He said there could be separate modifiers for this specific element to make sure it is in compliance from a policy standpoint. This information, along with the documents described above, will be discussed at the October 28<sup>th</sup> meeting of the Board.

### **Other Recommendations**

#### **APPROVAL OF ACCREDITATION FOLLOW-UP REPORTS – CAÑADA COLLEGE, COLLEGE OF SAN MATEO AND SKYLINE COLLEGE (09-10-1B)**

It was moved by Trustee Hausman and seconded by Trustee Mandelkern to approve the reports as presented. Vice Chancellor Jing Luan said that included in all of the reports are the responses to District recommendations; District staff, including Vice Chancellor Harry Joel and Barbara Christensen, worked in conjunction with College staff on these recommendations.

Trustee Hausman noted the enormous amount of work and the complexity of the reports and said they are well done.

Trustee Mandelkern asked if a consultant helped with the preparation of the reports as was done last year at Cañada College and College of San Mateo. President Claire and Vice President Perkins said a consultant was not used at either College for these reports.

President Schwarz asked why the District was not required to respond on its own to the District recommendations. Vice Chancellor Luan said that since the District is not accredited, the responses had to be included in the College reports.

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

## **INFORMATION REPORTS**

### **FALL 2009 CENSUS REPORT (09-10-2C)**

Vice Chancellor Luan said the financial crisis has brought more students to the District. Total headcount increased by 7.8% compared to fall 2008. FTES increased by approximately 9% and load increased by 11%; the average load in the District is now 610. Two new categories under “Ethnicity,” Multi Ethnicity and Pacific Islander, were added in order to be in compliance with federal guidelines. Since these categories are listed for the first time there is no comparison to the previous semester.

## **STUDY SESSION**

### **UPDATE ON SAN MATEO ATHLETIC CENTER (09-10-3C)**

Tom Bauer, Director of Auxiliary Services, presented a history of the fitness and aquatic center. Planning for the facility began in November 2006. Advance planning was done by the College of San Mateo Physical Education (PE) Dean and faculty. Community-based feedback was very positive and it was clear from an academic perspective that such a facility would be a benefit to both the College and the District as a whole. The facility was initially planned to be primarily an academic resource with an underlying enterprise component. After the passage of Measure A, the Construction Planning Department began working with the PE Dean and aquatics and adaptive PE faculty members, along with a fitness center equipment consultant. In fall 2007, Chancellor Galatolo asked Mr. Bauer to begin attending the planning meetings with an eye on an enterprise component. It soon became clear that the vision of the District team was not being met in terms of programming, equipment and layout. The decision was made to use the work that had been done as a baseline for the creation of the plan that has now become the final program for the facility. This program has generated positive comments from community members and fitness equipment experts.

Mr. Bauer said that on July 22, 2009, he presented an information report on the fitness center to the Board. He reviewed the building layout, goals and objectives for the facility and the status of the operational planning process. He also discussed the process by which the name San Mateo Athletic Club and Aquatic Center was chosen.

With a targeted opening date of February or March 2009, Mr. Bauer said fall 2009 is the right time to begin planning membership marketing to the San Mateo community. As a pro forma budget, job descriptions, staffing and marketing plans were developed, it became evident to the entire team that expert assistance was needed, particularly as it pertained to membership marketing. Mr. Bauer said he looked for a company that could help with both membership marketing and operations. He scheduled a meeting with representatives from San Francisco-based Club One, Inc. in early September. Mr. Bauer was very impressed and scheduled a presentation to District and College leadership. After that presentation, it was unanimously decided that the District would recommend entering into a relationship with Club One to help with the final phase of planning

and membership marketing. Approval to move forward with Club One was granted at the Board meeting of September 23, with a request for more information about Club One and the specific terms of the engagement.

The District's relationship with Club One pursuant to the contract award began on October 1 and Club One teams have been working side by side with Mr. Bauer. A number of meetings will be held with faculty and staff to assist and advise Club One through the final phase. Mr. Bauer said that throughout the process, he expects to learn more about the operational requirements of a community-based fitness and aquatic center. He said this is a complex operation and is a completely new business opportunity for the District. Mr. Bauer noted that a College enterprise like the bookstore or cafeteria is expected to be self supporting; it must also be able to fund depreciation and invest funds for future equipment and developmental needs.

Mr. Bauer said he has an extensive background in operating college bookstores and was hired to take the District bookstores to the next level. Approximately one year after he was hired, he was asked to add supervision of the food service contract, an existing professional services contract, and the vending contract. Mr. Bauer said these experiences have not only enhanced his auxiliary services skills, but have enabled him to recognize the value in operating that which is in your operational expertise, as are the bookstores, and to effectively partner with those who operate businesses better than we can ourselves. Mr. Bauer said the bookstores are run very successfully by the District team and the food services are run just as effectively by Pacific Dining under a professional services agreement.

Mr. Bauer said that as part of the pro forma budget process, staff has drafted a Request for Proposal for fitness and aquatic management. Mr. Bauer said he feels strongly that in the very near future, a formal Request for Proposal should be issued to qualified companies. It is his hope that such a request will help the team to "know what we don't know" operationally and crystallize the most effective way to move forward. Once a Request for Proposal is issued, the District management team will develop a completely open process available to all qualified vendors in the industry. Mr. Bauer said he believes that through the limited engagement of Club One, along with information obtained through a formal Request for Proposal, staff will have all of the information needed to make the best possible recommendation to the Board for the successful operation of the San Mateo Athletic and Aquatic Center. Mr. Bauer thanked the Board for its past support of him and the Auxiliary Services team. He asked for the Board's continued confidence as the team leads this endeavor to open the new enterprise in the District. Mr. Bauer assured the Board that the team will apply the same diligence and will report back to the Board throughout the process.

Mr. Bauer introduced Jim Mizes, President and CEO of Club One and Scott Landgraf, Chief Development Officer. Mr. Landgraf said Club One has been in business for 18 years. They operate corporate managed sites, commercial health clubs, community centers, a medical fitness center, and three college/university sites. They are active in 13 states and have more than 140,000 members. They have been voted by their employees as one of the Top 100 Employers in the Bay Area for three years in a row. Mr. Landgraf said Club One is committed to health and wellness and considers itself a partner rather than a supplier. Club One believes in innovative methods to take fitness and wellness outside of its four walls.

Mr. Landgraf outlined Club One's service to the District through their very specifically defined engagement:

1. Marketing through Opening – develop a budget, determine how to market/advertise, develop internal branding design (forms, etc.)
2. Operations – Budget and revenue planning, programming and staffing
3. Human Resources – Job definition, ad placement, respondent prioritization
4. Membership Services – Develop procedures and policies

Mr. Mizes said that in a typical fitness club, a member's experience is to meet with a fitness professional who sells the features and benefits, receive an orientation, and then "go forth and exercise" with no further exchange. Club One's vision of what their members will say includes: "they support me all the time," "it is like a life center," and "I've never gotten results like this before." Club One believes in fitness and wellness 24 hours a day and tries to help members find joy in movement. Key points of Club One's system are:

- WellPower – uses Meyer-Briggs testing coded by color so that the trainer understands his/her clients and can offer appropriate life cycle management. More than 30% of members take the test.
- Intelligent Intake System – uses exercise specialist and lifestyle coach.
- Weight Management – most members of fitness clubs come to lose weight; Club One helps members reach goals by understanding clients' differences.
- BeWell – an online wellness portal offering calorie count, meal planner, exercises to do at home, etc.
- Integrated Health Management – health screening and reporting.
- Habit Changer – platform for serving behavior change programs; it is a 42 day platform with supportive communication daily via email.

Trustee Hausman said that in the current economy, many people must make choices on how to spend money and she asked Mr. Mizes if he thinks there will be sufficient membership. Mr. Mizes said the fitness center will try to attract students, faculty and community members. He said that convenience is the most important factor in people's choice of a fitness club. He said that pricing will need to be competitive.

Trustee Mandelkern asked if there is mixed academic and community use at the other three colleges with which Club One partners. Mr. Mizes said there is mixed use at Cal State Long Beach, where Club One is the tenant. Trustee Mandelkern asked if they have experienced any challenges with blending the groups. Mr. Mizes said they have not. Trustee Mandelkern asked if there are issues with space management. Mr. Mizes said this is always an issue and that use of space is ultimately the partner's decision. Mr. Landgraf added that Club One needs to understand curriculum needs and then they can help with programming. Chancellor Galatolo said the center will also be a training facility for future instructors in fitness, Pilates, spinning, etc. Trustee Mandelkern asked if Club One has experience in managing a large pool/aquatics center. Mr. Mizes said Club One manages swim programs, including the program at the Peninsula Jewish Community Center, which is one of the most successful in the County. He said Club One does not have expertise in water polo teams but is excited to work with such programs as a partner.

Trustee Mandelkern asked if Club One tested any assumptions the District had regarding a marketing approach. Mr. Landgraf said they did preliminary analysis to gauge how many people will join within a five mile and eight mile radius. They found there is a viable market but it is difficult to predict how fast membership will grow. Mr. Mizes noted that more than 5,000 members signed up during the six months of presales for the new Jewish Community Center in Palo Alto.

Trustee Mandelkern asked Mr. Mizes where he sees Club One's relationship with the District going past the current contract. Mr. Landgraf said Club One is currently in a support model. He said he believes that health club experts should manage health clubs. Mr. Landgraf said he is keenly aware that the District would like to put out a Request for Proposal and that Club One will respond, fully understanding that there will be competition. Mr. Landgraf described models of how Club One could partner with the District:

- Club One could provide 100% of operations
- Club One could operate the facility and the District could operate the back office and memberships
- A Club One employee could be general manager and the rest of the employees could be District employees
- Support service models – Club One could provide consulting services only



Trustee Mandelkern asked Mr. Bauer if he will provide the Board with membership information, pro forma budget, staffing assumptions, etc. Mr. Bauer said he is working with Club One on these items and hopes to provide all information to the Board by December. Trustee Mandelkern said he would like to see the fee structure for different groups. Mr. Bauer said that in the pro forma, there are rates for students, faculty, staff and community members. Fees are also based on the method of payment.

Trustee Holoher asked when the marketing will go out to the community. Mr. Bauer said the back cover of College of San Mateo's spring catalog is a rendering of the center and it gives a website at which people can complete a form showing interest in the facility. Trustee Holoher asked if Club One's products will be part of the marketing as it becomes more concrete and specific. Mr. Landgraf said the District may include any programs it wants but they would be branded as the District rather than as Club One.

Trustee Holoher said he is interested in hearing what the pricing will be, as well as terms and conditions of membership and how complaints from members will be dealt with. Mr. Mizes said that Club One has a 90-97% satisfaction rating by its partners. He added that 95 out of 100 comments are positive and that problems are corrected as they arise.

President Schwarz said she personally knows three people who do not live within five miles of the College but want to come to the fitness center because of the College's reputation. President Schwarz asked where the funding will come from for startup fees. Chancellor Galatolo said there is seed money in the budget for this purpose. President Schwarz said she is also interested in the fee structure.

President Schwarz asked how parking will be handled. Mr. Bauer said patron parking will be available; there is a meeting scheduled next week regarding this issue and more information will be available after that time.

Student Trustee Medrano Rosales said she looks forward to learning what the student membership price will be. Mr. Landgraf said this varies at different facilities.

Trustee Mandelkern asked if an initiation fee will be charged. Mr. Bauer said it will but total or partial waiver of the fee will be offered in advertisements.

Trustee Mandelkern asked if there will be a need for additional staffing for maintenance. Mr. Bauer said the facility will require more maintenance and he is discussing this with Vice Chancellor José Nuñez, Vice Chancellor Harry Joel and College of San Mateo Facilities Manager Diane Martinez.

President Schwarz said she heard there will be tours of facilities managed by Club One and asked if Board members could be included. Mr. Bauer said Board members are welcome and he will email them the schedule. Chancellor Galatolo recommended that Board members join the tour if possible. He asked if day passes could be provided to Board members and Mr. Mizes offered the passes.

President Schwarz thanked Mr. Bauer, Mr. Mizes and Mr. Landgraf for a thorough presentation.

### **RECESS TO CLOSED SESSION**

President Schwarz said that during Closed Session, the Board will (1) hold a conference with legal counsel regarding two cases of anticipated litigation, (2) consider two cases of student discipline, and (3) hold a conference with labor negotiator Harry Joel; the employee organizations are AFT and CSEA.

The Board recessed to Closed Session at 8:35 p.m.

The Board reconvened to Open Session at 10:20 p.m.

**CLOSED SESSION ACTIONS TAKEN**

President Schwarz reported that at the Closed Session just concluded, the Board voted 5-0 to recommend expulsion of two students.

**ADJOURNMENT**

It was moved by Trustee Hausman and seconded by Trustee Mandelkern to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 10:25 p.m.

Submitted by

Ron Galatolo  
Secretary

Approved and entered into the proceedings of the October 28, 2009 meeting.

Patricia Miljanich  
Vice President-Clerk

**BOARD REPORT 09-10-2A**

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

**APPROVAL OF PERSONNEL ITEMS**

**A. LEAVE OF ABSENCE**

**District Office**

**Mehrdad Elahi** Human Resources Representative Human Resources

Recommend approval of a military leave of absence, effective November 1, 2009. Military orders to activate reservist for military duty were received. Exact duration of the leave of absence is not yet known but is expected to be no longer than 12 months.

San Mateo County Community College District

October 28, 2009

**BOARD REPORT NO. 09-10-1CA**

TO: Member of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Kathryn Blackwood, Chief Financial Officer, 358-6869

**RATIFICATION OF FIRST QUARTER DISTRICT WARRANTS, 2009-2010**

Attached as Exhibits A, B and C are the warrants in excess of \$10,000 that were issued in the months of July, August and September 2009 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 July 1, 2009 through September 30, 2009 and ratify the contracts entered into leading to such payments.

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
JULY 1-31, 2009  
WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

| Check Number                     | Check Date | Vendor Name                                 | Check Amount | Description   |
|----------------------------------|------------|---|--------------|---|
| <u>District Accounts Payable</u> |            |   |              |   |
| 007288                           | 07/09/09   | Sarouhan, Dan E.                            | 15,500.00    | Districtwide FPO Consulting Services                            |
| 007290                           | 07/09/09   | Atlas/Pellizzari Electric Inc.              | 13,484.00    | CSM & Skyline Electrical Services                               |
| 007291                           | 07/09/09   | Automatic Door Systems, Inc.                | 14,676.00    | Skyline Repair Services   |
| 007294                           | 07/09/09   | Bunton Clifford Associates, Inc.            | 117,622.38   | Skyline & Cañada Architectural Services                         |
| 007298                           | 07/09/09   | Dovetail Decision Consultants, Inc.         | 32,839.26    | Districtwide Site Furniture Design Standard Consulting Services |
| 007303                           | 07/09/09   | McCarthy Building Companies                 | 73,385.00    | CSM Construction Services                                       |
| 007305                           | 07/09/09   | Noll & Tam                                  | 27,329.00    | Districtwide Architectural Services                             |
| 007306                           | 07/09/09   | Performance Abatement Services, Inc.        | 31,261.00    | CSM Hazardous Materials Abatement Services                      |
| 007311                           | 07/09/09   | SMCCCD Bookstore                            | 50,263.87    | Loan to Own Payments & Special Programs Books Purchase          |
| 007314                           | 07/09/09   | Statewide Educational Wrap-Up Program (SEWL | 96,579.00    | Districtwide Construction Insurance Premiums                    |
| 007317                           | 07/09/09   | TRC Engineers, Inc.                         | 26,581.80    | Skyline Geotechnical Observation & Testing Services             |
| 007318                           | 07/09/09   | Urtext                                      | 22,937.50    | Districtwide CPD Consulting Services                            |
| 007492                           | 07/16/09   | Atlas/Pellizzari Electric Inc.              | 59,231.00    | Skyline Electrical Services                                     |
| 007495                           | 07/16/09   | Casey Printing ,Inc.                        | 10,012.07    | Skyline Class Schedules Printing Services                       |
| 007497                           | 07/16/09   | David L. Gates & Associates                 | 38,100.00    | Cañada Architectural Services                                   |
| 007498                           | 07/16/09   | Dovetail Decision Consultants, Inc.         | 57,049.24    | Districtwide Site Furniture Design Standard Consulting Services |
| 007500                           | 07/16/09   | GRD Energy Inc.                             | 13,340.00    | Districtwide Commissioning Services                             |
| 007502                           | 07/16/09   | Krueger International                       | 11,532.23    | Cañada Furniture Purchase                                       |
| 007507                           | 07/16/09   | Rodan Builders, Inc.                        | 98,393.67    | Districtwide Construction Services                              |
| 007508                           | 07/16/09   | Sch Proj/Util Rate Reduc.                   | 29,512.93    | Utilities   |
| 007510                           | 07/16/09   | SM County Community College District        | 13,765.18    | Flex Spending Account Reimbursement                             |
| 007511                           | 07/16/09   | SMCCCD Bookstore                            | 24,614.40    | Special Programs Books Purchase                                 |
| 007512                           | 07/16/09   | Snader & Associates                         | 31,641.25    | KCSM Equipment Purchase   |
| 007513                           | 07/16/09   | Keenan & Associates                         | 18,786.00    | CSM Construction Insurance Premiums                             |
| 007514                           | 07/16/09   | Sugimura Finney Architects                  | 14,299.93    | CSM & Skyline Architectural Services                            |
| 007550                           | 07/23/09   | Evisions, Inc                               | 10,915.00    | Districtwide Software License Renewal                           |
| 007555                           | 07/23/09   | Official Payments Corporation               | 12,876.21    | Monthly ASP Services  |
| 007558                           | 07/23/09   | Keenan & Associates                         | 25,370.00    | CSM Construction Insurance Premiums                             |
| 007559                           | 07/23/09   | TRC Engineers, Inc.                         | 32,312.94    | Skyline Geotechnical Observation & Testing Services             |
| 007606                           | 07/30/09   | Sugimura Finney Architects                  | 11,789.63    | CSM & Skyline Architectural Services                            |
| 422151                           | 07/02/09   | Barclay Sanitary Supplies                   | 16,258.31    | CSM Facilities Custodial Equipment Purchase                     |
| 422157                           | 07/02/09   | John Plane Construction                     | 25,493.80    | Cañada Construction Services                                    |
| 422162                           | 07/02/09   | Carrubba, Francesco                         | 16,401.75    | Coastside Office Rent   |
| 422169                           | 07/02/09   | CSW-Stuber-Stroeh Engineering Group, Inc.   | 37,656.71    | Skyline Construction Services                                   |

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| Check Number | Check Date | Vendor Name                                   | Check Amount | Description   |
|--------------|------------|---|--------------|---|
| 422191       | 07/02/09   | John Plane Construction                       | 229,444.20   | Cañada Construction Services                        |
| 422202       | 07/02/09   | Netxperts, Inc.                               | 211,986.22   | Districtwide ITS Equipment Purchase                 |
| 422211       | 07/02/09   | Pankow Special Projects, L.P.                 | 508,172.40   | CSM Construction Services                           |
| 422220       | 07/02/09   | Strata Information Group                      | 50,504.00    | ITS Consulting Services                             |
| 422222       | 07/02/09   | TRC Engineers, Inc.                           | 18,935.50    | Skyline Geotechnical Observation & Testing Services |
| 422227       | 07/02/09   | W W Grainger Inc                              | 22,710.70    | Cañada Equipment Purchase                           |
| 422228       | 07/02/09   | W W Grainger Inc                              | 13,297.40    | Cañada Equipment Purchase                           |
| 422248       | 07/02/09   | Public Empl Ret Sys                           | 1,123,774.20 | Health Insurance Monthly Premium                    |
| 422250       | 07/02/09   | S.M.C.S.I.G.                                  | 19,354.85    | Vision Premium Payment                              |
| 422251       | 07/02/09   | S.M.C.S.I.G.                                  | 147,919.90   | Dental Premium Payment                              |
| 422253       | 07/02/09   | Pankow Special Projects, L.P.                 | 40,541.40    | CSM Construction Services                           |
| 422254       | 07/02/09   | Pankow Special Projects, L.P.                 | 15,922.20    | CSM Construction Services                           |
| 422269       | 07/06/09   | John Plane Construction                       | 41,722.20    | Skyline Construction Services                       |
| 422270       | 07/06/09   | John Plane Construction                       | 30,918.77    | Skyline Construction Services                       |
| 422273       | 07/06/09   | Chabot-Los Positas Community College District | 51,268.00    | Surgical Technology Subgrant                        |
| 422281       | 07/06/09   | Jefferson Union High School Dist.             | 40,000.00    | Skyline Middle College Implementation Services      |
| 422282       | 07/06/09   | John Plane Construction                       | 375,499.77   | Skyline Construction Services                       |
| 422283       | 07/06/09   | John Plane Construction                       | 278,268.98   | Skyline Construction Services                       |
| 422285       | 07/06/09   | Kleinfelder                                   | 16,425.08    | CSM Materials Testing and Inspection Services       |
| 422288       | 07/06/09   | Octagon Risk Services, Inc.                   | 17,000.00    | Districtwide Workers' Comp Administration           |
| 422294       | 07/06/09   | Schindler Elevator                            | 11,463.00    | Districtwide Elevators Maintenance Services         |
| 422312       | 07/06/09   | Wells Fargo Bank                              | 349,644.65   | District Procurement Card Payment                   |
| 422314       | 07/09/09   | Advanced E-Learning Solutions                 | 24,000.00    | Districtwide ITS Helpdesk & Support Services        |
| 422325       | 07/09/09   | Swinerton Management & Consulting             | 17,676.39    | Program Management Services                         |
| 422327       | 07/09/09   | Consolidated Printers, Inc                    | 10,110.00    | CSM Catalog Production Services                     |
| 422333       | 07/09/09   | Education Housing Partners, LLC.              | 769,083.00   | Cañada Housing Project Consulting Services          |
| 422339       | 07/09/09   | Hartford Life & Accident Insurance Co.        | 34,494.78    | Districtwide Life Insurance Premium Payment         |
| 422344       | 07/09/09   | Maintenance Connection, Inc.                  | 11,981.25    | Districtwide ITS Software Installation Services     |
| 422362       | 07/09/09   | Swinerton Management & Consulting             | 326,446.32   | Program Management Services                         |
| 422374       | 07/09/09   | CalPERS                                       | 439,739.19   | Cal PERS Contribution Advance                       |
| 422410       | 07/13/09   | Parsons Commercial Technology Group Inc.      | 12,970.00    | Districtwide CIP Professional Services              |
| 422550       | 07/16/09   | Aztec Technology                              | 11,268.05    | Skyline Facilities Containers Purchase              |
| 422566       | 07/16/09   | Constellation NewEnergy Inc.                  | 33,737.39    | Utilities   |
| 422569       | 07/16/09   | Coulter Construction Inc.                     | 11,702.11    | Skyline Construction Services                       |
| 422573       | 07/16/09   | Dell Computers                                | 10,852.65    | Districtwide Computer Purchase                      |
| 422577       | 07/16/09   | Emmett W. MacCorkle Inc. Insurance Services   | 731,995.76   | Districtwide Annual Insurance Premium               |

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|--------------|------------|-----------------------------------|--------------|---|
| 422581       | 07/16/09   | John Plane Construction           | 31,734.00    | Skyline Construction Services                           |
| 422585       | 07/16/09   | Kleinfelder                       | 11,394.70    | Skyline Materials Testing and Inspection Services       |
| 422597       | 07/16/09   | Nuventive, LLC                    | 29,883.08    | Districtwide Software Licensing & Training              |
| 422600       | 07/16/09   | Pac Gas & Elec Co                 | 17,895.90    | Utilities   |
| 422601       | 07/16/09   | Pac Gas & Elec Co                 | 10,036.72    | Utilities   |
| 422608       | 07/16/09   | Robert A. Bothman                 | 17,669.07    | Cañada Construction Services                            |
| 422612       | 07/16/09   | Schools Excess Liability Fund     | 43,144.22    | Districtwide Annual SELF Premium                        |
| 422623       | 07/16/09   | American Federation of Teachers   | 10,149.23    | Union Dues  |
| 422629       | 07/16/09   | Fidelity Service Company          | 10,000.00    | Tax Shelter Annuities                                   |
| 422636       | 07/16/09   | Franklin Templeton Trust Company  | 18,470.00    | Tax Shelter Annuities                                   |
| 422657       | 07/20/09   | Calif Water Service Co            | 10,790.58    | Utilities   |
| 422660       | 07/20/09   | Chevron                           | 12,081.77    | Districtwide Facilities Design Consultation Services    |
| 422661       | 07/20/09   | Chevron                           | 47,795.00    | Districtwide Exterior Lighting Consultation Services    |
| 422662       | 07/20/09   | Chevron                           | 13,930.80    | CSM & Skyline Sustainability Consultation Services      |
| 422663       | 07/20/09   | Chevron                           | 100,000.00   | Districtwide Lighting & Electrical Study                |
| 422664       | 07/20/09   | Chevron                           | 1,821,072.69 | Districtwide Various Energy Conservation Projects       |
| 422667       | 07/20/09   | Constellation NewEnergy Inc.      | 28,560.74    | Utilities   |
| 422669       | 07/20/09   | Cornerstone Earth Group, Inc.     | 35,000.26    | CSM Geotechnical Observation & Testing Services         |
| 422672       | 07/20/09   | Decker Electric Company, Inc.     | 23,996.00    | Cañada Electrical Services                              |
| 422675       | 07/20/09   | Governet                          | 15,000.00    | Curricunet License Fees                                 |
| 422679       | 07/20/09   | Kleinfelder                       | 51,632.72    | CSM Materials Testing and Inspection Services           |
| 422708       | 07/20/09   | CalPERS                           | 12,032.82    | Cal PERS Contribution Balance                           |
| 422711       | 07/20/09   | Chevron                           | 27,588.00    | CSM Cogeneration Plant Project                          |
| 422712       | 07/20/09   | City of Pacifica Child Care       | 24,196.00    | Cañada Childcare Services                               |
| 422726       | 07/23/09   | Constellation NewEnergy Inc.      | 26,239.24    | Utilities   |
| 422727       | 07/23/09   | Cornerstone Earth Group, Inc.     | 66,377.26    | CSM Geotechnical Observation & Testing Services         |
| 422738       | 07/23/09   | Kleinfelder                       | 84,879.60    | CSM & Skyline Materials Testing and Inspection Services |
| 422740       | 07/23/09   | McCarthy Building Companies       | 8,608,109.40 | CSM Construction Services                               |
| 422744       | 07/23/09   | Pac Gas & Elec Co                 | 15,132.97    | Utilities   |
| 422748       | 07/23/09   | Rodan Builders, Inc.              | 255,482.10   | CSM Construction Services                               |
| 422751       | 07/23/09   | San Mateo Co Office Ed/Supt Sch   | 10,322.93    | Cañada Gene Connection Grant Services                   |
| 422755       | 07/23/09   | Sutro Tower Inc.                  | 17,173.00    | KCSM Transmitter Leasing Fee                            |
| 422756       | 07/23/09   | The Denali Group                  | 11,700.18    | CSM & Cañada Testing & Survey Services                  |
| 422759       | 07/23/09   | McCarthy Building Companies       | 956,456.60   | CSM Construction Services                               |
| 422769       | 07/23/09   | Employment Development Department | 61,108.89    | Quarterly Unemployment Insurance                        |
| 422782       | 07/23/09   | Rodan Builders, Inc.              | 28,386.90    | CSM Construction Services                               |

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|--|------------|---|--------------|--|
| 422785   | 07/27/09   | A.C.C.J.C.                                  | 16,622.00    | ACCJC Annual Fees                              |
| 422811   | 07/27/09   | Emmett W. MacCorkle Inc. Insurance Services | 53,000.00    | Insurance Consulting Fees                      |
| 422821   | 07/27/09   | Pac Gas & Elec Co                           | 11,795.61    | Utilities                                      |
| 422832   | 07/27/09   | Wesco Graphics, Inc.                        | 18,796.72    | Community Education Catalog Printing Services  |
| 422834   | 07/27/09   | Masterworks Chorale Society                 | 26,410.00    | CSM Musical Services                           |
| 422918   | 07/30/09   | Dell Computers                              | 15,606.28    | Districtwide Computer Purchase                 |
| 422928   | 07/30/09   | Mayela Mingi Education, Inc.                | 11,000.00    | Districtwide College for Kids Lecture Services |
| 422933   | 07/30/09   | Pac Gas & Elec Co                           | 14,460.19    | Utilities                                      |
| 422939   | 07/30/09   | Sutro Tower Inc.                            | 17,173.00    | KCSM Transmitter Leasing Fee                   |
| 422948   | 07/30/09   | AIG Valic                                   | 19,678.28    | Tax Shelter Annuities                          |
| 422950   | 07/30/09   | American Federation of Teachers             | 25,850.99    | Union Dues                                     |
| 422960   | 07/30/09   | Fidelity Service Company                    | 28,689.00    | Tax Shelter Annuities                          |
| 422972   | 07/30/09   | Franklin Templeton Trust Company            | 19,005.33    | Tax Shelter Annuities                          |
| 422974   | 07/30/09   | Galic Disbursing Company                    | 16,608.99    | Tax Shelter Annuities                          |
| 422978   | 07/30/09   | Hartford Retirement Plans Service Center    | 26,405.84    | Life Insurance Payment                         |
| 422980   | 07/30/09   | Metropolitan Life Insurance Company         | 14,020.00    | Life Insurance Payment                         |
| 422990   | 07/30/09   | SMC College Ed. Housing Corp.               | 27,804.00    | College Vista Rent Payment                     |
| <br>   |            |   |              |  |
| <u>District Payroll Disbursement (excluding Salary Warrants)</u> |            |   |              |  |
| 77224  | 07/01/09   | US Treasury - Union Bank                    | 1,031,929.50 | Federal Tax                                    |
| 77300  | 07/01/09   | US Treasury - Union Bank                    | 186,788.98   | State Tax                                      |
| 46433  | 07/16/09   | US Treasury - Union Bank                    | 141,938.72   | Federal Tax                                    |
| 46495  | 07/16/09   | US Treasury - Union Bank                    | 18,787.04    | State Tax                                      |
| JE267442   | 07/31/09   | State Teacher Retirement System             | 333,561.07   | STRS Retirement                                |
| <br>   |            |   |              |  |
| <u>SMCCCD Bookstores</u>   |            |   |              |  |
| 105252   | 07/07/09   | Apple Computer Inc.                         | 27,389.00    | Purchase of Inventory                          |
| 105335   | 07/29/09   | Apple Computer Inc.                         | 36,131.32    | Purchase of Inventory                          |
| 105367   | 07/29/09   | MBS Textbook Exchange                       | 11,535.12    | Purchase of Inventory                          |



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| Check Number | Check Date | Vendor Name                       | Check Amount  | Description                   |
|--------------|------------|-----------------------------------|---------------|-------------------------------|
| 105376       | 07/29/09   | Pearson Education Inc.            | 20,576.89     | Purchase of Inventory         |
| 105388       | 07/29/09   | SMCC College District             | 209,004.84    | Salaries & Benefits June 2009 |
| EFT03586     | 07/01/09   | Board of Equalization             | 76,472.00     | Sales Tax June 2009           |
|              |            | Subtotal                          | 22,215,105.45 | 92%                           |
|              |            | Warrants Issued ≤ \$10,000        | 1,813,528.91  | 8%                            |
|              |            | Total Non -Salary Warrants Issued | 24,028,634.36 | 100%                          |

|                           |   |               |
|---------------------------|---|---------------|
| District Accounts Payable | 422143-423001, 900001-900485, DD7276-DD7607   | 21,831,572.80 |
| District Payroll          | 42138-42906, DD48985-DD50252                  | 6,403,419.62  |
| SMCCCD Bookstores         | 105251-105397, EFT03586 , EFT03736            | 484,056.25    |
|                           | Total Warrants Including Salaries - July 2009 | 28,719,048.67 |

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| Check Number                     | Check Date | Vendor Name                              | Check Amount | Description   |
|----------------------------------|------------|--|--------------|---|
| <u>District Accounts Payable</u> |            |  |              |   |
| 007686                           | 08/06/09   | Education Housing Partners, LLC.         | 16,500.00    | Cañada Housing Project Consulting Services                      |
| 007691                           | 08/06/09   | NCS Pearson, Inc                         | 13,252.00    | Annual Gateway License and Maintenance Fees                     |
| 007692                           | 08/06/09   | Northern Distributing/Clean Source       | 34,855.37    | Facilities Custodial Supplies Purchase                          |
| 007695                           | 08/06/09   | UC4 Software, Inc.                       | 17,212.00    | ITS AppWorx Software Support Fees                               |
| 007768                           | 08/13/09   | Education Housing Partners, LLC.         | 16,500.00    | Cañada Housing Project Consulting Services                      |
| 008121                           | 08/20/09   | CIS, Inc                                 | 96,602.50    | Districtwide DSA Inspection Services                            |
| 008124                           | 08/20/09   | Goodman Marketing Partners Inc.          | 17,020.02    | KCSM Direct Mailing Services                                    |
| 008130                           | 08/20/09   | SM County Community College District     | 37,190.78    | Flex Spending Account Reimbursement                             |
| 008131                           | 08/20/09   | Sugimura Finney Architects               | 15,132.52    | CSM Architectural Services                                      |
| 008134                           | 08/20/09   | Urtext                                   | 22,000.00    | Districtwide CPD Consulting Services                            |
| 008264                           | 08/27/09   | Bunton Clifford Associates, Inc.         | 17,110.74    | Skyline Architectural Services                                  |
| 008268                           | 08/27/09   | Dovetail Decision Consultants, Inc.      | 20,086.11    | Districtwide Site Furniture Design Standard Consulting Services |
| 008270                           | 08/27/09   | GRD Energy Inc.                          | 15,385.00    | CSM Commissioning Services                                      |
| 008271                           | 08/27/09   | Northern Distributing/Clean Source       | 14,957.26    | Facilities Custodial Supplies Purchase                          |
| 423011                           | 08/03/09   | Carrubba, Francesco                      | 16,401.75    | Coastside Office Rent   |
| 423050                           | 08/03/09   | Calif State Teachers Retirement System   | 62,701.88    | CAL-STRS Cash Balance Contribution                              |
| 423051                           | 08/03/09   | CalPERS                                  | 434,436.90   | Cal PERS Contribution Advance                                   |
| 423055                           | 08/03/09   | Public Empl Ret Sys                      | 1,076,705.85 | Health Insurance Monthly Premium                                |
| 423056                           | 08/03/09   | S.M.C.S.I.G.                             | 19,357.28    | Vision Premium Payment  |
| 423057                           | 08/03/09   | S.M.C.S.I.G.                             | 147,102.59   | Dental Premium Payment  |
| 423058                           | 08/03/09   | Schembri Construction Co., Inc.          | 69,077.15    | Cañada Construction Project                                     |
| 423059                           | 08/03/09   | SMCCC Foundation                         | 12,810.00    | Fiscal Year 2008-2009 Pepsi Income Allocation                   |
| 423076                           | 08/06/09   | John Plane Construction                  | 37,359.90    | Cañada Construction Project                                     |
| 423082                           | 08/06/09   | Peninsula Library System                 | 11,692.00    | Annual ITS Library Program Fees                                 |
| 423085                           | 08/06/09   | Peninsula Library System                 | 34,252.00    | Annual ITS Library Program Fees                                 |
| 423097                           | 08/06/09   | Associated Std -Canada                   | 13,883.00    | Cañada Student Body Fees  |
| 423098                           | 08/06/09   | Associated Std-CSM                       | 25,377.02    | CSM Student Body Fees   |
| 423099                           | 08/06/09   | Associated Std-Skyline                   | 24,662.35    | Skyline Student Body Fees                                       |
| 423115                           | 08/06/09   | Wells Fargo Bank                         | 200,289.17   | District Procurement Card Payment                               |
| 423132                           | 08/10/09   | San Bruno Mun Util                       | 11,842.02    | Utilities   |
| 423139                           | 08/13/09   | American Public Television               | 15,841.00    | Annual APT Exchange Fees  |
| 423150                           | 08/13/09   | Dell Computers                           | 86,067.24    | Skyline Media Center and Library Computer Purchase              |
| 423155                           | 08/13/09   | Hartford Life & Accident Insurance Co.   | 32,823.80    | Life Insurance Premium  |
| 423157                           | 08/13/09   | Industrial Employers/Distributors Assoc. | 10,333.28    | Labor Relations Monthly Service Fees                            |

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|--------------|------------|--|--------------|--|
| 423164       | 08/13/09   | NetVersant Solution II LP                | 13,333.34    | Camera Monitoring System Services                      |
| 423165       | 08/13/09   | Netxperts, Inc.                          | 11,077.39    | ITS Server Purchase                                    |
| 423171       | 08/13/09   | Pac Gas & Elec Co                        | 13,437.94    | Utilities  |
| 423172       | 08/13/09   | Pacific Library Partnership              | 11,293.00    | JPA Annual Membership Fees                             |
| 423173       | 08/13/09   | Parsons Commercial Technology Group Inc. | 15,457.50    | Districtwide CIP Professional Services                 |
| 423175       | 08/13/09   | PeopleAdmin, Inc.                        | 24,300.00    | HR Enterprise Applicant Tracking Software Service Fees |
| 423178       | 08/13/09   | Rodan Builders, Inc.                     | 100,261.80   | CSM Construction Project                               |
| 423179       | 08/13/09   | Rosetta Stone Ltd.                       | 17,053.75    | Skyline Translation Software Purchase                  |
| 423183       | 08/13/09   | SCMS Inc.                                | 13,178.88    | KCSM Antenna Purchase                                  |
| 423202       | 08/13/09   | Rodan Builders, Inc.                     | 11,140.20    | CSM Construction Project                               |
| 423222       | 08/20/09   | Chouinard & Myhre, Inc.                  | 11,730.17    | ITS Equipment Purchase                                 |
| 423227       | 08/20/09   | Constellation NewEnergy Inc.             | 24,977.49    | Utilities  |
| 423228       | 08/20/09   | Constellation NewEnergy Inc.             | 29,562.17    | Utilities  |
| 423230       | 08/20/09   | Education Housing Partners, LLC.         | 701,283.00   | Cañada Housing Project Consulting Services             |
| 423233       | 08/20/09   | Hensel Phelps Construction Co.           | 336,958.80   | Skyline Construction Project                           |
| 423236       | 08/20/09   | Global Equipment Co                      | 16,484.72    | Cañada FMC Furniture Purchase                          |
| 423237       | 08/20/09   | Hensel Phelps Construction Co.           | 3,032,629.20 | Skyline Construction Project                           |
| 423246       | 08/20/09   | McCarthy Building Companies              | 9,688,382.10 | CSM Construction Services                              |
| 423248       | 08/20/09   | National Public Radio                    | 10,474.00    | Annual Membership Dues                                 |
| 423254       | 08/20/09   | Pac Gas & Elec Co                        | 19,480.94    | Utilities  |
| 423269       | 08/20/09   | Spherical Magic Corporation              | 20,022.50    | CSM Sculpture Purchase                                 |
| 423275       | 08/20/09   | McCarthy Building Companies              | 1,076,486.90 | CSM Construction Project                               |
| 423283       | 08/20/09   | Calif Water Service Co                   | 12,979.34    | Utilities  |
| 423284       | 08/20/09   | Enterprise Recovery System, Inc          | 12,137.22    | Student AR Collection Fees                             |
| 423290       | 08/20/09   | Franklin Templeton Trust Company         | 24,500.00    | Tax Shelter Annuities                                  |
| 423310       | 08/24/09   | Board of Governors                       | 11,700.00    | Annual Subscription Fees                               |
| 423325       | 08/24/09   | Pac Gas & Elec Co                        | 15,274.39    | Utilities  |
| 423351       | 08/27/09   | Carrubba, Francesco                      | 16,401.75    | Coastside Office Rent                                  |
| 423395       | 08/27/09   | NetVersant Solution II LP                | 13,333.34    | Camera Monitoring System Services                      |
| 423397       | 08/27/09   | Pankow Special Projects, L.P.            | 276,241.50   | CSM Construction Project                               |
| 423410       | 08/27/09   | Siemens Enterprise Communications, Inc.  | 96,962.06    | Phones Maintenance Support Fees                        |
| 423417       | 08/27/09   | Sutro Tower Inc.                         | 17,173.00    | KCSM Transmitter Leasing Fee                           |
| 423430       | 08/27/09   | W W Grainger Inc                         | 13,876.25    | Skyline FMC Equipment Purchase                         |
| 423449       | 08/27/09   | Pankow Special Projects, L.P.            | 30,693.50    | CSM Construction Project                               |
| 423478       | 08/28/09   | Pac Gas & Elec Co                        | 12,380.14    | Utilities  |
| 423479       | 08/28/09   | Pac Gas & Elec Co                        | 13,896.27    | Utilities  |

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|--|---|--|---------------|-----------------------|
| 423493   | 08/28/09  | American Federation of Teachers          | 30,345.41     | Union Dues            |
| 423518   | 08/28/09  | Hartford Retirement Plans Service Center | 42,918.84     | Tax Shelter Annuities |
| <u>District Payroll Disbursement (excluding Salary Warrants)</u> |   |  |               |                       |
| 3329   | 08/03/09  | US Treasury - Union Bank                 | 1,097,459.02  | Federal Tax           |
| 3389   | 08/03/09  | US Treasury - Union Bank                 | 201,396.93    | State Tax             |
| 27311  | 08/19/09  | US Treasury - Union Bank                 | 88,268.56     | Federal Tax           |
| 27640  | 08/19/09  | US Treasury - Union Bank                 | 11,886.74     | State Tax             |
| JE268816   | 08/31/09  | State Teacher Retirement System          | 425,105.89    | STRS Retirement       |
| <u>SMCCCD Bookstores</u>   |   |  |               |                       |
| 105405   | 08/17/09  | Apple Computer Inc.                      | 10,035.95     | Purchase of Inventory |
| 105443   | 08/17/09  | MBS Textbook Exchange                    | 17,826.86     | Purchase of Inventory |
| 105444   | 08/17/09  | McGraw Hill Companies                    | 10,968.36     | Purchase of Inventory |
| 105447   | 08/17/09  | Nebraska Book Company                    | 18,371.28     | Purchase of Inventory |
| 105469   | 08/17/09  | Roadway Express                          | 10,882.48     | Purchase of Inventory |
| 105472   | 08/25/09  | MPS                                      | 15,543.93     | Purchase of Inventory |
| 105477   | 08/25/09  | Roadway Express                          | 11,172.69     | Purchase of Inventory |
| EFT16772   | 08/24/09  | Board of Equalization                    | 11,108.94     | Sales Tax July 2009   |
|  |   | Subtotal                                 | 20,466,666.91 | 90%                   |
|  |   | Warrants Issued ≤ \$10,000               | 2,338,192.87  | 10%                   |
|  |   | Total Non-Salary Warrants Issued         | 22,804,859.78 | 100%                  |
| District Accounts Payable  | 423002-423536, 900486-901937, DD7680-DD8276     |  | 20,769,291.98 |                       |
| District Payroll   | 42907-43701, DD50253-DD51709                    |  | 6,476,364.74  |                       |
| SMCCCD Bookstores  | 105398-105477 & EFT16772                        |  | 211,450.66    |                       |
|  | Total Warrants Including Salaries - August 2009 |  | 27,457,107.38 |                       |

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
 SEPTEMBER 1-30, 2009  
 WARRANT SCHEDULE GREATER THAN OR EQUAL TO \$10,000

| Check Number                     | Check Date | Vendor Name                                 | Check Amount | Description   |
|----------------------------------|------------|---|--------------|---|
| <u>District Accounts Payable</u> |            |   |              |   |
| 008401                           | 09/03/09   | Atlas/Pellizzari Electric Inc.              | 15,818.00    | Cañada & CSM Electrical Services                    |
| 008405                           | 09/03/09   | CIS, Inc                                    | 31,195.00    | Districtwide DSA Inspection Services                |
| 008408                           | 09/03/09   | Education Housing Partners, LLC.            | 64,283.00    | Cañada Housing Project Consulting Services          |
| 008411                           | 09/03/09   | Shannon - Leigh Associates                  | 10,000.00    | CSM Signage Consulting Services                     |
| 008412                           | 09/03/09   | SMC College Ed. Housing Corp.               | 40,024.00    | College Vista Monthly Rent                          |
| 008413                           | 09/03/09   | SMCCCD Bookstore                            | 12,045.78    | Loan to Own Payments                                |
| 008416                           | 09/03/09   | VALIC                                       | 202,802.93   | Tax Shelter Annuities                               |
| 008496                           | 09/10/09   | Automatic Door Systems, Inc.                | 24,986.00    | Skyline Theater Doors Repair Project                |
| 008500                           | 09/10/09   | Northern Distributing/Clean Source          | 24,833.74    | Facilities Custodial Supplies Purchase              |
| 009222                           | 09/24/09   | Bunton Clifford Associates, Inc.            | 34,454.77    | Cañada & Skyline Architectural Services             |
| 009223                           | 09/24/09   | CIS, Inc                                    | 97,775.00    | Districtwide DSA Inspection Services                |
| 009234                           | 09/24/09   | Official Payments Corporation               | 25,076.22    | ASP Service (District Banking Charges) Fee          |
| 009236                           | 09/24/09   | SM County Community College District        | 26,885.18    | Flex Spending Account Reimbursement                 |
| 009237                           | 09/24/09   | SMCCCD Bookstore                            | 65,119.88    | CSM Supplies & Special Programs Books Purchase      |
| 009239                           | 09/24/09   | SMCCCD Bookstore                            | 48,729.91    | Cañada Special Programs Books Purchase              |
| 009244                           | 09/24/09   | TRC Engineers, Inc.                         | 41,960.04    | Skyline Geotechnical Observation & Testing Services |
| 009246                           | 09/24/09   | Urttext                                     | 18,187.50    | Districtwide CPD Consulting Services                |
| 009250                           | 09/24/09   | Xerox Corporation                           | 16,627.73    | Monthly Maintenance and Lease Fees                  |
| 423537                           | 09/03/09   | ABC School Equipment, Inc.                  | 14,778.33    | CSM Instructional Equipment Purchase                |
| 423550                           | 09/03/09   | B.T. Mancini Co. Inc.                       | 32,367.49    | Skyline New Carpet Purchase and Installation        |
| 423551                           | 09/03/09   | B.T. Mancini Co. Inc.                       | 23,885.00    | Skyline New Carpet Purchase and Installation        |
| 423552                           | 09/03/09   | B.T. Mancini Co. Inc.                       | 26,902.31    | Skyline New Carpet Purchase and Installation        |
| 423553                           | 09/03/09   | Bayside Heating & Air Conditioning          | 14,746.00    | CSM A/C Unit Installation                           |
| 423555                           | 09/03/09   | CalPERS                                     | 463,773.69   | Cal PERS Contribution Advance                       |
| 423559                           | 09/03/09   | Swinerton Management & Consulting           | 16,773.27    | Program Management Services                         |
| 423573                           | 09/03/09   | Foundation for California Community College | 23,897.32    | FUSION Annual License Fee                           |
| 423580                           | 09/03/09   | Hartford Life & Accident Insurance Co.      | 32,991.35    | Life Insurance Premium                              |
| 423584                           | 09/03/09   | John Plane Construction                     | 68,401.00    | Skyline Construction Project                        |
| 423602                           | 09/03/09   | Pac Gas & Elec Co                           | 13,804.78    | Utilities   |
| 423604                           | 09/03/09   | Parsons Commercial Technology Group Inc.    | 30,790.00    | Districtwide CIP Professional Services              |
| 423608                           | 09/03/09   | Q Builders, Inc.                            | 29,774.00    | Cañada Construction Project                         |
| 423615                           | 09/03/09   | Robert A. Bothman                           | 237,751.75   | Cañada Construction Project                         |
| 423621                           | 09/03/09   | Swinerton Management & Consulting           | 318,691.94   | Program Management Services                         |
| 423629                           | 09/03/09   | W W Grainger Inc                            | 13,584.18    | Skyline FMC Equipment Purchase                      |

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| Check Number | Check Date | Vendor Name                                 | Check Amount | Description  |
|--------------|------------|---|--------------|--|
| 423631       | 09/03/09   | Calif State Teachers Retirement System      | 39,838.06    | CAL-STRS Cash Balance Contribution                 |
| 423635       | 09/03/09   | Emmett W. MacCorkle Inc. Insurance Services | 156,876.00   | Districtwide Insurance Premium Fees                |
| 423642       | 09/03/09   | Public Empl Ret Sys                         | 1,097,394.55 | Health Insurance Monthly Premium                   |
| 423643       | 09/03/09   | Robert A. Bothman                           | 12,513.25    | Cañada Construction Project                        |
| 423646       | 09/03/09   | Wells Fargo Bank                            | 246,993.27   | District Procurement Card Payment                  |
| 423651       | 09/04/09   | S.M.C.S.I.G.                                | 147,897.95   | Dental Premium Payment                             |
| 423652       | 09/04/09   | S.M.C.S.I.G.                                | 19,337.55    | Vision Premium Payment                             |
| 423701       | 09/10/09   | Robbins Sport Floors California Inc.        | 28,925.00    | CSM PE Gym Floor Repair                            |
| 423706       | 09/10/09   | The Tamalpais Group, Inc.                   | 13,597.30    | ITS Hardware and Software Maintenance Fee          |
| 423727       | 09/10/09   | Vavrinek, Trine, Day & Co.                  | 29,000.00    | Districtwide Audit Services                        |
| 423735       | 09/14/09   | Construction Testing Services, Inc.         | 17,821.57    | CSM Inspection Services                            |
| 423743       | 09/14/09   | Kleinfelder                                 | 17,353.15    | CSM Construction Project                           |
| 423752       | 09/14/09   | Professional Service Industries Inc.        | 16,150.00    | Skyline FMC Tank Removal Services                  |
| 423804       | 09/17/09   | Cornerstone Earth Group, Inc.               | 10,993.20    | CSM Geotechnical Observation & Testing Services    |
| 423810       | 09/17/09   | Education Housing Partners, LLC.            | 690,462.00   | Cañada Housing Project Consulting Services         |
| 423819       | 09/17/09   | Island Advertising Specialties              | 11,952.69    | Skyline Financial Aid Outreach Supplies            |
| 423837       | 09/17/09   | Octagon Risk Services, Inc.                 | 17,000.00    | Districtwide Workers' Comp Administration Services |
| 423849       | 09/17/09   | San Francisco State University              | 22,844.70    | Cañada MESA Engineering Program                    |
| 423875       | 09/17/09   | Emmett W. MacCorkle Inc. Insurance Services | 15,161.00    | Districtwide Felonious Assault Coverage            |
| 424016       | 09/24/09   | Bay View Painting Company                   | 55,930.43    | Cañada Exterior Painting Services                  |
| 424018       | 09/24/09   | John Plane Construction                     | 11,857.01    | Skyline Construction Project                       |
| 424026       | 09/24/09   | Cornerstone Earth Group, Inc.               | 56,871.78    | CSM Geotechnical Observation & Testing Services    |
| 424041       | 09/24/09   | John Plane Construction                     | 106,713.12   | Skyline Construction Project                       |
| 424042       | 09/24/09   | John Plane Construction                     | 45,632.30    | Cañada Construction Project                        |
| 424046       | 09/24/09   | Kleinfelder                                 | 50,417.92    | CSM Materials Testing and Inspection Services      |
| 424062       | 09/24/09   | McCarthy Building Companies                 | 7,309,464.30 | CSM Construction Project                           |
| 424073       | 09/24/09   | Pac Gas & Elec Co                           | 17,069.46    | Utilities  |
| 424084       | 09/24/09   | Robert A. Bothman                           | 192,031.98   | Cañada Construction Project                        |
| 424092       | 09/24/09   | The ACME Network                            | 10,000.00    | Cañada ACME network Membership Fee                 |
| 424094       | 09/24/09   | McCarthy Building Companies                 | 812,162.70   | CSM Construction Project                           |
| 424095       | 09/24/09   | United California Glass Co.                 | 17,141.00    | CSM Window Film Work                               |
| 424111       | 09/24/09   | Calif Water Service Co                      | 14,962.48    | Utilities  |
| 424112       | 09/24/09   | CalPERS                                     | 88,650.47    | Cal PERS Contribution Advance                      |
| 424123       | 09/24/09   | Hartford Retirement Plans Service Center    | 20,000.00    | Tax Shelter Annuities                              |
| 424140       | 09/28/09   | Big D Pacific Builders                      | 35,001.00    | Cañada Construction Project                        |
| 424144       | 09/28/09   | Carrubba, Francesco                         | 16,401.75    | Coastside Office Rent                              |

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
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|--|------------|---------------------------------|--------------|---|
| 424147   | 09/28/09   | Dell Computers                  | 12,571.01    | Skyline Computers Purchase              |
| 424170   | 09/28/09   | Netxperts, Inc.                 | 114,072.38   | SMARTnet Contract Renewal Fees          |
| 424177   | 09/28/09   | Pac Gas & Elec Co               | 16,278.27    | Utilities                               |
| 424186   | 09/28/09   | Sutro Tower Inc.                | 17,173.00    | KCSM Transmitter Leasing Fee            |
| 424189   | 09/28/09   | VKK Signmakers Inc.             | 12,271.07    | Cañada Road Signs Replacement           |
| 424196   | 09/28/09   | Island Advertising Specialties  | 10,498.76    | Skyline Financial Aid Outreach Supplies |
| 424198   | 09/28/09   | Pac Gas & Elec Co               | 50,567.18    | Utilities                               |
| 424202   | 09/28/09   | SMCCCD Bookstore                | 18,290.66    | Skyline EOPS Books Purchase             |
| <u>District Payroll Disbursement (excluding Salary Warrants)</u> |            |                                 |              |   |
| 82160  | 09/01/09   | US Treasury - Union Bank        | 1,156,247.41 | Federal Tax                             |
| 82183  | 09/01/09   | US Treasury - Union Bank        | 214,603.67   | State Tax                               |
| 24612  | 09/16/09   | US Treasury - Union Bank        | 171,309.00   | Federal Tax                             |
| 24696  | 09/16/09   | US Treasury - Union Bank        | 13,397.12    | State Tax                               |
| JE270234   | 09/30/09   | State Teacher Retirement System | 615,504.12   | STRS Retirement                         |
| <u>SMCCCD Bookstores</u>   |            |                                 |              |   |
| 105487   | 9/2/2009   | Cengage Learning                | 51,359.01    | Purchase on Inventory                   |
| 105496   | 9/2/2009   | Elsevier Publishing Co.         | 29,125.30    | Purchase on Inventory                   |
| 105514   | 9/2/2009   | MBS Textbook Exchange           | 37,123.98    | Purchase on Inventory                   |
| 105515   | 9/2/2009   | McGraw Hill Companies           | 31,666.85    | Purchase on Inventory                   |
| 105527   | 9/2/2009   | Pearson Education Inc.          | 99,384.63    | Purchase on Inventory                   |
| 105547   | 9/2/2009   | Roadway Express                 | 10,581.56    | Purchase on Inventory                   |
| 105553   | 9/17/2009  | Apple Computer Inc.             | 28,867.00    | Purchase on Inventory                   |
| 105561   | 9/17/2009  | Cengage Learning                | 268,505.93   | Purchase on Inventory                   |
| 105583   | 9/17/2009  | Elsevier Publishing Co.         | 16,394.59    | Purchase on Inventory                   |
| 105588   | 9/17/2009  | Follett Higher Education        | 67,069.28    | Purchase on Inventory                   |
| 105593   | 9/17/2009  | Grace Training Supply           | 17,953.05    | Purchase on Inventory                   |
| 105606   | 9/17/2009  | Kendall/Hunt Publishing Co.     | 14,335.96    | Purchase on Inventory                   |
| 105613   | 9/17/2009  | MBS Textbook Exchange           | 160,144.82   | Purchase on Inventory                   |
| 105615   | 9/17/2009  | McGraw-Hill Companies           | 127,504.47   | Purchase on Inventory                   |
| 105618   | 9/17/2009  | MPS                             | 18,262.93    | Purchase on Inventory                   |

SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT  
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| Check Number              | Check Date | Vendor Name  | Check Amount                | Description                   |
|---------------------------|------------|--|-----------------------------|-------------------------------|
| 105621                    | 9/17/2009  | NACSCORP   | 26,227.98                   | Purchase on Inventory         |
| 105623                    | 9/17/2009  | NEBRASKA Book Company                              | 71,560.77                   | Purchase on Inventory         |
| 105624                    | 9/17/2009  | WW Norton & Company                                | 14,189.20                   | Purchase on Inventory         |
| 105631                    | 9/17/2009  | Pearson Education Inc.                             | 318,202.02                  | Purchase on Inventory         |
| 105644                    | 9/17/2009  | Roaring Spring Paper Prod                          | 20,176.72                   | Purchase on Inventory         |
| 105653                    | 9/17/2009  | SMCC College District                              | 126,909.63                  | Salaries & Benefits July 2009 |
| 105660                    | 9/17/2009  | Pea Press  | 19,048.89                   | Purchase on Inventory         |
| EFT 24047                 | 9/24/2009  | Board of Equalization                              | 239,979.62                  | Sales Tax August 2009         |
|                           |            | Subtotal   | <u>17,873,493.87</u>        | 79%                           |
|                           |            | Warrants Issued ≤ \$10,000                         | <u>4,690,717.05</u>         | 21%                           |
|                           |            | Total Non-Salary Warrants Issued                   | <u><u>22,564,210.92</u></u> | 100%                          |
| District Accounts Payable |            | 423537-424203, 901938-904653, DD8399-DD9365        | 18,335,071.70               |                               |
| District Payroll          |            | 43702-44791, DD51710-DD53085                       | 8,364,750.51                |                               |
| SMCCCD Bookstores         |            | 105478-105669, EFT24047                            | <u>2,058,077.90</u>         |                               |
|                           |            | Total Warrants Including Salaries - September 2009 | <u><u>28,757,900.11</u></u> |                               |



**BOARD REPORT NO. 09-10-2CA**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Jan Roecks, Director of General Services, 650-358-6879  
Bob Domenici, Senior Buyer, 650-358-6728

**AUTHORIZATION AND UTILIZATION OF OAKLAND UNIFIED SCHOOL DISTRICT  
CONTRACT FOR DISTRICTWIDE MOVING SERVICES**

The Oakland Unified School District went out to bid for a moving services contract in late spring 2009 and as a result awarded a contract to Cor-O-Van that began July 1, 2009. The District has worked with Cor-O-Van previously and has been pleased with their service and performance. Accordingly, the District is interested in piggybacking on the Oakland Unified School District contract awarded to Cor-O-Van to utilize the competitive hourly rates in the contract.

The District plans on using this contract for planned moves associated with the CIP II program. This contract renewal is valid from July 1, 2009 through June 30, 2010. Bond funding is the primary budget source for these services.

| Vendor    | Hourly Rate 1 Van / 1 Man |
|-----------|---------------------------|
| Cor-O-Van | \$54.50                   |
| Graebel   | \$55.00                   |
| Norcal    | \$55.25                   |

**RECOMMENDATION**

It is recommended that the Board of Trustees approve use of the piggyback clause in the contract from Oakland Unified School District with Cor-O-Van for moving services through June 30, 2010, recognizing that this firm will quote on a project-by-project basis. The District anticipates spending between \$160,000 and \$300,000 through June 30, 2010, based on potential move projects and historical expenses for these services.

**BOARD REPORT NO. 09-10-2B**

To: Members of the Board of Trustees

From: Ron Galatolo, Chancellor

PREPARED BY: Barbara Christensen, Director of Community/Government Relation, 574-6510

**ADOPTION OF NEW POLICIES 2.19, NONDISCRIMINATION; 2.51, REPORTING OF CRIMES; AND 6.19, MULTIPLE AND OVERLAPPING ENROLLMENTS**

**AMENDMENT OF POLICIES 2.20, EQUAL EMPLOYMENT OPPORTUNITY; 2.29, SEXUAL ASSAULT EDUCATION, PREVENTION AND REPORTING; 2.60, RESIGNATIONS; 6.04, MINIMUM CLASS SIZE GUIDELINES; 6.21, GRADING AND ACADEMIC RECORD SYMBOLS; 6.90, COMMUNITY EDUCATION CLASSES; 7.03, ELIGIBILITY REQUIREMENTS FOR ADMISSION OF INTERNATIONAL STUDENTS; AND 7.07, NON-RESIDENT STUDENT TUITION FEES;**

In a continuing effort to review and update District Rules and Regulations, the policies listed in the title of this report have been reviewed.

The new policies 2.19, 2.51 and 6.19 are all requirements of either newly enacted laws or regulations and, as such, they are recommended by the Community College League of California Policy and Procedure Services.

The amendments to policies 2.20, 2.29, 2.60, 6.04, 6.21, 6.90, 7.03 and 7.07 are suggested either by the League's Policy and Procedure Services or are included due to a change in the District's practices.

All Chapter 6 policies were reviewed and approved by the District Academic Senate and were presented as information items to the District Shared Governance Council (DSGC). The other policies were reviewed and approved by the DSGC.

**RECOMMENDATION**

It is recommended that the Board approve revisions to District Rules and Regulations as follows:

Adoption of new Policies 2.19, Nondiscrimination; 2.51 Reporting of Crimes; and 6.19, Multiple and Overlapping Enrollments;

Amendment of Policies 2.20, Equal Employment Opportunity; 2.25, Sexual Assault Education, Prevention and Reporting; 2.60, Resignations; 6.04, Minimum Class Size Guidelines; 6.21, Grading and Academic Record Symbols; 6.90, Community Education Classes; 7.03, Eligibility Requirements for Admission of International Students; and 7.07, Non-Resident Tuition Fees.

## **2.19 Nondiscrimination**

1. The District is committed to equal opportunity in educational programs, employment, and all access to institutional programs and activities.
2. The District, and each person who represents the District, shall provide access to its services, classes, and programs to individuals without regard to national origin, religion, age, sex or gender, race, color, medical condition, ancestry, sexual orientation, marital status, physical or mental disability, or because they are perceived to have one or more of the foregoing characteristics, or based on association with a person or group with one or more of these actual or perceived characteristics.
3. The Chancellor shall establish administrative procedures that ensure all members of the college community can present complaints regarding alleged violations of this policy and have their complaints heard in accordance with the Title 5 regulations and those of other agencies that administer state and federal laws regarding nondiscrimination.
4. No District funds shall ever be used for membership in, or for any participation involving financial payment or contribution on behalf of the District or any individual employed by or associated with it, to any private organization whose membership practices are discriminatory on the basis of national origin, religion, age, sex or gender, race, color, medical condition, ancestry, sexual orientation, marital status, physical or mental disability, or because he or she is perceived to have one or more of the foregoing characteristics, or because of his or her association with a person or group with one or more of these actual or perceived characteristics.

References: Education Code Sections 66250 et seq., 72010 et seq., and 87100 et seq.; Title 5 Sections 53000 et seq. and 59300 et seq.; Penal Code Section 422.55; Government Code Sections 12926.1 and 12940 et seq.

(10/09)

## **2.51 Reporting of Crimes**

1. The Chancellor shall assure that, as required by law, reports are prepared of all occurrences reported to campus security of arrests for crimes committed on campus that involve violence, hate violence, theft or destruction of property, illegal drugs, or alcohol intoxication. The Chancellor shall further assure that required reports of non-criminal acts of hate violence are prepared. Such reports shall be made available as required by law.
2. The Chancellor shall establish procedures related to the responsibility of employees, within the scope of employment or in their professional capacity, to report suspected abuse and neglect of children.

Reference: Education Code Section 67380; Penal Code Sections 261, 264.1, 273a, 273d, 285, 286, 288, 288a, 289, 647a, and 11164-11174.3; Welfare and Institutions Code Sections 300, 318, and 601; Family Code Sections 7802, 7807, 7808, 7820-7829, 7890, and 7892

(10/09)

### **6.19 Multiple and Overlapping Enrollments**

1. The Colleges shall establish procedures to ensure that a student may enroll in two or more sections of the same credit course during the same term only if the length of the course provides that the student is not enrolled in more than one section at any given time.
2. The Colleges shall establish procedures to ensure that a student may enroll in two or more courses where the meeting times overlap only under the following conditions specified in Title 5:
  - a. the student provides a sound justification, other than mere scheduling convenience, of the need for the overlapping schedule;
  - b. an appropriate College Dean approves the schedule;
  - c. the College maintains documentation describing the justification for the overlapping schedule and showing that the student made up the hours of overlap in the course partially or wholly not attended as scheduled at some other time during the same week under the supervision of the instructor of the course.

Reference: Title 5 Section 55007

10/09

## 2.20 ~~Policy on~~ Equal Employment Opportunity

1. The San Mateo County Community College District is committed to equal employment opportunity and full recognition of the diversity of cultures, ethnicities, language groups and abilities that are represented in its surrounding communities and student body. **The Board believes that diversity in the academic environment fosters cultural awareness, mutual understanding and respect, and suitable role models for all students.** The District shall demonstrate its commitment to the cultural competence<sup>1</sup> of its employees and students through policies, procedures, training programs, services and activities which promote diversity and mutual respect within the District work force and student body, ~~without regard to gender, ethnicity or ability.~~
2. The San Mateo County Community College District is an equal opportunity employer that shall provide an educational and work environment in which no person is denied access to, or the benefits of, any program or activity of the District on the basis of ethnic group identification, national origin, religion, age, gender, sexual orientation, race, color, or physical or mental ability. This includes District decisions about employment, retention, compensation, promotion, termination and/or other employment status.
3. The District shall monitor the success of equal opportunity in its recruitment, selection, retention and promotional policies and procedures by monitoring outcomes to assure no adverse impact against any person or group of individuals, due to ethnic group identification, national origin, religion, age, sex, sexual orientation, race, color, or physical or mental ability.
4. The District complies with the spirit and law of the Americans with Disabilities Act of 1990 **as amended** by providing equal opportunity for persons with disabilities. The District shall make reasonable accommodations so that persons of all levels of ability enjoy equal access to all aspects of employment and education in our District, including but not limited to, educational services, selection procedures, retention and promotion.
5. The District will not tolerate discourteous, offensive or abusive conduct or language including jokes, slurs, derogatory comments, or behaviors or language regarding a person's race, color, religion, national origin, age, gender, disability, marital status, sexual orientation or medical condition relating to other employees, students or the public.

**References: Education Code Sections 87100 et seq.; Title 5 Sections 53000, et seq.**

(Revised ~~June 23, 2004~~ 10/09)

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<sup>1</sup> "Cultural Competence" refers to the skills and ability of individuals to act in a sensitive, inclusive and respectful manner in interactions with persons who are different from themselves.

## 2.29 Sexual Assault Education, ~~and~~ Prevention, and Reporting

1. Any sexual assault or physical abuse, including but not limited to rape as defined by California law, whether committed by an employee, student, or member of the public, that occurs on District property, is a violation of District policies and procedures and is subject to all applicable punishment, including criminal procedures and employee or student discipline procedures. Students, faculty, and staff who may be victims of sexual and other assaults shall be treated with dignity and provided comprehensive assistance.

~~In accordance with California Education Code, Section 67382, it is the policy of the San Mateo County Community College District to educate all students, faculty, and staff on the prevention of sexual assault.~~

2. The Chancellor shall establish administrative procedures that ensure that students, faculty, and staff who are victims of sexual and other assaults receive appropriate information and treatment, and that educational information about preventing sexual violence is provided and publicized as required by law. The procedures shall meet the criteria contained in the Education Code and Code of Federal Regulations.
3. The District and Colleges will provide information to all SMCCCD faculty, staff, and registered students on the definition of sexual assault, how to prevent it and how to report it if assaulted.
4. The Colleges shall disseminate this information through means such as the student/staff handbooks, District and College websites and orientations to the Colleges. The District Vice Chancellor of Human Resources and Vice Presidents of Student Services may take additional steps to disseminate the information Districtwide and at each College.
5. The District/Colleges will develop partnerships with community agencies that provide support and assistance to sexual assault victims.
6. All Managers shall be educated on the prevention of sexual assault and how to report any incidents of such assaults on a student, employee or visitor to a campus, whether the assault occurred on campus or not.

References: California Education Code, Sec. 67382, 67385, 67385.7; 20 U.S.C. § 1092(f); 34 C.F.R. §668.46(b)(11)

(Revised ~~12/07~~ 10/09)

## 2.60 Resignations

1. Resignations shall be submitted in writing through the employee's immediate supervisor to the College or District chief executive officer and the Office of Human Resources.
2. The Board shall accept resignations of ~~members of the faculty~~ any employee shall be accepted, and ~~the Board~~, and will fix the time when the resignation is to take effect. By law, this date may not be later than the close of the ~~College~~ academic year during which the resignation has been received by the Board.
3. A classified employee wishing to resign shall provide the District at least two weeks' notice of his/her intention to leave, unless the Board consents to his/her leaving sooner.
4. The Board delegates to the Chancellor the authority to accept resignations on its behalf at any time. Resignations shall be deemed accepted by the Board when accepted in writing by the Chancellor. When accepted by the Chancellor, the resignation is final and may not be rescinded. All such resignations shall be forwarded to the Board for ratification.

Reference: Education Code Sections 87730; 88201

(Revised ~~7/90~~ 10/09)



#### **6.04 Minimum Class Size Guidelines**

1. The District's Colleges will organize classes in as efficient a manner as possible consistent with good instructional practices and the needs of students
2. Classes with fewer than twenty (20) students will normally be cancelled or merged with another section.
3. Certain classes with enrollments of twenty (20) or fewer, for example required sequential courses, single sessions required for a major, and classes in facilities which will not accommodate twenty (20) students, will be carefully reviewed **in consultation with discipline faculty** and, if offered, will be balanced against large classes.

(Revised 10/09)

## 6.21 Grading and Academic Record Symbols

(Replaces Section 7.35, part 3, Academic Record Symbols and Grade Point Average)

### 1. Courses shall be graded using the grading system established by Title 5.

a. Grades from a grading scale shall be averaged on the basis of the point equivalencies to determine a student's grade point average. The highest grade shall receive 4 points and the lowest grades shall receive 0 points using only the following evaluative symbols.

#### b. Grading Symbols

- |      |   |   |          |
|------|---|---|----------|
| i.   | A   | Excellent   | 4 points |
| ii.  | B   | Good  | 3 points |
| iii. | C   | Satisfactory  | 2 points |
| iv.  | D   | Passing, less than satisfactory   | 1 point  |
| v.   | F   | Failing   | 0 points |
| vi.  | <del>CR P</del> <b>Credit</b>             | <del>Passing</del> <b>Passing</b> (At least satisfactory – Units not counted in GPA)  |          |
| vii. | <del>NC NP No-Credit</del> <b>No Pass</b> | <del>No Pass</del> <b>No Pass</b> (Less than Satisfactory – Units not counted in GPA) |          |

c. **Non-evaluative Symbols:** Only the following non-evaluative symbols are authorized:

i. **I – Incomplete** - This symbol is to be used in case of incomplete academic work for unforeseeable, emergency, and justifiable reasons. Conditions for the removal of the "Incomplete" shall be set forth by the faculty member in a written record which also indicates the grade assigned in lieu of removal. The student will receive a copy of this record and a copy will be filed by the Dean of Admissions and Records or the designee of the responsible Vice President. A final grade will be assigned by the faculty member when the stipulated work has been completed and evaluated. In the event that the work is not completed within the prescribed time period, the grade previously determined by the faculty member will be entered in the permanent record. The "Incomplete" must be made up no later than one year following the end of the term in which it was assigned. Established College procedures may be utilized to request a time extension in cases involving unusual circumstances. The "I" symbol shall not be used in ~~the computation of grade point average~~ **calculating units attempted nor for grade points.**

ii. **IP – In Progress:**

- ~~This symbol is to be used in the student's permanent record to confirm enrollment and to indicate that the class extends beyond the normal end of the term. It indicates that work is "In Progress" and that unit credit and a grade will be assigned when the course is completed.~~
- ~~If a student enrolled in an open entry, open exit course is assigned an "IP" grade and does not re-enroll for the subsequent attendance period, the faculty member will assign an evaluative symbol, in accordance with [6(a)] above, to be recorded on the student's permanent record for the course.~~
- ~~The "IP" shall not be used in the computation of grade point average.~~

The "IP" symbol shall be used only in those courses which extend beyond the normal end of an academic term. It indicates that work is "In Progress," but that assignment

6.21 Grading and Academic Record Symbols (continued)

of the evaluative symbol (grade) must wait its completion. The “IP” symbol shall remain on the student’s permanent record in order to satisfy enrollment documentation. The appropriate evaluative symbol (grade) and unit credit shall be assigned and appear on the students permanent record for the term in which the course is completed.

- iii. RD – Report Delayed: ~~This symbol is to be used~~ The “RD” symbol may be assigned only by the Dean of Admissions and Records or the designee of the responsible Vice President, for the purpose of indicating that there has been a delay in reporting the grade due to circumstances beyond the student’s control. It is to be replaced by a permanent symbol as soon as possible. The “RD” shall not be used in the ~~computation~~ calculation of grade point average.
- ~~iv. W – Withdrawal/MW – Military Withdrawal [See Section 7.35(1.d)]~~
- iv. W – Withdrawal: The “W” symbol may be used to denote withdrawal in accordance with the requirements of Title 5 Section 55024.
- v. W – Military Withdrawal: The “MW” symbol may be used to denote military withdrawal in accordance with Title 5 Section 55024.

Reference: Title 5 Section 55023, 55024

(Revised 10/09)

**6.90 Community Education Classes (combines old 6.90 Criteria for Establishing Community Services Classes and Activities and 6.91 Definition of Community Services Classes and Activities)**

1. The Board of Trustees authorizes the offering of fee-based community education courses and programs in a “not-for-credit” mode to respond to community needs.
2. The Colleges of the District may offer community education or personal enrichment classes in subject matter areas that, in content or depth of treatment, are not appropriate for college credit but are appropriate to the functions of the Colleges and have broad community appeal or fulfill a specific and significant community educational or service need.
3. A community education class may qualify for continuing education units (CEUs) upon certification of a specified minimum number of hours of instruction approved or accepted by State licensing or regulatory agencies and/or professional associations.
4. Community education classes and activities shall be adapted to the needs, interests and desires of various segments of the community served by the District and shall draw upon the various resources represented in the total academic community of each College. Close liaison and cooperation shall be maintained with interested community groups in the planning, organization and implementation of these programs.
5. Criteria for community education classes:
  - a. The community education program determines that the instructor of record has a demonstrated expertise in the subject.
  - b. The class shall not require an official student performance evaluation.
  - c. The class shall be coordinated with appropriate College administrators.
  - d. The class shall not unnecessarily duplicate local adult education and recreational programs.
  - e. The class shall require formal registration.
6. Community education may be offered at various locations in the county to achieve geographical balance in program offerings.
7. Fee-based community education classes and activities shall be self-supporting. Students involved in community education classes shall be charged a fee not to exceed the cost of maintaining the classes. Classes may also be offered for remuneration by contract or with contributions or donations of individuals or groups.
8. Registration fees and instructor remuneration shall be calculated based upon total direct and indirect costs of the program involved and the anticipated enrollment.
9. Community education offerings shall be closely coordinated with appropriate College administrators to avoid unnecessary duplication and to prevent problems relating to the use of facilities.
10. The Board shall approve community education offerings each semester.

6.90 Community Education Classes (continued)

- ~~1. The following criteria will apply in the selection and planning of Community Services classes and activities. These classes and activities shall:
  - ~~a. Be appropriate to the functions of the Colleges.~~
  - ~~b. Have broad community appeal or fulfill a specific and significant community educational or service need.~~
  - ~~c. Present cross-disciplinary applications wherever possible.~~
  - ~~d. Be feasible in terms of costs, personnel, facilities and community support.~~~~
  
- ~~2. When conducted in cosponsorship with and at the request of community organizations, the primary educational and administrative responsibility for the planning and conduct of the program shall fall within the function and province of the Assistant Vice Chancellor for Occupational Programs and Planning. When conducted in cooperation with a community group or agency, the purpose of the program shall be consistent with College and District objectives, and the planning and administration shall be the responsibility of the community group or agency, with appropriate direction from and consultation with the District Community Services staff.~~

(Revised ~~10/88~~ 10/09)

### 7.03 Eligibility Requirements for Admission of International Students

1. An international student is defined as one who is in **the United States** on a valid and current student visa.
2. The following are the admission requirements for international students. International students must:
  - a. **Satisfy all requirements for college required by U.S. Immigration and Customs Enforcement.**
  - b. Provide verification of being in compliance with all applicable rules of the Immigration and **Customs Enforcement** Service, with respect to an existing F-1 (student) visa, when transferring from a United States educational institution.
  - c. Demonstrate proficiency in the use of the English language to a degree which will enable them to **profit benefit** from instruction.
  - d. Offer evidence of a standard degree of academic aptitude and achievement equivalent to an American high school education with recommending grades.
  - e. Meet any standards of health specifically set forth by Federal, State, or local authorities.
  - f. **Demonstrate ability to support self while in College.**
  - g. Generally, not have previously completed a level of education (college degrees, etc.) that exceeds that being sought at the District College.
3. **A student holding an F-1 visa with an I-20 issued by another educational institution, or the dependent of a student in that category, may be admitted as a part-time student not to exceed six units each semester.**
4. All international students will be required to pay non-resident tuition. [See Rules and Regulations, [Section 8.74 \(5\)](#)]
5. All international students will be required to pay an International Student Health Insurance fee for each semester or session of attendance. This fee will be waived for international students who present proof of enrollment in a personal health insurance plan valid in California with an appropriate level of coverage.

Reference: Education Code Section 76141; 76142; Title 5 Section 54045.5; Title 8, U.S.C. Section 1101, et seq.

(Revised 10/09)

## 7.07 Non-resident Student Tuition Fees

### 1. Tuition Fees

- a. A tuition fee shall be charged each non-resident student. Each student shall pay tuition for the number of units in which enrolled unless specifically required otherwise by law.  
~~b. Annual computation of the tuition fee shall be the responsibility of the Associate chancellor. Normally, the rates for the following fiscal year shall be submitted to the Board for approval at the first regular meeting in December.~~
- b. The Board shall establish fees in compliance with California Education Code, Title 5 and the California Community College Attendance Accounting Manual.
- c. The Chancellor or designee shall establish procedures regarding collection, waiver, and refunds of non-resident tuition.
- d. Collection of tuition fees at each College shall be the responsibility of the Cashier's Office.

### 2. The Chancellor is authorized to implement a capital outlay component to the nonresident tuition to be charged only to persons who are both citizens and residents of foreign countries. The Board finds and declares that this fee does not exceed the amount expended by the District for capital outlay in the preceding year divided by the total FTES in the preceding fiscal year.

- a. Students who would otherwise be charged this fee shall be exempt if they demonstrate that they are a victim of persecution or discrimination in the country of which they are a citizen and resident, or if they demonstrate economic hardship.
- b. Students shall be deemed victims of persecution or discrimination if they present evidence that they are citizens and residents of a foreign country and that they have been admitted to the United States under federal regulations permitting such persons to remain in the United States.
- c. Students shall be deemed to have demonstrated economic hardship if they present evidence that they are citizens and residents of a foreign country and that they are receiving Temporary Assistance for Needy Families Program, Supplemental Income/State Supplementary benefits, or general assistance.

### 3. Payment of Fees

- a. The non-resident tuition fee for the number of units for which the student is registering is due and payable in full at the time of registration. If it is determined by the ~~Dean of Admissions and Records, or the designee of the responsible Vice President~~ Vice President of Student Services or designee that, for reasons beyond his/her control, a student is not able to make full payment of the fee at the time of registration, the following deferred payment schedule may be utilized:
  - i. One-third of the total tuition shall be paid at the time of registration.
  - ii. The balance shall be paid prior to November for Fall semester, prior to April for Spring semester, and two weeks after the date of registration for Summer Session.
  - iii. A student who has a tuition fee balance from a previous semester or session shall not be allowed to complete registration for any other semester or session.

### 4. Residence Classification

Residence classification shall be made for each student at the time the application is accepted for admission and whenever a student has not been in attendance for more than one semester. The ~~Dean of Admissions and Records, or the designee of the responsible Vice President~~ Vice President of

7.07 Non-resident Student Tuition Fees (continued)

Student Services, or designee, shall be responsible for notifying each student who has been classified a non-resident not later than fourteen (14) calendar days after the beginning of the semester/session for which the student has applied or fourteen (14) calendar days after the student's application is received, whichever is later.

- a. A non-resident student who was incorrectly classified as a resident and who is attending a class or classes is required to pay the non-resident tuition fee upon notification of the error. Failure to make proper payment may result in cancellation of the student's registration. Notification shall consist of written notice from the College to the student. The student shall have the right to appeal the residency determination in accordance with Rules and Regulations, 7.73.

5. Admission by Misinformation

- a. A non-resident student who has been admitted to a class or classes without payment of the fee because of misinformation submitted by him/her during registration shall be subject to disciplinary action and excluded from such class or classes until a payment program is agreed upon by the student and the designated manager. For the purpose of this rule only, such notification may be given at any time during the period of enrollment. Unless a payment program is agreed to by the student and the designated manager, the student shall not be readmitted during the semester or session from which s/he was excluded, nor shall s/he be admitted to any following session or semester until all previously incurred tuition obligations are met. The student may appeal this action in accordance with Rules and Regulations, 7.73.
- b. The District shall vigorously pursue collection of non-resident fees and shall, when necessary, initiate legal action to collect such fees.

6. Non-resident Tuition Fee Waiver

- a. The College may waive non-resident tuition fees which were not collected as a result of the College's error and not through the fault of the student and if collection of such a fee would cause the student undue hardship **in accordance with regulations and definitions adopted by the State.**

**Reference: Education Code Sections 68050, 68051, 68052, 68130, 76130, 76141; Title 5 Section 54045.5**

**(Revised 10/09)**



**BOARD REPORT NO. 09-10-100B**

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

**TRANSFER OF FUNDS INTO POST RETIREMENT TRUST**

The Board approved the establishment of a Retirement Board of Authority (RBOA) and a Post Retirement Trust Fund at its meeting on July 22, 2009. The members of the RBOA were appointed by the Board and by CSEA and AFT. The members are: Kathy Blackwood, CFO, Chair; Harry Joel, Vice Chancellor of Human Resources; Raymond Chow, Controller; Bruce Maule, AFT appointee; and Stephanie Samuelsen, CSEA appointee. The RBOA had its first meeting on October 2, 2009, at which the trust was formally created and a draft investment policy was created.

At this time, it is appropriate to place some District funds into the trust. Any funds placed in the trust can be used only for retiree medical benefits, either current premiums or for premiums at some time in the future. Because this is the beginning of the process and the RBOA is still new, and taking into account the cash needs of the District, staff is recommending that the District's initial transfer into the trust be \$5 million.

**RECOMMENDATION**

It is recommended that the Board of Trustees approve transferring \$5 million from the District Unrestricted General Fund into the Post Retirement Trust.

**BOARD REPORT NO. 09-10-101B**

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor

PREPARED BY: Barbara Christensen, Director of Community/Government Relations, 574-6510

**ADOPTION OF RESOLUTION NO. 09-9 AUTHORIZING LEASE FINANCING OF THE ACQUISITION AND CONSTRUCTION OF CAÑADA VISTA, AND APPROVING RELATED DOCUMENTS AND ACTIONS**

At the October 14, 2009 Study Session, the Board was presented information on a financing plan for the Cañada Vista faculty and staff housing project.

In order to provide initial financing for the project, the District proposes to lease the College of San Mateo Library and Regional Public Safety Center ("Leased Property") to the San Mateo County Community College District Financing Corporation ("Corporation") for an up-front rental payment which is sufficient to enable the District to complete the project.

In order to provide the funds needed to finance the project, the Corporation has proposed to lease the Leased Property back to the District in consideration of the payment by the District of lease payments as the rental for the Leased Property which the Corporation will assign to the District, on behalf of its Post Retirement Benefits Funds, under an Assignment of Lease Agreement between the Corporation and the District on behalf of its Post Retirement Benefits Fund.

The Lease Agreement shall be for a term not in excess of 30 years. The interest rate used to calculate the lease payments shall not exceed 3.00%. The proceeds received by the District from the assignment of the Lease Agreement by the Corporation to the District on behalf of its Post Retirement Benefits Fund shall not exceed \$15,000,000.

Resolution 09-9 specifies that Jones Hall be appointed as Bond Counsel to the District in connection with the proposed lease financing. The Resolution also grants authorization for the execution of all documents pursuant to the Resolution.

**RECOMMENDATION**

It is recommended that the Board adopt Resolution No. 09-9, which approves execution of a Lease Agreement between the District and the Corporation; an Assignment of Lease Agreement between the District, on behalf of its Post Retirement Benefits Fund, and the Corporation; and a Termination Agreement.

**SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT**

**RESOLUTION NO. 09-9**

**A RESOLUTION AUTHORIZING LEASE FINANCING OF THE ACQUISITION AND CONSTRUCTION OF CANADA VISTA, AND APPROVING RELATED DOCUMENTS AND ACTIONS**

---

**RESOLVED**, by the Board of Trustees of the San Mateo County Community College District (the "District"):

**WHEREAS**, the District wishes to finance the design, acquisition and construction of Cañada Vista (the "Project"), which will provide housing for District faculty and staff; and

**WHEREAS**, in order to provide initial financing for the Project, the District has proposed to lease the College of San Mateo Library and the College of San Mateo Regional Public Safety Center (collectively, the "Leased Property") to the San Mateo County Community College District Financing Corporation (the "Corporation") for an up-front rental payment which is sufficient to enable the District to complete the Project; and

**WHEREAS**, in order to provide the funds needed to finance the Project, the Corporation has proposed to lease the Leased Property back to the District in consideration of the payment by the District of lease payments as the rental for the Leased Property (the "Lease Payments"), which the Corporation will assign to the District, on behalf of its Post Retirement Benefits Fund, under an Assignment of Lease Agreement between the Corporation and the District on behalf of its Post Retirement Benefits Fund; and

**WHEREAS**, Government Code Section 5925 authorizes the District, on behalf of its Post Retirement Benefits Fund, to purchase the lease obligation without extinguishing the lease obligation; and

**WHEREAS**, the Board of Trustees approves all of said transactions as being in furtherance of the public purposes of the District and wishes at this time to authorize all proceedings relating to the lease financing of the Project;

**NOW, THEREFORE**, it is hereby **ORDERED** and **DETERMINED** as follows:

**Section 1. Approval of Lease Agreement and Assignment of Lease Agreement.**  
The Board of Trustees hereby approves the initial lease financing described above, which the District expects to refinance with proceeds of its general obligation bonds. To that end, the Board of Trustees hereby approves the following documents:

- (i) the Lease Agreement between the District and the Corporation, in substantially the form on file with the Secretary of the Board of Trustees, together with any changes therein or additions thereto deemed advisable by the Chancellor-Superintendent or the Executive Vice-Chancellor.

(ii) the Assignment of Lease Agreement between the District and the Corporation, in substantially the form on file with the Secretary of the Board of Trustees, together with any changes therein or additions thereto deemed advisable by the Chancellor-Superintendent or the Executive Vice-Chancellor

The Chancellor-Superintendent and the Executive Vice-Chancellor are each hereby authorized and directed for and in the name and on behalf of the District to execute, and the Secretary of the Board of Trustees is hereby authorized and directed to attest to, the final form of the Lease Agreement and the Assignment of Lease Agreement.

**Section 2. Material Terms of Lease Agreement.** The Lease Agreement shall be for a term not in excess of 30 years. The interest rate used to calculate the Lease Payments shall not exceed 3.00%. The proceeds received by the District from the assignment of the Lease Agreement by the Corporation to the District on behalf of its Post Retirement Benefits Fund shall not exceed \$15,000,000.

**Section 3. Official Actions.** The Chancellor-Superintendent, the Executive Vice-Chancellor, the Secretary of the Board of Trustees and all other officers of the District are each authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved pursuant to this Resolution, including, but not limited to, a termination agreement relating to certain title encumbrances affecting the Leased Property. Whenever in this resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 5. Appointment of Bond Counsel.** The Board of Trustees hereby approves the engagement of Jones Hall, A Professional Law Corporation, as bond counsel to the District in connection with the proposed lease financing, pursuant to the Agreement for Legal Services on file with the Secretary. The Board of Trustees hereby authorizes the Executive Vice-Chancellor to execute the Agreement for Legal Services on behalf of the District.

**Section 6. Authorization of Investment.** The Board of Trustees hereby expressly authorizes the District, on behalf of the Post Retirement Benefits Fund, to purchase the stream of Lease Payments described above, which Lease Payments will have a maturity date of greater than five years.

**Section 7. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

\* \* \* \* \*

PASSED AND ADOPTED this 28th day of October, 2009, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
President of the Board of Trustees of  
San Mateo County Community College District  
San Mateo County, California

ATTEST:

\_\_\_\_\_  
Vice President/Clerk of the Board of Trustees of  
San Mateo County Community College District,  
San Mateo County, California

42631-04

JH:CKL

9-25-09  
10-5-09  
10-23-09

*TO BE RECORDED AND WHEN RECORDED  
RETURN TO:*

Jones Hall, A Professional Law Corporation  
650 California Street, 18<sup>th</sup> Floor  
San Francisco, California 94108  
Attention: Christopher K. Lynch, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX UNDER SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES UNDER SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

## **LEASE AGREEMENT**

This LEASE AGREEMENT (this "Lease"), dated as of November 1, 2009, is between SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT FINANCING CORPORATION, a nonprofit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT, a community college district duly organized and existing under the Constitution and laws of the State of California (the "District").

### *BACKGROUND:*

1. The District wishes to finance the design, acquisition and construction of Cañada Vista (the "Project") in order to provide housing to District faculty and staff, and in order to provide financing for the Project the District wishes to lease the College of San Mateo Library and the College of San Mateo Regional Public Safety Center (the "Leased Property") to the Corporation for an up-front rental payment which is sufficient to enable the District to complete the Project.

2. In order to provide the funds needed to finance the Project, the Corporation has proposed to lease the Leased Property back to the District in consideration of the payment by the District of semiannual lease payments as the rental for the Leased Property (the "Lease Payments"), which the Corporation will assign to the District, on behalf of its Post Retirement Benefits Fund, under an Assignment of Lease Agreement dated as of November 1, 2009, which has been recorded concurrently herewith in the Office of the San Mateo County Recorder.

3. The District is authorized to enter into this Lease for the purpose of financing the Project under the laws of the State of California.

*A G R E E M E N T :*

In consideration of the foregoing and the material covenants hereinafter contained, the District and the Corporation formally covenant, agree and bind themselves as follows:

**ARTICLE I**

**DEFINITIONS; RULES OF INTERPRETATION**

SECTION 1.1. *Definitions.* All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this Lease.

"Assignee" means (a) initially, the San Mateo County Community College District, on behalf of its Post Retirement Benefits Fund, as assignee of certain rights of the Corporation hereunder, and (b) any other entity to whom the rights of the Corporation are assigned hereunder.

"Assignment of Lease" means the Assignment of Lease Agreement, dated as of November 1, 2009, between the Corporation as assignor and the Assignee as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

"Business Day" means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State of California.

"Closing Date" means November 12, 2009.

"Corporation" means San Mateo County Community College District Financing Corporation, a corporation duly organized and existing under the laws of the State of California.

"District" means the San Mateo County Community College District, a community college district formed under the Constitution and laws of the State of California.

"Event of Default" means any of the events of default as defined in Section 6.1.

"Federal Securities" means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

"Fiscal Year" means each twelve-month period during the Term of this Lease commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the District as its fiscal year period.

"Lease" means this Lease Agreement, dated as of November 1, 2009, between the Corporation and the District.

“Lease Payment Date” means April 1 and October 1 in each year, commencing April 1, 2010, and continuing to and including the date on which the Lease Payments are paid in full.

“Lease Payment” means all payments required to be paid by the District under Section 4.5, including any prepayment thereof under Sections 9.2 or 9.3.

“Leased Property” means, collectively, the Site and all improvements on the site.

“Net Proceeds” means any insurance proceeds or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Leased Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

“Permitted Encumbrances” means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid under Article VI of this Lease; (b) this Lease and the Assignment of Lease; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy with respect to the Leased Property issued as of the Closing Date by Stewart Title Insurance Co.; and (e) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the District certifies in writing will not materially impair the use of the Leased Property for its intended purposes.

“Project” means Cañada Vista.

“Project Costs” means, with respect to the Project, all costs of the acquisition and construction thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

- (a) all costs required to be paid to any person under the terms of any agreement for or relating to the acquisition and construction of the Project;
- (b) obligations incurred for labor and materials in connection with the acquisition and construction of the Project;
- (c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition and construction of the Project;
- (d) all costs of engineering, architectural services and other preliminary investigation expenses, including the actual out-of-pocket costs for site investigations, surveys, hazardous materials investigations, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition and construction of the Project;
- (e) any sums required to reimburse the District for advances made for any of the above items or for any other costs incurred and for work done, including but not limited to administrative costs of the District, which are properly chargeable to the acquisition and construction of the Project; and



- (f) all financing costs incurred in connection with the acquisition and construction of the Project, including but not limited to financing costs incurred in connection with this Lease and the financing of the Project.

“Project Fund” means the fund by that name established and held by the Corporation for the benefit of the District under Section 3.2.

“Rental Period” means each period during the Term of the Lease commencing on and including October 2 in each year and extending to and including the next succeeding October 1, except that the first Rental Period begins on the Closing Date and ends on October 1, 2010.

“Site” means the land described more fully in Appendix A attached hereto.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

“Term of this Lease” or “Term” means the time during which this Lease is in effect, as provided in Section 4.3.

#### SECTION 1.2. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Lease as a whole and not to any particular Article, Section or subdivision hereof.

## ARTICLE II

### COVENANTS, REPRESENTATIONS AND WARRANTIES

SECTION 2.1. *Covenants, Representations and Warranties of the District.* The District makes the following covenants, representations and warranties to the Corporation as of the date of the execution and delivery of this Lease:

- (a) Due Organization and Existence. The District is a community college district duly organized and validly existing under the Constitution and laws of the State of California, has full legal right, power and authority under the laws of the State of California to enter into this Lease and to carry out and consummate all transactions contemplated hereby, and by proper action the District has duly authorized the execution and delivery of this Lease.
- (b) Due Execution. The representatives of the District executing this Lease have been fully authorized to execute the same under a resolution duly adopted by the Board of Trustees of the District.
- (c) Valid, Binding and Enforceable Obligations. This Lease has been duly authorized, executed and delivered by the District and constitutes the legal, valid and binding agreements of the District enforceable against the District in accordance with its terms.
- (d) No Conflicts. The execution and delivery of this Lease, the consummation of the transactions herein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease or the financial condition, assets, properties or operations of the District.
- (e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease, or the consummation of any transaction herein contemplated, except as have been obtained or made and as are in full force and effect.
- (f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the District after reasonable

investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease or the financial conditions, assets, properties or operations of the District.

SECTION 2.2. *Covenants, Representations and Warranties of the Corporation.* The Corporation makes the following covenants, representations and warranties to the District as of the date of the execution and delivery of this Lease:

- (a) Due Organization and Existence. The Corporation is a corporation duly organized and existing under the laws of the State of California, has full legal right, power and authority to enter into this Lease and the Assignment of Lease and to carry out and consummate all transactions contemplated hereby and thereby, and by proper action the Corporation has duly authorized the execution and delivery of this Lease and the Assignment of Lease.
- (b) Due Execution. The representatives of the Corporation executing this Lease and the Assignment of Lease are fully authorized to execute the same under official action taken by the governing board of the Corporation.
- (c) Valid, Binding and Enforceable Obligations. This Lease and the Assignment of Lease have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.
- (d) No Conflicts. The execution and delivery of this Lease and the Assignment of Lease, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease and the Assignment of Lease or the financial condition, assets, properties or operations of the Corporation.

- (e) Consents and Approvals. No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of this Lease or the Assignment of Lease, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.
  
- (f) No Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the Corporation after reasonable investigation, threatened against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of this Lease or the Assignment of Lease, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease or the Assignment of Lease or the financial conditions, assets, properties or operations of the Corporation.

## ARTICLE III

### CONSTRUCTION OF THE PROJECT; DEPOSIT AND APPLICATION OF FUNDS

SECTION 3.1. Deposit of Moneys. As provided in the Assignment of Lease, the proceeds therefrom shall be deposited on the Closing Date in the Project Fund in the amount of \$\_\_\_\_\_ to finance the acquisition and construction of the Project, as provided herein.

SECTION 3.2. Acquisition and Construction of the Project. The Corporation hereby agrees to cause the Project to be constructed, acquired and installed by the District as its agent. The District shall enter into contracts and provide for, as agent for the Corporation, the complete construction, acquisition and installation of the Project. The District hereby agrees that it will cause the construction, acquisition and installation of the Project to be diligently performed in compliance with all applicable required procedures with respect design-build arrangements and competitive bidding, and that it will use its best efforts to cause the construction, acquisition and installation of the Project to be completed by January 1, 2011, unforeseeable delays beyond the reasonable control of the District only excepted. Failure to complete the Project by such estimated completion date will not affect the obligation of the District to pay the Lease Payments in accordance with Section 4.4.

It is hereby expressly understood and agreed that the Corporation is under no liability of any kind or character whatsoever for the payment of any Project Costs and that all Project Costs shall be paid by the District, regardless of whether the funds deposited with District are sufficient to cover all such costs and expenses.

SECTION 3.3. Payment of Project Costs. In order to ensure that moneys sufficient to pay the Project Costs will be available when required, the Corporation or its assignee shall deposit the sum of \$\_\_\_\_\_ in a fund (the "Project Fund") to be established by the Corporation as custodian for the benefit of the District. A duly authorized representative of the Corporation shall disburse moneys in the Project Fund from time to time to pay the Project Costs (or to reimburse the District for payment of Project Costs) upon delivery to the Corporation of a written certificate of the District which: (a) states with respect to each disbursement to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment will be made, (iii) the amount to be disbursed, (iv) that each obligation mentioned therein is a proper charge against the Project Fund and has not been previously disbursed by the District from amounts in the Project Fund, (v) that all conditions precedent set forth in this Agreement with respect to such disbursement have been satisfied, and (vi) that the amount of such disbursement is for a Project Cost; (b) specifies in reasonable detail the nature of the obligation; and (c) is accompanied by a bill or statement of account (if any) for each obligation.

SECTION 3.4. Disposition of Excess Project Funds. Upon the determination by the District that the construction of the Project has been substantially completed, the District shall, in its sole discretion, direct the Corporation to apply the amounts remaining in the Project Fund to (a) finance additional projects and facilities of the District, and/or (b) prepay the Lease Payments under Section 9.2. At the written request of the District, such remaining amounts shall be paid by the Corporation to the District to be held and administered by the District.

SECTION 3.5. Investment of Project Funds. Amounts on deposit in the Project Fund may be invested in interest-bearing instruments as set forth in written directions given to the Corporation by the District from time to time. Such amounts shall be invested solely in

investments authorized for the investment of District funds under Government Code Sections 53601. Principal and interest earnings from each investment will be deposited directly into the Project Fund for disbursement under Section 3.3. The Corporation is responsible for the safekeeping of deposit certificates and other investment confirmation documents. The Corporation has no liability or responsibility for any loss of moneys resulting from any investment or the sale of any investment authorized by District.

## ARTICLE IV

### LEASE OF LEASED PROPERTY; LEASE PAYMENTS

SECTION 4.1. Lease of Site by District to Corporation. The District hereby covenants that it has fee simple merchantable title to the Leased Property, free and clear of all recorded liens, encumbrances, easements, public rights-of-way, assessments, leases, taxes and any or all other interests, excepting only Permitted Encumbrances. For and in consideration of the deposit by the Corporation of \$\_\_\_\_\_ into the Project Fund in accordance with Section 3.1, the District hereby leases the Leased Property to the Corporation for a term which is coterminous with the Term of this Lease. The Corporation shall use the Leased Property as so leased solely for the purpose of subleasing the Leased Property back to the District under the provisions of this Lease Agreement.

SECTION 4.2. Sublease of Leased Property by Corporation Back to District. The Corporation hereby subleases the Leased Property to the District, and the District hereby subleases the Leased Property from the Corporation. The Leased Property shall be subleased to the District under this Lease upon the terms and provisions hereof.

SECTION 4.3. Term. The Term of this Lease commences on the Closing Date and ends on the date on which all of the Lease Payments have been paid in full, but in no event beyond October 1, 2039. The provisions of this Section 4.3 are subject to the provisions of Section 6.2 relating to the taking in eminent domain of the Leased Property or any portion thereof.

#### SECTION 4.4. Lease Payments.

(a) Obligation to Pay. Subject to the provisions of Sections 6.2 and 6.3 and the provisions of Article IX, the District agrees to pay to the Corporation, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the respective amounts specified in Appendix B attached hereto (including any supplements thereto) and by this reference incorporated herein, to be due and payable in immediately available funds on each of the respective Lease Payment Dates specified in Appendix B. The Lease Payments payable in any Rental Period with respect to the Leased Property shall be for the use of the Leased Property during such Rental Period. The Lease Payments initially specified on Appendix B are based on the following: (i) a final maturity date of October 1, 2039, (ii) an interest rate of \_\_\_\_% and (iii) a principal amount of \$\_\_\_\_\_.

On September 15, 2010 and September 15, 2011, the Corporation shall have the right to request payment by the District of a different interest rate. In the absence of such a request, the interest rate and the schedule of Lease Payments set forth on Appendix B shall remain unchanged. If the District agrees to the proposed interest rate by September 25, 2010 and September 15, 2011, as applicable, then, on the immediately succeeding October 2, the Lease Payment schedule on Exhibit B shall be amended to reflect the revised interest rate. If the District does not agree to the proposed interest rate, then, on the immediately succeeding October 1, the District shall pay the Corporation the outstanding principal amount and accrued interest through such date and this Lease Agreement shall immediately terminate. The District hereby agrees that proceeds of its 2006 General Obligation Bonds (Election of 2005), Series B constitute a special fund that is available for the purpose of satisfying its obligations set forth in this paragraph. The Lease Payment schedule in effect on October 2, 2011 shall be effective throughout the remaining term of this Lease Agreement.

(b) Effect of Prepayment. If the District prepays all Lease Payments in full under Sections 9.2 or 9.3, the District's obligations under this Section will thereupon cease and terminate. If the District prepays the Lease Payments in part but not in whole under Section 9.3, the principal components of the remaining Lease Payments will be reduced on a pro rata basis; and the interest component of each remaining Lease Payment will be reduced on a pro rata basis.

(c) Rate on Overdue Payments. If the District fails to make any of the payments required in this Section 4.4, the payment in default will continue as an obligation of the District until the amount in default has been fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment at the rate of 2.15% per annum.

(d) Fair Rental Value. The Lease Payments coming due and payable during each Rental Period constitute the total rental for the Leased Property for such Rental Period, and will be paid by the District in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during each Rental Period. The parties hereto have agreed and determined that the total Lease Payments represent the fair rental value of the Leased Property. In making this determination, consideration has been given to the estimated fair market value of the Leased Property, the costs of financing the deposits required to be made under Section 3.1, other obligations of the District and the Corporation under this Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the District and the general public, and the District and the Corporation have agreed that the value of the Leased Property is not less than \$20,000,000.

(e) Source of Payments; Budget and Appropriation. The Lease Payments are payable from any source of available funds of the District, subject to the provisions of Sections 6.2, 6.3 and 9.1. The District covenants to take such action as may be necessary to include all Lease Payments in each of its annual budgets during the Term of this Lease and to make the necessary annual appropriations for all such Lease Payments. The covenants on the part of the District herein contained constitute duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Lease agreed to be carried out and performed by the District.

(f) Assignment. The District understands and agrees that all Lease Payments have been assigned by the Corporation to the Assignee under the Assignment of Lease, and the District hereby assents to such assignment. The Corporation hereby directs the District, and the District hereby agrees, to pay to the Assignee all payments payable by the District under this Section 4.4 and all amounts payable by the District under Article IX.

SECTION 4.5. Quiet Enjoyment. Throughout the Term of this Lease, the Corporation will provide the District with quiet use and enjoyment of the Leased Property and the District will peaceably and quietly have and hold and enjoy the Leased Property, without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease. The Corporation will, at the request of the District and at the District's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation has the right to inspect the Leased Property as provided in Section 7.2.



SECTION 4.6. Title. At all times during the Term of this Lease, the District shall hold title to the Leased Property, including all additions which comprise fixtures, repairs, replacements or modifications thereto, subject to Permitted Encumbrances and subject to the provisions of Section 7.2.

Upon the termination of this Lease (other than under Section 8.2(b) hereof), all right, title and interest of the Corporation in and to the Leased Property shall be transferred to and vested in the District. Upon the payment in full of all Lease Payments allocable to the Leased Property, or upon the deposit by the District of security for such Lease Payments as provided in Section 9.1, all right, title and interest of the Corporation in and to the Leased Property shall be transferred to and vested in the District. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the District to consummate any such transfer of title.

SECTION 4.7. Release of Excess Property. The District may any time and from time to time, release any portion the Leased Property (the "Released Property") from the Lease, with the prior written consent of the Assignee (which may not unreasonably be withheld) and upon satisfaction of all of the following requirements which are conditions precedent to such release:

- (a) The District must certify to the Corporation and the Assignee that no Event of Default has occurred and is continuing;
- (b) The District must file with the Corporation and the Assignee, and cause to be recorded in the office of the San Mateo County Recorder an amendment to this Lease which deletes the Released Property from the description of the Leased Property; and
- (c) The District must file with the Corporation and the Assignee a written certificate of the District stating the District's determination that the estimated value of the real property which will remain leased under this Lease following such release is at least equal to \$\_\_\_\_\_.

Upon the satisfaction of all such conditions precedent, the Term of this Lease will thereupon end as to the Released Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Corporation and the District shall execute, deliver and cause to be recorded all documents required to discharge this Lease of record against the Released Property.

SECTION 4.8. No Merger. No merger shall be effected by the District's lease of the Leased Property to the Corporation under Section 4.1 and the Corporation's sublease of the Leased Property back to the District under Section 4.2. In addition, pursuant to Government Code Section 5925, the assignment by the Corporation of its rights under this Lease to the Assignee pursuant to the Assignment of Lease does not cancel, extinguish, or otherwise affect the Lease and the Lease shall be treated as outstanding for all purposes except to the extent otherwise determined by the District or otherwise provided in the Lease.

## ARTICLE V

### MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

SECTION 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Property, all improvement, repair and maintenance of the Leased Property shall be the responsibility of the District, and the District will pay for or otherwise arrange for the payment of all utility services supplied to the Leased Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Leased Property, as hereinbefore more specifically set forth. The District waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the District under the terms of this Lease.

The District will pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the District affecting the Leased Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District is obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation shall notify the District that, in its reasonable opinion, by nonpayment of any such items the interest of the Corporation in the Leased Property will be materially endangered or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the District will promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation.

SECTION 5.2. Modification of Leased Property. The District has the right, at its own expense, to make additions, modifications and improvements to the Leased Property or any portion thereof. All additions, modifications and improvements to the Leased Property will thereafter comprise part of the Leased Property and become subject to the provisions of this Lease. Such additions, modifications and improvements may not in any way damage the Leased Property, or cause the Leased Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

SECTION 5.3. Public Liability and Property Damage Insurance. The District shall maintain or cause to be maintained throughout the Term of this Lease a standard comprehensive general insurance policy or policies in protection of the Corporation, District, the Assignee and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or

liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such policy or policies must provide coverage in such liability limits and be subject to such deductibles as the District shall deem adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

SECTION 5.4. Property Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease, property insurance against loss or damage to all buildings situated on the Leased Property, in an amount at least equal to the replacement value of the insured buildings. Such insurance must, as nearly as practicable, cover loss or damage by all "special form" perils. Such insurance shall be subject to a deductible of not to exceed \$500,000. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the Net Proceeds of such insurance as provided in Section 6.1.

SECTION 5.5. Rental Interruption Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Leased Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24 month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the Net Proceeds of such insurance towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

SECTION 5.6. Worker's Compensation Insurance. If required by applicable California law, the District shall carry worker's compensation insurance covering all employees on, in, near or about the Leased Property and, upon request, shall furnish to the Corporation certificates evidencing such coverage throughout the Term of this Lease.

SECTION 5.7. Recordation Hereof: Title Insurance. On or before the Closing Date, the District shall, at its expense, (a) cause this Lease, or a memorandum hereof or thereof in form and substance approved by Bond Counsel, to be recorded in the office of the San Mateo County Recorder with respect to the Leased Property, and (b) obtain a CLTA title insurance policy insuring the District's leasehold estate hereunder in the Leased Property, subject only to Permitted Encumbrances, in the amount of \$\_\_\_\_\_. The District will apply the Net Proceeds received under such title insurance policy to prepay the remaining Lease Payments under Section 9.3.

SECTION 5.8. Insurance Net Proceeds: Form of Policies. All insurance policies (or riders) required by this Article V shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State of California, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least 10 days before the cancellation or revision becomes effective. Each insurance policy or rider

required by this Article V must name the District and the Assignee as insured parties and the Assignee as loss payee and shall include a lender's loss payable endorsement for the benefit of the Assignee. Prior to the Closing Date, the District will deposit with the Assignee policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the District will furnish to the Assignee evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V unless such insurance is no longer obtainable, in which event the District shall notify the Assignee of such fact.

SECTION 5.9. Installation of District's Personal Property. The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Property. All such items shall remain the sole property of the District, in which the Corporation has no interest, and may be modified or removed by the District at any time. The District must repair and restore any and all damage to the Leased Property resulting from the installation, modification or removal of any such items. Nothing in this Lease prevents the District from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest may attach to any part of the Leased Property.

SECTION 5.10. Liens. The District will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Leased Property, other than as herein contemplated and except for such encumbrances as the District certifies in writing to the Corporation do not materially and adversely affect the leasehold estate in the Leased Property hereunder and for which the Assignee approves in writing, which approval may not be unreasonably withheld. Except as expressly provided in this Article V, the District will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The District will reimburse the Corporation for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

SECTION 5.11. Advances. If the District fails to perform any of its obligations under this Article V, the Corporation may take such action as may be necessary to cure such failure, including the advancement of money, and the District shall be obligated to repay all such advances as additional rental hereunder, with interest at the rate set forth in Section 4.4(c).

## ARTICLE VI

### DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS

SECTION 6.1. Application of Net Proceeds. The Net Proceeds of any insurance award resulting from any damage to or destruction of the Leased Property by fire or other casualty, and the Net Proceeds of any taking of the Leased Property or any portion thereof in eminent domain proceedings, shall be paid to the Corporation to be applied as hereinafter set forth in this Section 6.1.

If the Leased Property is destroyed or damaged beyond repair at any time during the Term of this Lease, or if the Leased Property or any portion thereof is taken in eminent domain proceedings at any time during the Term of this Lease, the District shall as soon as practicable after such event, with the prior written consent of the Corporation, apply the Net Proceeds resulting therefrom either to: (a) repair the Leased Property to full use; (b) replace the Leased Property, at the District's sole cost and expense, with property of equal or greater value to the Leased Property immediately prior to the time of the such destruction or damage, such replacement Leased Property to be subject to the Corporation's reasonable approval, whereupon such replacement shall be substituted in this Lease by appropriate endorsement; or (c) prepay the Lease Payments in accordance with Section 9.3. The District will notify the Corporation of which course of action it desires to take within 15 days after the occurrence of such destruction or damage. The Corporation may (but is not required to) in its own name or in the District's name execute and deliver proofs of claim, receive all such moneys, endorse checks and other instruments representing payment of such moneys, and adjust, litigate, compromise or release any claim against the issuer of any such policy, and the District hereby grants to the Corporation a power of attorney coupled with an interest to accomplish all or any of the foregoing. The Net Proceeds of all insurance payable with respect to the Leased Property shall be available to the District and shall be used to discharge the District's obligations under this Section.

SECTION 6.2. Termination or Abatement Due to Eminent Domain. If the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of this Lease shall cease with respect thereto as of the day possession shall be so taken. If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, (a) this Lease will continue in full force and effect with respect thereto and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (b) there will be a partial abatement of Lease Payments allocated thereto, in an amount to be determined by the District with the prior written consent of the Corporation, such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property.

SECTION 6.3. Abatement Due to Damage or Destruction. The Lease Payments are subject to abatement during any period in which by reason of damage or destruction (other than by eminent domain which is hereinbefore provided for) there is substantial interference with the use and occupancy by the District of the Leased Property or any portion thereof. The amount of such abatement shall be determined by the District, with the prior written consent of the Corporation, such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Leased Property not damaged or destroyed. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such

damage or destruction, this Lease will continue in full force and effect and the District waives any right to terminate this Lease by virtue of any such damage and destruction. Notwithstanding the foregoing, the Lease Payments are not subject to abatement under this Section 6.3 to the extent that the proceeds of hazard insurance or rental interruption insurance are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such proceeds and amounts constitute a special fund for the payment of the Lease Payments.

## ARTICLE VII

### OTHER COVENANTS OF THE DISTRICT

SECTION 7.1. Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE LEASED PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE LEASED PROPERTY OR ANY PORTION THEREOF. THE DISTRICT ACKNOWLEDGES THAT THE CORPORATION IS NOT A MANUFACTURER OF ANY PORTION OF THE LEASED PROPERTY OR A DEALER THEREIN, THAT THE DISTRICT LEASES THE LEASED PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event is the Corporation liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease for the existence, furnishing, functioning or District's use of the Leased Property.

SECTION 7.2. Access to the Leased Property. The District agrees that the Corporation, and the Corporation's successors or assigns, has the right at all reasonable times to enter upon and to examine and inspect the Leased Property or any part thereof. The District further agrees that the Corporation, and the Corporation's successors or assigns shall have such rights of access to the Leased Property or any component thereof as may be reasonably necessary to cause the proper maintenance of the Leased Property if the District fails to perform its obligations hereunder. Neither the Corporation nor any of its assigns has any obligation to cause such proper maintenance.

SECTION 7.3. Release and Indemnification Covenants. The District hereby indemnifies and holds harmless the Corporation and its officers, agents, successors and assigns from all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Leased Property by the District, (b) any breach or default on the part of the District in the performance of any of its obligations under this Lease, (c) any negligence or willful misconduct of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Property, (d) any intentional misconduct or negligence of any sublessee of the District with respect to the Leased Property, (e) the acquisition, construction, improvement and equipping of the Leased Property, or (f) the clean-up of any hazardous materials or toxic wastes from the Leased Property, or the authorization of payment of the costs thereof. No indemnification is made under this Section or elsewhere in this Lease for willful misconduct or gross negligence under this Lease by the Corporation, or its officers, agents, employees, successors or assigns.

SECTION 7.4. Assignment by the Corporation. The Corporation's rights under this Lease, including the right to receive and enforce payment of the Lease Payments to be made by the District hereunder, have been assigned to the Assignee. The District hereby consents to such assignment. Whenever in this Lease any reference is made to the Corporation and such reference concerns rights which the Corporation has assigned to the Assignee, such reference shall be deemed to refer to the Assignee.

The Corporation and the Assignee may make additional assignments of their interests herein, but no such assignment will be effective as against the District unless and until the Corporation or the Assignee has filed with the District written notice thereof. The District shall pay all Lease Payments hereunder under the written direction of the Corporation or the

assignee named in the most recent assignment or notice of assignment filed with the District. During the Term of this Lease, the District will keep a complete and accurate record of all such notices of assignment.

SECTION 7.5. Assignment and Subleasing by the District. This Lease may not be assigned by the District. The District may sublease the Leased Property, or any portion thereof, subject to all of the following conditions:

- (a) This Lease and the obligation of the District to make Lease Payments hereunder shall remain obligations of the District.
- (b) The District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation a true and complete copy of such sublease.
- (c) No such sublease by the District may cause the Leased Property to be used for a purpose other than as may be authorized under the provisions of the laws of the State of California.
- (d) The District shall furnish the Corporation with a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State of California.

SECTION 7.6. Amendment of Lease Agreement. This Lease may be amended by the District and the Corporation, but only with the prior written consent of the Corporation (which may not unreasonably withhold its consent); provided, however, the prior written consent of the Assignee shall be obtained for any amendment which would adversely affect Lease Payments due hereunder. Prior to the effective date of any such amendment, and as a condition precedent to the effectiveness thereof, the District at its expense shall obtain an opinion of Bond Counsel stating that such amendment will not adversely affect the exclusion from gross income of the interest component of the Lease Payments.

SECTION 7.7. Tax Covenants. The District wishes to preserve its ability to refinance this Lease with the proceeds of tax-exempt general obligation bonds and, as a result, hereby covenants as set forth in this Section 7.7.

(a) Generally. The District will not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Lease Payments to become includable in gross income for federal income tax purposes.

(b) Private Activity Bond Limitation. The District will ensure that the proceeds of the Lease Payments are not so used as to cause the District's obligations hereunder to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(c) Federal Guarantee Prohibition. The District will not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Lease Payments to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.



(d) No Arbitrage. The District will not take, or permit or suffer to be taken, any action with respect to the proceeds of the Lease Payments which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Lease Payments to be “arbitrage bonds” within the meaning of Section 148(a) of the Tax Code.

(e) Arbitrage Rebate. If and to the extent applicable, the District will take any and all actions necessary to assure compliance with Section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Lease Payments.

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. Events of Default Defined. Any one or more of the following events constitutes an Event of Default hereunder:

- (a) Failure by the District to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein.
- (b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in the preceding clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation or the Assignee; *provided, however*, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30 day period, the Corporation and the Assignee shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the District within such 30 day period and diligently pursued until the default is corrected.
- (c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

SECTION 8.2. Remedies on Default. Whenever any Event of Default has happened and is continuing, the Corporation may exercise any and all remedies available under law or granted under this Lease; *provided, however*, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the District is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted hereunder; *provided*, that no termination of this Lease shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Corporation may exercise any one or more of the following remedies:

(a) Enforcement of Payments Without Termination. If the Corporation does not elect to terminate this Lease in the manner hereinafter provided for in subparagraph (b) hereof, the District agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-leasing of the Leased Property, or, if the Corporation is unable to re-lease the Leased Property, then for the full amount of all Lease Payments to the end of the Term of this Lease, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease

Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Leased Property or the exercise of any other remedy by the Corporation. The District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to enter upon and re-lease the Leased Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Leased Property, to place such property in storage or other suitable place in the County of San Mateo for the account of and at the expense of the District, and the District hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Leased Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The District agrees that the terms of this Lease constitute full and sufficient notice of the right of the Corporation to re-lease the Leased Property in the event of such re-entry without effecting a surrender of this Lease, and further agrees that no acts of the Corporation in effecting such re-leasing shall constitute a surrender or termination of this Lease irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The District agrees to surrender and quit possession of the Leased Property upon demand of the Corporation for the purpose of enabling the Leased Property to be re-let under this paragraph, and the District further waives the right to any rental obtained by the Corporation in excess of the Lease Payments and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-leasing the Leased Property.

(b) Termination of Lease. If an Event of Default occurs and is continuing hereunder, the Corporation at its option may terminate this Lease and re-lease all or any portion of the Leased Property. If the Corporation terminates this Lease at its option and in the manner hereinafter provided due to a default by the District (and notwithstanding any re-entry upon the Leased Property by the Corporation in any manner whatsoever or the re-leasing of the Leased Property), the District nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments. Any surplus received by the Corporation from such re-leasing shall be applied by the Corporation to Lease Payments due under this Lease. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate this Lease, and no termination of this Lease on account of default by the District shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease. The District covenants and agrees that no surrender of the Leased Property, or of the remainder of the Term hereof or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(c) Proceedings at Law or In Equity. If an Event of Default occurs and continues hereunder, the Corporation may take whatever action at law or in equity 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.

SECTION 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and

shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

SECTION 8.4. Agreement to Pay Attorneys' Fees and Expenses. If either party to this Lease defaults under any of the provisions hereof and the nondefaulting party should employ attorneys (including in-house legal counsel) or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys (including allocable costs and expenses of in-house legal counsel, if any) and such other expenses so incurred by the nondefaulting party.

SECTION 8.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

SECTION 8.6. Assignee to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article VIII have been assigned by the Corporation to the Assignee, to which assignment the District hereby consents. Such rights and remedies shall be exercised solely by the Assignee.

## ARTICLE IX

### PREPAYMENT OF LEASE PAYMENTS

SECTION 9.1. Security Deposit. Notwithstanding any other provision of this Lease, the District may on any date secure the payment of the Lease Payments in whole or in part by depositing with a fiduciary acceptable to the Corporation and Assignee, in trust, an amount of cash which is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Appendix B, or (b) invested in whole in non-callable Federal Securities in an amount which is sufficient, in the opinion of an independent certified public accountant, together with interest to accrue thereon and together with any cash which is so deposited, to pay such Lease Payments when due under Section 4.4(a) or when due on any optional prepayment date under Section 9.2, as the District instructs at the time of said deposit. In the event of a security deposit under this Section with respect to all unpaid Lease Payments, (a) the Term of this Lease shall continue, (b) all obligations of the District under this Lease, and all security provided by this Lease for said obligations, shall thereupon cease and terminate, excepting only the obligation of the District to make, or cause to be made all of the Lease Payments from such security deposit, and (c) under Section 4.6, title to the Leased Property will vest in the District on the date of said deposit automatically and without further action by the District or the Corporation. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease.

SECTION 9.2. Optional Prepayment. The District may prepay the unpaid principal components of the Lease Payments, in whole or in part, on any date without penalty or premium.

SECTION 9.3. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The District shall be obligated to prepay the unpaid principal components of the Lease Payments in whole or in part on any date, from and to the extent of any proceeds of insurance award or condemnation award with respect to the Leased Property to be used for such purpose under Section 6.1. The District and the Corporation hereby agree that such proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the District's obligations under this Section 9.3.

## ARTICLE X

### MISCELLANEOUS

SECTION 10.1. Notices. Any notice, request, complaint, demand or other communication under this Lease shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the District and the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the District: San Mateo County Community College District  
Chancellor's Office  
3401 CSM Drive  
San Mateo, CA 94402  
Attention: Chancellor  
Facsimile: 650-574-6566

If to the Corporation: San Mateo County Community College District  
Financing Corporation  
Chancellor's Office  
3401 CSM Drive  
San Mateo, CA 94402  
Attention: Chancellor  
Facsimile: 650-574-6566

If to the Assignee: San Mateo County Community College District  
Chancellor's Office  
3401 CSM Drive  
San Mateo, CA 94402  
Attention: Chancellor  
Facsimile: 650-574-6566

SECTION 10.2. Binding Effect. This Lease inures to the benefit of and is binding upon the Corporation, the District and their respective successors and assigns.

SECTION 10.3. Severability. If any provision of this Lease is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

SECTION 10.4. Net-net-net Lease. This Lease is a "net-net-net lease" and the District hereby agrees that the Lease Payments are an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.5. Further Assurances and Corrective Instruments. The Corporation and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect

description of the Leased Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

SECTION 10.6. Execution in Counterparts. This Lease may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

SECTION 10.7. Applicable Law. This Lease is governed by and construed in accordance with the laws of the State of California.

SECTION 10.8. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease.

IN WITNESS WHEREOF, the Corporation and the District have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**SAN MATEO COUNTY COMMUNITY COLLEGE  
DISTRICT, as Lessor and Sublessee**

By \_\_\_\_\_  
Chancellor-Superintendent

(S E A L)

Attest:

\_\_\_\_\_  
Secretary of the Board of Trustees

**SAN MATEO COUNTY COMMUNITY COLLEGE  
DISTRICT FINANCING CORPORATION,  
as Lessee and Sublessor**

By \_\_\_\_\_  
Treasurer



## APPENDIX A

### DESCRIPTION OF THE SITE

The Leased Property consists of the real property and improvements located in the County of San Mateo, State of California, constituting (i) the College of San Mateo Library and (ii) the College of San Mateo Regional Public Safety Center, the legal description of which real property is set forth below:

College of San Mateo Library

[to come]

College of San Mateo Public Safety Center

[to come]

**APPENDIX B**  
**SCHEDULE OF LEASE PAYMENTS**

| PMT<br># | Lease Payment<br>Date | Lease<br>Payment | Principal | Interest |
|----------|-----------------------|------------------|-----------|----------|
|----------|-----------------------|------------------|-----------|----------|

TOTALS:

*TO BE RECORDED AND WHEN RECORDED  
RETURN TO:*

Jones Hall,  
A Professional Law Corporation  
650 California Street, 18<sup>th</sup> Floor  
San Francisco, California 94108  
Attention: Christopher K. Lynch

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11922 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

## **ASSIGNMENT OF LEASE AGREEMENT**

This Assignment of Lease Agreement (this "Assignment") is dated as of November 1, 2009, and is between SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT, ON BEHALF OF ITS POST RETIREMENT BENEFITS FUND, as assignee (the "Assignee"), and SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT FINANCING CORPORATION, as assignor (the "Corporation").

### *BACKGROUND:*

1. In order to provide financing to the San Mateo County Community College District (the "District") for the design, construction and acquisition of Cañada Vista (the "Project"), the Corporation has entered into a Lease Agreement dated as of the date hereof (the "Lease") with the District, which has been recorded in the San Mateo County Recorder's Office concurrently with the execution, delivery and recordation of this Assignment.

2. Under the Lease, the District has leased to the Corporation, and the Corporation has leased back to the District, certain real property located in the City of San Mateo, County of San Mateo, more fully described in Appendix A attached hereto and by this reference incorporated herein.

3. Under the Lease, the District is required to pay lease payments to the Corporation as rental for the Project (the "Lease Payments"), which are denominated into principal and interest components.

4. Financing for the Project will be provided by the Assignee pursuant to Government Code Section 5925, and, in order to secure such financing, the Corporation wishes to assign its rights under the Lease, including but not limited to the right of the Corporation to receive the Lease Payments from the District, as provided in this Assignment.

*A G R E E M E N T :*

In consideration of the foregoing and the material covenants hereinafter contained, the Corporation and the Assignee formally covenant, agree and bind themselves as follows:

**1. Assignment of Rights to Assignee.** The Corporation, without recourse, hereby sells, assigns and transfers all of its rights to receive the Lease Payments to the Assignee.

**2. Consideration for Assignment.** In consideration of the foregoing assignment, the Assignee shall pay to the Corporation the amount of \$\_\_\_\_\_, to be deposited in the Project Fund established under the Lease.

**3. Representations and Warranties of Corporation.** The Corporation represents and warrants that it has made no prior sale or assignment of any interest which is the subject of this Assignment; that the Lease is genuine and in all respects is what it purports to be; that the Assignee shall not be liable for and does not assume responsibility for the performance of any of the covenants, agreements or obligations specified in the Lease Agreement to be kept, paid or performed by the Corporation with exception of the Assignee's obligation to issue notices upon the District's default of the Lease. The Corporation further represents and warrants that as of the date of this Assignment, the Lease is in full force and effect and the District is not in default of any of the terms set forth therein.

**4. Governing Law; Severability.** This Assignment shall be construed and governed in accordance with the laws of the State of California. Any provision of this Assignment found to be prohibited by law shall be ineffective only to the extent of such prohibition, and shall not invalidate the remainder of this Assignment.

**5. No Merger.** Pursuant to Government Code Section 5925, the assignment by the Corporation to the Assignee does not cancel, extinguish, or otherwise affect the Lease Agreement and the Lease Agreement shall be treated as outstanding for all purposes except to the extent otherwise determined by the District or otherwise provided in the Lease Agreement.

**6. Binding on Successors.** This Assignment shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the Corporation and the Assignee have caused this Assignment to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**SAN MATEO COUNTY COMMUNITY COLLEGE  
DISTRICT, ON BEHALF OF ITS POST  
RETIREMENT BENEFITS FUND**

By \_\_\_\_\_  
Chancellor-Superintendent

**SAN MATEO COUNTY COMMUNITY COLLEGE  
DISTRICT FINANCING CORPORATION**

By \_\_\_\_\_  
Treasurer

## APPENDIX A

### DESCRIPTION OF THE LEASED PROPERTY

The Leased Property consists of the real property and improvements located in the County of San Mateo, State of California, constituting (i) the College of San Mateo Library and (ii) the College of San Mateo Regional Public Safety Center, the legal description of which real property is set forth below:

College of San Mateo Library

[to come]

College of San Mateo Public Safety Center

[to come]

AFTER RECORDATION RETURN TO:

JONES HALL,  
A PROFESSIONAL LAW CORPORATION  
650 California Street, 18th Floor  
San Francisco, CA 94108  
Attention: Christopher K. Lynch, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

**TERMINATION AGREEMENT**

This TERMINATION AGREEMENT (this "Agreement") is dated as of November 1, 2009, and is by and among the SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT, a political subdivision of the State of California (the "District"), the SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT FINANCING CORPORATION, a nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as successor to BNY Western Trust Company, as trustee (the "Trustee").

*B A C K G R O U N D :*

1. The District and the Corporation have previously entered into the following leases (collectively, the "Leases") in connection with the execution and delivery of \$30,885,000 2004 Certificates of Participation (the "Certificates of Participation):

(i) Site Lease, dated as of May 1, 2004, between the Corporation and the District (the "Site Lease"), which Site Lease was recorded on May 26, 2004 in the official records of the San Mateo County Recorder as Instrument/File No. 2004-108113, and rerecorded on May 28, 2004 as Instrument/File No. 2004-110824; and

(ii) Facilities Lease, dated as of May 1, 2004, between the Corporation and the District (the "Facilities Lease"), which Facilities Lease was recorded on May 26, 2004 in the official records of the San Mateo County Recorder as Instrument/File No. 2004-108112, and rerecorded on May 28, 2004 as Instrument/File No. 2004-110825.

2. The Corporation assigned certain of its rights under the Leases, including the right to receive lease payments, to the Trustee, as trustee for the Certificates of Participation, and such assignment was memorialized in the Assignment Agreement, dated as of May 1, 2004 (the "Assignment Agreement"), by the Corporation to the Trustee, which Assignment Agreement was recorded on May 26, 2004 in the official records of the San Mateo County Recorder as Instrument/File No. 2004-108114, and rerecorded on May 28, 2004 as Instrument/File No. 2004-110826.

3. The District, the Corporation and the Trustee entered into a Trust Agreement dated as of May 1, 2004 (the "Trust Agreement") for the benefit of the holders of the Certificates of Participation.

4. The Certificates of Participation have been defeased in full, and as a result, the Leases, the Assignment Agreement, and the Trust Agreement, by their terms, have been discharged.

*A G R E E M E N T :*

In consideration of the foregoing and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

Section 1. Termination.

(a) By virtue of the District's refunding of all of the Certificates of Participation, (i) all obligations of the District and the Trustee under the Leases and the Trust Agreement have ceased and terminated, and (ii) the right of the Trustee to receive lease payments under the Leases has terminated.

(b) In accordance with the foregoing, the Leases, the Assignment Agreement and the Trust Agreement are hereby terminated and are of no further force or effect.

(c) From and after the date hereof, none of the parties shall have any further rights or obligations under the Leases, the Assignment Agreement or the Trust Agreement.

Section 2. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.



IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

SAN MATEO COUNTY COMMUNITY  
COLLEGE DISTRICT

By: \_\_\_\_\_  
Director of Finance

SAN MATEO COUNTY COMMUNITY  
COLLEGE DISTRICT FINANCING  
CORPORATION

By: \_\_\_\_\_  
Treasurer

THE BANK OF NEW YORK MELLON  
TRUST COMPANY, N.A., *as Trustee*

By: \_\_\_\_\_  
Authorized Officer

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
County of \_\_\_\_\_ } ss.

On \_\_\_\_\_, before me, \_\_\_\_\_  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")  
personally appeared \_\_\_\_\_  
Name(s) of Signer(s)

- personally known to me
- proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

**OPTIONAL**

*Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.*

**Description of Attached Document**

Title or Type of Document: \_\_\_\_\_

Document Date: \_\_\_\_\_ Number of Pages: \_\_\_\_\_

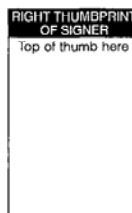
Signer(s) Other Than Named Above: \_\_\_\_\_

**Capacity(ies) Claimed by Signer(s)**

Signer's Name: \_\_\_\_\_  
 Individual  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_



Signer's Name: \_\_\_\_\_  
 Individual  
 Corporate Officer — Title(s): \_\_\_\_\_  
 Partner —  Limited  General  
 Attorney in Fact  
 Trustee  
 Guardian or Conservator  
 Other: \_\_\_\_\_  
Signer Is Representing: \_\_\_\_\_



## MINUTES

### MEETING OF THE SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT FINANCING CORPORATION

December 10, 2008  
District Board Room  
3401 CSM Drive, San Mateo, CA

The meeting was called to order at 9:15 p.m.

Present: President Richard Holober, Vice President Ron Galatolo, Secretary Karen Schwarz, Treasurer Jim Keller

#### Approval of Minutes of the December 12, 2007 Meeting

It was moved by Secretary Schwarz and seconded by Vice President Galatolo to approve the minutes as presented. The motion carried, all members voting "Aye."

#### Naming of Officers

President Holober announced that the new officers for the coming year are:

President: Karen Schwarz  
Vice President: Ron Galatolo  
Secretary: Patricia Miljanich  
Treasurer: Jim Keller

It was moved by Secretary Schwarz and seconded by Vice President Galatolo to approve the new officers. The motion carried, all members voting "Aye."

#### Adjournment

It was moved by President Schwarz and seconded by Secretary Miljanich to adjourn the meeting. The motion carried, all members voting "Aye." The meeting was adjourned at 9:20 p.m.

**BOARD OF DIRECTORS  
OF THE  
SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT FINANCING  
CORPORATION**

**RESOLUTION NO. 09-1**

**RESOLUTION APPROVING LEASE FINANCING DOCUMENTS IN CONNECTION WITH THE  
FINANCING OF THE ACQUISITION AND CONSTRUCTION OF CANADA VISTA**

**RESOLVED**, by the San Mateo County Community College District Financing Corporation (the "Corporation"):

**WHEREAS**, the Corporation is a nonprofit public benefit corporation, duly established and authorized to transact business and exercise powers under and pursuant to the laws of the State of California, including the power to lease real property for public capital improvements; and

**WHEREAS**, the San Mateo County Community College District (the "District") wishes to finance the design, acquisition and construction of Cañada Vista (the "Project"), which will provide housing for District faculty and staff; and

**WHEREAS**, in order to provide funds for such purpose, the District will lease to and sub-lease from the Corporation, and the Corporation will lease from and sub-lease to the District, the College of San Mateo Library and the College of San Mateo Regional Public Safety Center (collectively, the "Leased Property") pursuant to a Lease Agreement, dated as of November 1, 2009, between the Corporation and the District (the "Lease Agreement"); and

**WHEREAS**, for such purposes, as pursuant to Government Code Section 5925, the Corporation proposes to assign and transfer to the District, on behalf of its Post Retirement Benefits Fund, certain of its rights under the Lease Agreement, including the right to receive lease payments, pursuant to an Assignment of Lease Agreement, dated as of November 1, 2009;

**WHEREAS**, the documents below specified have been filed with the Board of Directors, and the members of the Board of Directors, with the aid of its staff, have reviewed said documents;

**NOW, THEREFORE**, it is hereby ORDERED and DETERMINED, as follows:

1. The below-enumerated documents, in substantially the form on file with the Secretary of the Board, be and are hereby approved, and the Treasurer is hereby authorized and directed to execute said documents, with such changes, insertions and omissions as may be approved by such official, and the Secretary is hereby authorized and directed to attest to such official's signature:

- (a) the Lease Agreement; and
- (b) the Assignment of Lease Agreement.

2. The President, Vice President, Treasurer, Secretary, and all other appropriate officials of the Corporation, are hereby authorized and directed to execute such other agreements, documents and certificates, including termination agreements, as may be necessary to effect the purposes of this resolution and the lease financing herein authorized. Whenever in this resolution any officer of the Corporation is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

3. This Resolution shall take effect upon its passage and adoption.

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PASSED AND ADOPTED by the Board of Directors of the San Mateo County Community College District Financing Corporation at a meeting held on the 28th day of October, 2009.

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Secretary