

San Bernardino City Unified School District

Minutes of a Regular Meeting of the Board of Education

**MINUTES
ADOPTED
2/15/11**

Community Room
Board of Education Building
777 North F Street
San Bernardino, California

January 18, 2011

5:30 p.m.

Present: President Danny Tillman; Vice President Barbara Flores; Board Members Louise Ayala, Teresa Parra Craig, Judi Penman, Lynda Savage, and Elsa Valdez; Superintendent Arturo Delgado; Deputy Superintendent Judy White; Chief Business and Financial Officer Mohammad Islam, Associate Superintendent Mel Albiso, Assistant Superintendents, Yolanda Ortega, John Peukert, and Harold Vollkommer; and Superintendent's Assistant Phyllis Gronek. Minutes recorded by Administrative Assistant Jennifer Owens.

SESSION ONE - Opening

1.0 - Opening

1.1 - Call to Order

President Tillman called the meeting to order at 5:30 p.m.

1.2 - Pledge of Allegiance to the Flag

The meeting was opened with the Pledge of Allegiance to the Flag of the United States of America.

SESSION TWO - Special Presentations

2.0 - Special Presentations

2.1 - Outstanding Student Awards

Richardson PREP HI

Melissa Batz, Brooke Porter, and Allison Totzke

Serrano Middle School

Jorge Hernandez, Emily Iribe, and Katlyn Orban

Thompson Elementary School

Liliana Madrigal, Lindsay Neighbors, and Ronda Ramos

2.2 - In Recognition of National School Counseling Week

Upon motion by Member Savage, seconded by Member Parra Craig, and approved by the affirmative vote of Members Ayala, Parra Craig, Flores, Penman, Savage, and Tillman (Noes: None; Absent for Vote: Valdez), the following was adopted:

WHEREAS school counselors are employed in public schools to help students reach their full potential; and

WHEREAS the San Bernardino City Unified School District welcomes this opportunity to join with others in our community, state, and nation in recognizing the contributions that school counselors make in the lives of countless children; and

WHEREAS school counselors are passionate about their commitment to helping students explore their abilities, strengths, interests, and talents as these traits relate to career awareness and development; and

WHEREAS comprehensive school counseling programs are considered an integral part of the educational process that enables all students to achieve success in school; and

WHEREAS school counselors seek to identify and utilize community resources that enhance and complement comprehensive school counseling programs and help students become productive members of society;

THEREFORE, BE IT RESOLVED that the Superintendent and the Board of Education of the San Bernardino City Unified School District join the rest of the state and the nation in recognizing February 7-11, 2011, as National School Counseling Week and encourage all of our schools to set aside this week to acknowledge the outstanding and selfless contributions that school counselors make to our students and our schools each day.

SESSION THREE – San Bernardino Schools Financing Corporation

3.0 - San Bernardino Schools Financing Corporation

President Tillman recessed the meeting of the Board of Education of the San Bernardino City Unified School District and convened a meeting of the Board of Directors of the San Bernardino Schools Financing Corporation.

RECESS

San Bernardino Schools Financing Corporation
Minutes of a Special Meeting
Tuesday, January 18, 2011

Board of Education Minutes
January 18, 2011

Community Room
Board of Education Building
San Bernardino City Unified School District
777 North F Street
San Bernardino, California

1.0 - Call to Order

President Tillman opened the meeting at 5:50 p.m.

2.0 - Directors Present

Directors Ayala, Parra Craig, Flores, Penman, Savage, and Tillman were present.

3.0 - Resolution Approving the Financing of Certain Capital Improvements for the San Bernardino City Unified School District and the Execution and Delivery of Certain Legal Documents

Upon motion by Director Parra Craig, seconded by Director Flores, and approved by the affirmative vote of Directors Ayala, Parra Craig, Flores, Penman, Savage, and Tillman (Noes: None), the following was adopted:

**RESOLUTION APPROVING THE FINANCING OF
CERTAIN CAPITAL IMPROVEMENTS FOR THE
SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT AND
THE EXECUTION AND DELIVERY OF CERTAIN LEGAL DOCUMENTS**

WHEREAS, the San Bernardino Schools Financing Corporation (the “Corporation”) is a nonprofit public benefit corporation organized and existing under the laws of the State of California with the power and authority to assist the San Bernardino City Unified School District, County of San Bernardino, California, with the financing of the installation of a photovoltaic system and the acquisition, construction, equipping, furnishing and improving of certain capital facilities of the District; and

WHEREAS, the District is a unified school district duly organized and validly existing under the laws of the State of California, and has requested the assistance of the Corporation in the financing of certain capital improvements of the District through the execution and delivery of certain certificates of participation (the “Certificates”); and

WHEREAS, there have been presented to the Board of Directors (the “Board”) of the Corporation the following documents:

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1. Proposed form of Trust Agreement (the “Trust Agreement”), by and among the District, U.S. Bank National Association, as trustee (the “Trustee”), and the Corporation;
2. Proposed form of Lease Agreement (the “Lease”), by and between the Corporation and the District;
3. Proposed form of Site Lease (the “Site Lease”), by and between the District and the Corporation;
4. Proposed form of Assignment Agreement (the “Assignment Agreement”), by and between the Corporation and the Trustee; and
5. Proposed form of Agency Agreement (the “Agency Agreement”), by and between the District and the Corporation

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Directors of the San Bernardino Schools Financing Corporation as follows:

1. The form, terms and provisions of the Trust Agreement are hereby approved and the President and the Secretary/Treasurer, or any designee thereof (each, an “Authorized Officer”), and each of them, is hereby authorized and directed on behalf of the Corporation and in its name to execute and deliver the Trust Agreement in substantially the form presented to and considered by this Board, with such changes therein, however, as may be approved by the Authorized Officer executing the same, such approval to be conclusively evidenced by his or her execution thereof.
2. The form, terms and provisions of the Lease are hereby approved and either Authorized Officer is hereby authorized and directed on behalf of the Corporation and in its name to execute and deliver the Lease in substantially the form presented to and considered by this Board, with such changes therein, however, as may be approved by the Authorized Officer executing the same, such approval to be conclusively evidenced by his or her execution thereof.
3. The form, terms and provisions of the Site Lease are hereby approved and either Authorized Officer is hereby authorized and directed on behalf of the Corporation and in its name to execute and deliver the Site Lease in substantially the form presented to and considered by this Board, with such changes therein, however, as may be approved by the Authorized Officer executing the same, such approval to be conclusively evidenced by his or her execution thereof.
4. The form, terms and provisions of the Assignment Agreement are hereby approved and either Authorized Officer is hereby authorized and directed on behalf of the Corporation and in its name to execute and deliver the Assignment Agreement in substantially the form presented to and considered by this Board, with such changes therein, however, as may

be approved by the Authorized Officer executing the same, such approval to be conclusively evidenced by his execution thereof.

5. The form, terms and provisions of the Agency Agreement are hereby approved and either Authorized Officer is hereby authorized and directed on behalf of the Corporation and in its name to execute and deliver the Agency Agreement in substantially the form presented to and considered by this Board, with such changes therein, however, as may be approved by the Authorized Officer executing the same, such approval to be conclusively evidenced by his execution thereof.

6. The Secretary/Treasurer is hereby authorized and directed to attest to the signature of the Authorized Officer whenever required or advisable for the transactions contemplated by this Resolution.

7. The President and the Secretary/Treasurer are each hereby authorized and directed to execute and attest such further documents, instruments and certificates as may be deemed necessary or advisable by Fulbright & Jaworski L.L.P., Special Counsel to the District, in order to accomplish the purposes of this Resolution.

8. Whenever in this Resolution it shall be provided that a document be executed or attested by the President or the Secretary/Treasurer, and if, at the time for execution or attestation thereof, such officer is not available for signature, it shall be sufficient for the purposes of this Resolution if any other member of the Board shall execute or attest such document in such officer's stead and with the same effect.

4.0 - Public Comments

None.

5.0 - Adjournment

At the conclusion of the meeting of the Board of Directors of the San Bernardino Schools Financing Corporation, the Board of Education reconvened its regular meeting.

RECONVENE

4.2 - Budget Update

Mohammad Z. Islam, Chief Business and Financial Officer, reported that he attended a budget workshop today. The Governor is planning an election in June to see if voters will approve extending the tax. If it passes, there will be no further budget cuts. Analysts said districts need to come up with a worst case scenario for their budgets. If the tax extension passes, districts can reverse their action.

4.3 - School Improvement Grant Update

Dr. Delgado stated that there is nothing new to report.

SESSION FIVE – Other Matters Brought By Citizens

5.0 - Other Matters Brought by Citizens

Timothy Brantley, National Account Manager for Fleetwood Group, reported that he helped District staff write Bid No. 27-10, Mobile Furniture – Learning Walls. Mr. Brantley stated that the lowest bid doesn't carry the healthy product criteria and the District should allow vendors another chance to bid if the District isn't going to require that criteria.

John Herring, owner of C&A Manufacturing Co., reported that he is available to answer Board members' questions regarding Bid No. 27-10.

Bruce Lang from Concepts Schools & Office Furnishings in Temecula reported that he bid as the distributor for Bid 27-10. His company meets or exceeds all standards to manufacture in California. There would be an additional cost of \$840,000 to the District to get Greenguard specifications.

Steven Holguin, Executive Director of Optimo Preparatory Academy, reported that they felt they submitted the best petition San Bernardino has seen. Their only shortcoming was in the English Learner section. Of 21 measurable outcomes, only one didn't have an alignment. Mr. Holguin stated that exemptions were confused with preferences. Mr. Holguin stated that there isn't anything that can't be fixed in five business days. Mr. Holguin asked for an extension to let them fix it.

Dr. Lisa Urrea, co-founder of Optimo, stated that the current system is failing some students. Optimo can create successful students. Dr. Urrea asked the Board to wait to vote until they can make changes to the petition.

A representative from CTG Gentlemen thanked the Board for the opportunity to take 40 students with parents and chaperones on a bus to the Black College Expo in Los Angeles. Several students were accepted to colleges and universities at the Expo.

Jordan Boothe thanked the Board for the opportunity to attend the Black College Expo in Los Angeles. It opened his mind to what he wanted and he was accepted by a college on site.

Isaac Carmichael, Arroyo Valley High School student and basketball player, reported that he was accepted by Fisk and Shaw Universities.

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Tyler Stevens, Arroyo Valley High School student, reported that he was accepted by the University of Arkansas, and Miles and Shaw Universities.

Erick Angulo, Arroyo Valley High School student, thanked the Board for the opportunity to attend the Expo. He has been accepted by Shaw and Fisk Universities.

Jasmine Smith, Cajon High School student, reported that she has been accepted by Fisk and Shaw Universities and was told to apply for Presidential Scholarships. Ms. Smith thanked the District for providing the bus.

Jose Hernandez, Arroyo Valley High School student, reported that he was accepted by Fisk and Shaw Universities.

Ryan Jones Hargrove, Cajon High School student and basketball and track and field player, reported that he has been accepted to Shaw, Fisk, and Tuskegee Universities.

Rashida Simpson, Cajon High School student, thanked the District for providing the bus and stated that she was accepted by Dillard, Shaw, and Fisk Universities.

Darionna Harris, reported that she was accepted by Bennett College and Fisk and Shaw Universities.

Channing Runkle, Arroyo Valley High School student and basketball player, reported that he was accepted to Fisk and Shaw Universities.

Gerry Wright, Arroyo Valley High School teacher and basketball coach, reported that the College Exodus Project was a tremendous opportunity for the students. Having the bus increased the number of students that were able to go to the Expo. There are 12 younger students in the program with GPAs above 3.0.

Domonique White from the BLU Education Services/Foundation thanked Tanya Fisher and community partners that helped with tickets and chaperoning. Ms. White also thanked Mars Serna who gave them space to prepare. At the Expo, 61 on-site offers were made with \$19,000 in scholarships offered.

Lynda Savage asked the students to return next year and tell the Board about their experiences. Judi Penman thanked Gerry Wright for his faith in the students and staying in San Bernardino.

Sane Mataitusi stated that there were some discrepancies with the Le Ta'iala Preparatory Academy petition. Fifteen of the 17 elements can be fixed immediately. Mr. Mataitusi asked for another week to change the other two elements. Mr. Mataitusi reported that he has been a loyal District employee for 20 years. Religion and family are important in Samoan culture. This charter school will have a positive impact on the Samoan community.

Peka Tauvalaau reported that she worked as a tutor at Warms Springs Elementary School with Mr. Mataitusi. They started an organization 10 years ago to help the Samoan students.

Dahlia Gatoloai, college intern with the District, expressed her support for the Le Ta'iala Academy. She is a San Geronio High School graduate and hopes to teach at the academy.

Gil Navarro, County School Board member, reported that he attended the County Mock Trial Awards Ceremony and 200 students received awards. Cajon High School placed second overall. Mr. Navarro announced that the County School Board will hold a special meeting on January 21, to interview 12 candidates for a replacement for Michael Tahan, who was elected to the Fontana City Council.

Karen Serrano from Congressman Joe Baca's office reported that he introduced legislation to provide all public elementary and secondary school teachers in the United States with the opportunity to receive \$25,000 in student loan forgiveness. The Teacher Education Assistance Creating Hope for our Future Act, provides \$25,000 in loan forgiveness to teachers who received a loan through either the current Federal Direct Loan program, or the now defunct Federal Family Education Loan program, as long as a teacher has taught full-time for five consecutive years at any public school in the nation. Elsa Valdez asked Ms. Serrano to notify them when it passes so they can notify our teachers and California State University San Bernardino.

SESSION SIX - Reports and Comments

6.0 - Report by Board Members

Board members reported on school-related activities they have attended during the past few weeks and announced upcoming events they believe will be of interest to their fellow Board members.

Barbara Flores reported that she received a memo from Jim Davenport today regarding the school lunch program. It will be upgraded to include more fruits and vegetables.

Dr. Flores asked if the building projects would be in jeopardy if the Board doesn't take action soon. John Peukert stated that he will make a presentation at the February 1 Board meeting with a timeline. Dr. Delgado stated that there is a potential to lose two projects. Lease-leaseback is not a new process, just a new option. Teresa Parra Craig stated that Board members had said they wouldn't postpone this if we were going to lose the projects. This Board hasn't prevented staff from bringing something to the Board. If Staff doesn't come to the Board in a timely manner, it's not the Board's fault. Lynda Savage stated that this has been ready for six week and the Board wouldn't allow it to be presented. Judi Penman stated that we postponed this because we had a heavy agenda and you shouldn't blame the Facilities Department; however, she doesn't like being put on the spot.

6.1 - Legislative Update

None.

7.0 - Report by Superintendent and Staff Members

None.

President Tillman moved Action Item 9.1 forward on the agenda.

9.1 - Resolution Approving and Directing Execution of QSCB/Lease Financing Documents and Authorizing Certain Related Actions

Upon motion by Member Parra Craig, seconded by Member Flores, and approved by the affirmative vote of Members Ayala, Parra Craig, Flores, Penman, Savage, and Tillman (Noes: None; Absent for Vote: Valdez), the following was adopted:

**RESOLUTION
APPROVING AND DIRECTING
EXECUTION OF QSCB/LEASE FINANCING DOCUMENTS
AND AUTHORIZING CERTAIN RELATED ACTIONS**

WHEREAS, the Board of Education (the "Board") of the San Bernardino City Unified School District (the "District") is authorized pursuant to the Education Code of the State of California to provide for the execution and delivery of certificates of participation, each of which will evidence proportionate interests of the owners thereof in certain lease payments to be made by the Board; and

WHEREAS, pursuant to the provisions of the American Recovery and Reinvestment Tax Act of 2009 and the Hiring Incentives to Restore Employment Act of 2010 (collectively, the "Recovery Act"), the United States Department of the Treasury ("Treasury") awarded to the District an allocation of qualified school construction bonds ("Qualified School Construction Bonds") in the amount of \$27,790,000 in calendar year 2009 and \$25,294,000 in calendar year 2010 (collectively, the "Allocations"); and

WHEREAS, the District has immediate capital needs (collectively, the "Projects") that warrant the issuance of all of the Allocations in the form of lease-purchase obligations; and

WHEREAS, the District, working together with the San Bernardino Schools Financing Corporation, a California nonprofit public benefit corporation (the "Corporation"), is proposing to provide for the execution, sale and delivery of Qualified School Construction Bonds in the form of lease obligations of the District to be represented and evidenced by taxable certificates of participation (the "Certificates") which will be executed, delivered and sold to Cabrera Capital Markets, Inc., as Senior Managing Underwriter (the "Representative"), as representative of itself

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and Siebert Brandford Shank & Co., LLC, as Co-Manager (collectively, the “Underwriters”);
and

WHEREAS, in connection therewith, the Board wishes to proceed with a lease financing in the manner set forth in that certain Lease Agreement described below; and

WHEREAS, the District has complied with the provisions of Section 17150 of the California Education Code (the “Education Code”) with respect to the execution and delivery of the Certificates, prior to this meeting of the Board; and

WHEREAS, the Board has determined that Fieldman, Rolapp & Associates should serve as financial advisor (the “Financial Advisor”) and the law firm of Fulbright & Jaworski L.L.P., should serve as special counsel (“Special Counsel”) and disclosure counsel (“Disclosure Counsel”) in connection with the sale and delivery of the Certificates; and

WHEREAS, there have been presented to this meeting of the Board the following documents:

1. Proposed form of Trust Agreement (the “Trust Agreement”), by and among the District, the Corporation and U.S. Bank National Association, as Trustee (the “Trustee”);
2. Proposed form of Lease Agreement, by and between the District and the Corporation (the “Lease”);
3. Proposed form of Site Lease, by and between the Corporation and the District (the “Site Lease”);
4. Proposed form of Agency Agreement, by and between the Corporation and the District (the “Agency Agreement”);
5. Proposed form of Preliminary Official Statement (the “Preliminary Official Statement”);
6. Proposed form of Continuing Disclosure Agreement, substantially in the form appended to the Preliminary Official Statement (the “Continuing Disclosure Agreement”); and
7. Proposed form of Certificate Purchase Agreement, by and between the District and the Underwriters (the “Certificate Purchase Agreement”);

NOW, THEREFORE, the Board of Education of the San Bernardino City Unified School District, County of San Bernardino, resolves as follows:

Section 1. The form, terms and provisions of the Trust Agreement are hereby approved and the Superintendent of the District (the “Superintendent”), the Chief Business and

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Financial Officer of the District (the “CFO”) and any designee thereof (each, an “Authorized Officer”) is hereby authorized and directed on behalf of the District and in its name to execute and deliver to the Trustee and the Corporation the Trust Agreement in substantially the form presented to and considered at this meeting of the Board, with such changes therein, however, as may be approved by the Authorized Officer, such approval to be conclusively evidenced by his or her execution thereof.

Section 2. The form, terms and provisions of the Lease are hereby approved and the Authorized Officer is hereby authorized and directed on behalf of the District and in its name to execute and deliver to the Corporation the Lease in substantially the form presented to and heretofore considered by the Board, with such changes therein, however, as may be approved by the Authorized Officer, such approval to be conclusively evidenced by his or her execution thereof.

Section 3. The form, terms and provisions of the Site Lease are hereby approved and the Authorized Officer is hereby authorized and directed on behalf of the District and in its name to execute and deliver to the Corporation the Site Lease in substantially the form presented to and considered at this meeting of the Board, with such changes therein, however, as may be approved by the Authorized Officer, such approval to be conclusively evidenced by his or her execution thereof.

Section 4. The form, terms and provisions of the Agency Agreement are hereby approved and the Authorized Officer is hereby authorized and directed on behalf of the District and in its name to execute and deliver to the Corporation the Agency Agreement in substantially the form presented to and considered at this meeting of the Board, with such changes therein, however, as may be approved by the Authorized Officer, such approval to be conclusively evidenced by his execution thereof.

Section 5. The form, terms and provisions of the Continuing Disclosure Agreement are hereby approved and the Authorized Officer is hereby authorized and directed on behalf of the District and in its name to execute and deliver the Continuing Disclosure Agreement in substantially the form presented to and considered at this meeting of the Board, with such changes therein, however, as may be approved by the Authorized Officer, such approval to be conclusively evidenced by his execution thereof.

Section 6. The District does hereby authorize the Trustee to create a series of the District’s Taxable Certificates of Participation, 2011 Series A (Qualified School Construction Bonds), evidencing proportionate interests of the owners thereof in lease payments due from the District under the Lease, and resolves that the Certificates be executed and delivered in accordance with, and secured by, the Trust Agreement.

Section 7. The form, terms and provisions of the Certificate Purchase Agreement are hereby approved, provided that the aggregate principal amount of the Certificates shall not

exceed \$53,080,000, to be deducted from the Allocations, the Underwriters' discount on the Certificates (net of costs of delivery and exclusive of original issue discount or premium) to the Underwriters may not exceed 0.54% of the principal component of the lease payments due under the Lease Agreement (the "Lease Payments") and the term of the Lease Agreement shall not extend beyond the maximum maturity designated by the U.S. Treasury Department for Qualified School Construction Bonds at the time of sale of the Certificates. The District has elected to have the provisions of section 6431(f)(3)(B) of the Internal Revenue Code of 1986, as amended (the "Code") apply to its obligations under the Lease Agreement, entitling the District to receive a direct subsidy associated with each payment of the interest component of the Lease Payments (the "Direct Subsidy"). The Authorized Officer shall execute the Certificate Purchase Agreement and the certificates described therein, on behalf of the District and in its name in substantially the form presented to and considered at this meeting of the Board, with such changes therein, however, as may be approved by the Authorized Officer, such approval to be conclusively evidenced by her or his execution thereof, subject to the restrictions set forth in this Resolution.

Section 8. In connection with the offering and sale of the Certificates, the Authorized officers may, upon consultation with Fieldman, Rolapp & Associates, the District's Financial Advisor (the "Financial Advisor") and the Underwriters, elect to purchase municipal bond insurance to secure payment of the Lease Payments, upon terms favorable to the District, and may purchase a reserve surety bond for deposit with the Trustee, in lieu of funding a cash reserve fund.

Section 9. The interest rate to be paid with respect to the principal component of the Certificates shall be established in the Certificate Purchase Agreement, shall, in no event, exceed the statutory maximum therefor, and shall be approved by the Authorized Officer by his or her execution of said Certificate Purchase Agreement.

Section 10. The Board hereby approves in substantially final form the Preliminary Official Statement containing information material to the offering and sale of the Certificates on file with this Board. Any Authorized Officer is hereby authorized to deem the Preliminary Official Statement "final" pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"), prior to its distribution by the Underwriters.

Any Authorized Officer is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Certificates, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the Certificates, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Certificates, and does not, as of the date of delivery of the Certificates, contain any untrue statement of a material fact or omit to state a material fact necessary to be stated to make the

statements made therein not misleading in the light of the circumstances under which they were made. Such Authorized Officer shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof. The execution of the Final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer and the addition of such information permitted to be excluded from the Preliminary Official Statement pursuant to the Rule, shall be conclusive evidence of the approval of the Final Official Statement by the Board.

The Final Official Statement, when prepared, is approved for distribution by the Underwriters in connection with the offering and sale of the Certificates.

Section 11. The Clerk of the Board or any Assistant Superintendent of the District is hereby authorized and directed to attest to the signature of any Authorized Officer whenever required or advisable for the transactions contemplated by this Resolution.

Section 12. The Superintendent or the CFO are each hereby authorized and directed to execute, deliver and attest to all contracts and agreements, such further documents, instruments, grant deeds, deeds of trust, notarizations, directions, instructions and certificates as may be deemed necessary or advisable by Special Counsel in order to accomplish the purposes of this Resolution, including agreements with bond insurers or a filing agent, commitment letters, depository agreements (including for the payment of issuance costs), consultant contracts, printing contracts, and similar contracts relating to the issuance of the Certificates, investment of the proceeds or compliance with the Recovery Act, and all certificates and representations, including signature certificates, no-litigation certificates, certificates concerning the contents of the Official Statement, representation letters to The Depository Trust Company, the Tax Certificate, and any other certificates proposed to be distributed in connection with the sale of the Certificates, which any of them deem necessary or desirable to accomplish the transactions authorized herein.

Section 13. Whenever in this Resolution it shall be provided that a document be executed or attested by the Superintendent or the CFO, and if, at the time for execution or attestation of such document, such officer is not available for signature, it shall be sufficient for the purposes of this Resolution if (a) an Assistant Superintendent shall execute such document in the place of the Superintendent and (b) any other official designated by the Superintendent or CFO shall attest such document in place of the CFO, with the same effect.

Section 14. The Board hereby confirms the designation of: the Financial Advisor, the Underwriters, Special Counsel and Disclosure Counsel, each in accordance with separate agreements with the District, in connection with the execution and delivery of the Certificates.

Section 15. In compliance with California Education Code Section 17150 and the requirements of the County of San Bernardino Office of Education, the Superintendent has notified the County of San Bernardino Office of Education and the County Auditor-Controller of the intention of the District and this Board to proceed with the execution and delivery of the

above-referenced Certificates, and the County of San Bernardino Office of Education has approved the within financing.

Section 16. This Resolution shall take effect immediately upon its adoption.

SESSION FOUR – Administrative Reports

4.0 - Administrative Reports

4.1 - Annual Audited Financial Report for Fiscal Year 2009-10

The Annual Audited Financial Report for Fiscal Year 2009-10, including the Compliance Audit of Federal and State Funded Programs, was completed on December 15, 2010, the final day of the auditors' fieldwork. The report has been submitted to the State, Federal Clearinghouse and the County Superintendent of Schools to meet the required filing deadline of December 15, 2010. Copies of the audit report were also distributed to Board members for review (see page ____).

Board members recommended creating an Audit Committee, similar to the Superintendent's Budget Advisory Committee.

Board Member Elsa Valdez arrived at 6:00 p.m.

Royce Townsend, from the accounting firm Vavrinek, Trine, Day & Co., LLP, (VDT) reported that the three-year trend is the most important factor in the audit. The District's budget has had deficit spending and declining ADA, and the two percent reserve is the minimum. ASBs continue to have issues. Their focus this year was on training. They required anyone who handled ASB funds to attend training. There will always be ASB comments. VDT provides the comments to Mr. Islam and VDT follows up on each issue to see if it is recurring. Mr. Islam stated that the Board directed to have a full report by the end of the month.

President Tillman asked if there were more serious findings. Mr. Townsend stated that there were findings of significant deficiencies or instances of noncompliance at the Allred Child Development Center and Mr. Islam addressed them at the site. There were no material weaknesses.

Mr. Tillman stated that the District should have a cashiering system that is available to everyone, a standard receipting program, and a separation of duties. Mr. Islam reported that the District is working to build a better system.

Mr. Tillman stated that the District has had deficit spending for the last 15 years. Mr. Townsend stated that the issue is that it is not sustainable. Mr. Tillman stated that it doesn't make sense to not spend money. Deficit spending is not a problem if you do it in a controlled way. Mr. Tillman stated that Governor Brown is going to continue categorical funding flexibility, which will show up as deficit spending.

President Tillman moved Action Item 9.2 forward on the agenda.

9.2 - Resolution of the Board of Education of the San Bernardino City Unified School District Authorizing the Issuance and Sale of General Obligation Bonds, 2004 Series D and Taxable General Obligation Bonds, 2004 Series E

Upon motion by Member Parra Craig, seconded by Member Flores, and approved by the affirmative vote of Members Ayala, Parra Craig, Flores, Savage, and Tillman (Noes: None; Abstentions: Penman; Absent for Vote: Valdez), the following was adopted:

WHEREAS, a duly called election was held within the San Bernardino City Unified School District (the “District”), County of San Bernardino (the “County”), on March 2, 2004 (the “Election”), and thereafter canvassed pursuant to law at which a bond proposition summarized as follows was submitted to the electorate within the District:

“San Bernardino School Safety, Overcrowding/Repair Measure. To improve student safety, repair local schools and relieve overcrowding by:

- *Installing/repairing fire safety equipment;*
- *Fixing leaky roofs/decaying walls;*
- *Removing asbestos;*
- *Upgrading bathrooms, plumbing, sewers/electrical wiring for computer technology;*
- *Building new schools;*
- *Improving disabled access;*
- *Repairing, expanding, constructing, acquiring/equipping classrooms, labs, sites, libraries*

*shall San Bernardino City Unified School District issue \$140,000,000 in bonds, at legal rates, with **guaranteed annual audits**, citizen's oversight, and no money for administrators salaries?”; and*

WHEREAS, at the Election, there was submitted to and approved by the requisite 55% of the qualified electors of the District voting on a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot measure submitted to the voters, in the maximum principal amount of \$140,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the “Authorization”); and

WHEREAS, the District has previously issued and sold \$122,996,681.80 aggregate principal amount of its general obligation bonds under and pursuant to the Authorization, leaving the amount of \$17,003,318.20 authorized but unissued thereunder; and

WHEREAS, this Board of Education (the “Board”) has determined the need to issue one or more series of its general obligation bonds under the Authorization in an aggregate principal amount not to exceed the remaining portion of the Authorization (the “Bonds”) in order to finance the Projects (as defined below), fund a reserve fund for the District’s Taxable Certificates of Participation, 2011 Series A (Direct Subsidy Qualified School Construction Bonds) (the “Certificates”) and/or to pay certain other costs associated with the Certificates; and

WHEREAS, the Board has elected to proceed to issue the Bonds under Section 53506 *et seq.* of the Government Code of the State of California (the “State”); and

NOW THEREFORE, IT IS RESOLVED AND ORDERED by the Board of Education of the San Bernardino City Unified School District as follows:

SECTION 1. Definitions. The following terms shall for all purposes of this Resolution have the following meanings:

“Accreted Value” shall mean with respect to: (i) any Capital Appreciation Bond, as of any date of calculation, the sum of the Principal Amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each February 1 and August 1, or as otherwise stated in the Bond Purchase Agreement, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months; and (ii) any Convertible CAB, as of any date of calculation prior to the Conversion Date, the sum of the Principal Amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each February 1 and August 1, or as otherwise stated in the Bond Purchase Agreement, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

“Authorized Investments” shall mean legal investments authorized by Section 53601 of the Government Code of the State of California, as in effect on the date such investments are made.

“Authorized Representative” shall mean the Superintendent, the Chief Business and Financial Officer, any member of the Board of Education of the District, or any designee thereof.

“Authorizing Law” shall mean, collectively, (i) Article XIII A of the California Constitution and, (ii) Section 53506 *et seq.* of the Government Code of the State of California, as amended.

“Bond Insurance” shall mean a policy of municipal bond insurance, if any, purchased to provide security for the Bonds, or any portion thereof, and delivered on the Closing Date.

“Bond Obligation” shall mean from time to time as of the date of calculation, with respect to any Current Interest Bond, the Principal Amount thereof, with respect to any Capital Appreciation Bond, the Accreted Value thereof and with respect to any Convertible CAB prior to the Conversion Date thereof, its Accreted Value, and, following the Conversion Date thereof, its Conversion Value.

“Bond Purchase Agreement” shall mean the Bond Purchase Agreement for the Bonds by and between the District and the Underwriters.

“Bond Register” shall mean the books referred to in Section 15 of this Resolution.

“Bonds” shall mean the San Bernardino City Unified School District General Obligation Bonds, 2004 Series D, and Taxable General Obligation Bonds, 2004 Series E, some of which may be further designated in additional series or tranches of Bonds.

“Bond Year” shall mean the twelve-month period commencing August 1 in any year and ending on the last day of July in the next succeeding year, both dates inclusive, or as otherwise set forth in the Bond Purchase Agreement; provided, however, that the first Bond Year shall commence on the day the Bonds are issued and shall end on July 31, 2011, both dates inclusive, or as otherwise set forth in the Bond Purchase Agreement.

“Building Fund” shall mean the general obligation building fund established in connection with the issuance of the District’s general obligation bonds maintained with the Treasurer at the direction of the District.

“Business Day” shall mean a day that is not a Saturday, Sunday or a day on which banking institutions in the State or the State of New York and the New York Stock Exchange are authorized or required to be closed.

“Capital Appreciation Bonds” shall mean the Bonds designated as such in Section 9 of this Resolution.

“Closing Date” shall mean the date upon which the Bonds are delivered to the Underwriters upon payment of the purchase price therefor.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Continuing Disclosure Agreement” shall mean the Continuing Disclosure Agreement of the District for the benefit of the Owners of the Bonds.

“Conversion Date” shall mean the date upon which the Convertible CABs will convert from Capital Appreciation Bonds to Current Interest Bonds, which date shall be set forth in the Bond Purchase Agreement.

“Conversion Value” shall mean, for each Convertible CAB, the Accreted Value thereof on the Conversion Date.

“Convertible CABs” shall mean Bonds which, by their terms, constitute Capital Appreciation Bonds for a period of time and convert to Current Interest Bonds at a stated Conversion Value on a designated Conversion Date.

“Costs of Issuance” shall mean all of the costs of issuing the Bonds, including but not limited to, all printing and document preparation expenses in connection with this Resolution, the Bonds and the Official Statement pertaining to the Bonds and any and all other agreements, instruments, certificates or other documents prepared in connection therewith; Underwriters’ discount; rating organization fees and related travel expenses; auditor’s fees; CUSIP service bureau charges; legal fees and expenses of counsel with respect to the financing; the initial fees and expenses of the Paying Agent; fees for credit enhancement relating to the Bonds, if any; and other fees and expenses incurred in connection with the issuance of the Bonds or the implementation of the financing for the Projects, to the extent such fees and expenses are approved by the District.

“County” shall mean the County of San Bernardino, California.

“County Office of Education” shall mean the Office of Education of the County and such other persons as may be designated by the County Office of Education to perform the operational and disbursement functions hereunder.

“Current Interest Bonds” shall mean the Bonds designated as such in Section 8 of this Resolution.

“Debt Service” shall have the meaning given to that term in Section 19(c) of this Resolution.

“Debt Service Fund” shall mean the Debt Service Fund established pursuant to Section 19(a) of this Resolution.

“Depository” shall mean DTC and its successors and assigns or if (a) the then Depository resigns from its functions as securities depository of the Bonds, or (b) the District discontinues use of the Depository pursuant to this Resolution, any other securities depository which agrees to follow procedures required to be followed by a securities depository in connection with the Bonds and which is selected by the Treasurer.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Excess Earnings Fund” shall mean the Excess Earnings Fund established pursuant to Section 20 of this Resolution.

“Financial Advisor” shall mean Fieldman, Rolapp & Associates, acting as independent financial advisor to the District.

“Fiscal Year” shall mean the twelve-month period commencing on July 1 of each year and ending on the following June 30 or any other fiscal year in effect for the District.

“Information Services” shall mean the Electronic Municipal Market Access System (“EMMA”), a facility of the Municipal Securities Rulemaking Board, at <http://emma.msrb.org>; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a certificate of the District delivered to the Paying Agent.

“Interest Payment Date” shall mean with respect to (i) any Current Interest Bond, February 1 and August 1 in each year, or as otherwise specified in the Bond Purchase Agreement, commencing on the date specified in the Bond Purchase Agreement, (ii) any Capital Appreciation Bond, the maturity or earlier redemption date thereof; and (iii) any Convertible CAB, each February 1 and August 1 following the Conversion Date.

“Maturity Amount” shall mean, for each Capital Appreciation Bond, the Accreted Value on its maturity date.

“Moody’s” shall mean Moody’s Investors Service, its successors and assigns, except that if such corporation shall no longer perform the functions of a securities rating organization for any reason, the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating organization selected by the District.

“Nominee” shall mean the nominee of the Depository, which may be the Depository, as determined from time to time by the Depository.

“Outstanding” when used with reference to the Bonds, shall mean, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

- (i) Bonds canceled at or prior to such date;
- (ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 14 hereof,
- (iii) Bonds for the payment or redemption of which funds or eligible securities in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 39 of this Resolution.

“Owner” shall mean the registered owner, as indicated in the Bond Register, of any Bond.

“Participant” shall mean a member of or participant in the Depository.

“Paying Agent” shall mean U.S. Bank National Association, its designated agents or his successors or assigns, acting in the capacity of paying agent, registrar, authenticating agent and transfer agent.

“Preliminary Official Statement” shall mean that certain preliminary official statement describing the Bonds and the District, intended for use in connection with the marketing and sale of the Bonds.

“Principal” or “Principal Amount” shall mean, as of any date of calculation, with respect to (i) any Current Interest Bond, the principal amount thereof, (ii) any Capital Appreciation Bond, the Maturity Amount thereof and (iii) any Convertible CAB, the Conversion Value thereof.

“Principal Payment Date” shall mean August 1 in each year, or as otherwise specified in the Bond Purchase Agreement, commencing on the date specified in the Bond Purchase Agreement.

“Projects” shall have the meaning given to that term in Section 6 of this Resolution.

“Project Costs” shall mean all of the expenses of and incidental to the construction or acquisition of the Projects, including Costs of Issuance.

“Record Date” shall mean the close of business on the fifteenth calendar day of the month next preceding an Interest Payment Date.

“Regulations” shall mean the regulations of the United States Department of the Treasury proposed or promulgated under Sections 103 and 141 through 150 of the Code which by their terms are effective with respect to the Bonds and similar Treasury Regulations to the extent not inconsistent with Sections 103 and 141 through 150 of the Code, including regulations promulgated under Section 103 of the Internal Revenue Code of 1954, as amended.

“Representative” shall mean Cabrera Capital Markets, Inc., as representative of the Underwriters.

“Resolution” shall mean this Resolution.

“S&P” shall mean Standard & Poor’s, a division of the McGraw-Hill Companies, its successors and assigns, except that if such corporation shall no longer perform the functions of a

securities rating organization for any reason, the term “S&P” shall be deemed to refer to any other nationally recognized securities rating organization selected by the District.

“Securities Depositories” shall mean The Depository Trust Company, 55 Water Street, New York, New York 10041, Fax (212) 855-1000 or 7320; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a certificate of the District delivered to the Paying Agent.

“State” shall mean the State of California.

“Superintendent” shall mean the Superintendent of the District.

“Supplemental Resolution” shall mean any resolution supplemental to or amendatory of this Resolution, adopted by the District in accordance with Section 36 or Section 37 hereof.

“Taxable Bonds” shall mean those Bonds, which by their terms, bear or accrete interest that is not excluded from gross income for purposes of Federal income taxation.

“Tax Certificate” shall mean the Tax Certificate of the District delivered in connection with the issuance of the Tax-Exempt Bonds.

“Tax-Exempt Bonds” shall mean those Bonds, which by their terms, bear or accrete interest that is excluded from gross income for purposes of Federal income taxation.

“Transfer Amount” shall mean, with respect to (i) any Outstanding Current Interest Bond, the aggregate Principal Amount thereof, (ii) any Outstanding Capital Appreciation Bond, the Maturity Amount thereof, and (iii) any Outstanding Convertible CAB, the Conversion Value thereof.

“Treasurer” shall mean the Treasurer-Tax Collector of the County.

“Underwriters” shall mean Cabrera Capital Markets, Inc., as Senior Managing Underwriter and Siebert Brandford Shank & Co., LLC, as Co-Managing Underwriter.

SECTION 2. Rules of Construction. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and vice versa. Except where the context otherwise requires, words importing the singular shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

SECTION 3. Authority for this Resolution. This Resolution is adopted pursuant to the provisions of the Authorizing Law.

SECTION 4. Approval of Bond Purchase Agreement, Preliminary Official Statement, and Continuing Disclosure Agreement. (a) For the above purposes, this Board hereby authorizes the Bonds to be sold to the Underwriters at a negotiated sale in accordance with the Bond Purchase Agreement. The Bonds shall be dated their date of delivery (or such other date as may be designated in the Bond Purchase Agreement), to bear or accrete interest at rates not to exceed the maximum rate permitted by law, payable with respect to any Bonds bearing current interest on the dates as may be set forth in the Purchase Contract, and accreting with respect to any Bonds which are issued as capital appreciation bonds, payable upon maturity or conversion, shall mature on August 1 (or other such date or dates) of each of the years as set forth in the Bond Purchase Agreement, with a final maturity date no later than forty years from the date of issuance, or otherwise upon such other terms and conditions as shall be established for the Bonds by the Bond Purchase Agreement. The form of Bond Purchase Agreement on file with the Board is hereby approved and any Authorized Representative is hereby authorized to execute the Bond Purchase Agreement, with such changes therein, deletions therefrom and modifications thereto as such Authorized Representative may approve, such approval to be conclusively evidenced by the execution and delivery thereof. The District has instructed the Underwriters to establish the terms, series, interest structure and redemption provisions for the Bonds in order to take advantage of financial market conditions prevailing at the date of sale of the Bonds under the Bond Purchase Agreement. The purchase price of the Bonds shall reflect an Underwriters' discount of not to exceed 0.54% (not including original issue discount) of the principal or issue amount thereof, excluding any amounts of costs of issuance paid by the Underwriters. Final terms of the Bonds shall be as set forth in the Bond Purchase Agreement. Depending upon market conditions, the District may elect to purchase Bond Insurance to secure the payment of principal of and interest on or accreted value of the Bonds, following consultation with the Financial Advisor and the Representative.

(b) Pursuant to Section 15146(b) of the Education Code, the Board hereby approves of the sale of the Bonds on a negotiated basis to the Underwriters. The District has determined that conditions in the municipal marketplace are sufficiently complex that the increased flexibility the Underwriters can provide in structuring and planning the sale of the Bonds dictates sale on a negotiated rather than a competitive basis. The costs of sale of the Bonds, which include an Underwriters' discount, paying agent fees, municipal data collection, financial advisory and bond counsel fees, printing and rating charges and other related fees, are estimated at no more than 2.0% of the principal or issue amount of the Bonds. In addition, municipal bond insurance premium, if any, is estimated at \$218,000.

(c) The Board hereby approves the form of Preliminary Official Statement relating to the Bonds on file with the Clerk of the District Board and to be used and distributed, together with an Official Statement in connection with the sale of the Bonds, in each case with such changes as are approved by the Authorized Representative, and such other officers of the District as may be authorized by the Board are, and each of them acting alone hereby is, authorized to deliver copies of the Preliminary Official Statement and the Official Statement with such changes therein as such officer shall approve, in his or her discretion, as being in the best

interests of the District. Upon approval of such changes by such officer, the Preliminary Official Statement shall be “deemed final” as of its date except for the omission of certain information as provided in and pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Rule”). Any Authorized Representative is hereby authorized and directed to execute such Official Statement with such changes therein, deletions therefrom and modifications thereto as such Authorized Representative may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

(d) The form of Continuing Disclosure Agreement, substantially in the form appended to the Preliminary Official Statement, for the benefit of the Owners from time to time of the Bonds is hereby approved and the Board hereby authorizes any Authorized Representative to execute the Continuing Disclosure Agreement with such changes therein as may be approved by the Authorized Representative executing the same. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Agreement in order to assist the Underwriters in complying with the requirements of the Rule. Any Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section; however, noncompliance with this subsection shall not constitute a default under or cause the acceleration of the Bonds.

SECTION 5. Authorization of Officers. The Authorized Representatives of the District are, and each of them acting alone is, hereby authorized to execute any and all documents and perform any and all acts and things, from time to time, consistent with this Resolution and necessary or appropriate to carry the same into effect and to carry out its purpose.

SECTION 6. Purpose of Bond Issue. Bonds of the District shall be issued in the name and on behalf of the District in an aggregate initial principal amount not to exceed \$17,003,318.20 in one or more series of Tax-Exempt Bonds or Taxable Bonds, for the financing of the furnishing, equipping, acquisition, construction and improvement of District facilities for some or all of the purposes authorized at the Election (collectively, the “Projects”), the funding of a reserve fund for the Certificates, whose proceeds shall be applied for such Projects, to purchase a policy of municipal bond insurance for the Certificates and/or a reserve surety therefor, and/or to pay certain other costs of issuance in connection with the delivery of the Certificates, or a combination thereof.

SECTION 7. Designation and Form; Payment.

(a) Bonds entitled to the benefit, protection and security of this Resolution are hereby authorized in an aggregate initial principal amount not to exceed \$17,003,318.20. The Bonds shall be general obligations of the District, payable as to Principal, premium, if any, and interest from *ad valorem* taxes to be levied upon all of the taxable property in the District. The Bonds shall be designated “San Bernardino City Unified School District General Obligation Bonds, 2004 Series D” and “San Bernardino City Unified School District Taxable General Obligation

Bonds, 2004 Series E,” with such additional series or tranche designations as may be necessary or advisable in order to market the Bonds, as set forth in the Bond Purchase Agreement. The District represents that it intends to designate any Bonds issued as Tax-Exempt Bonds, as “Bank Qualified” pursuant to section 265(b) of the Code. The Bonds may be issued as Current Interest Bonds, Capital Appreciation Bonds, Convertible CABs, or any combination thereof, and may be issued as Tax-Exempt Bonds or Taxable Bonds, or any combination thereof, and shall be subject to redemption as further set forth in the Bond Purchase Agreement.

(b) The forms of the Bonds shall be substantially in conformity with the standard forms of registered school district bonds, the forms of which are attached hereto as Exhibit A and incorporated herein by this reference.

(c) Principal, premium, if any, Accreted Value and interest with respect to any Bond are payable in lawful money of the United States of America. Principal or Accreted Value and premium, if any, is payable upon surrender thereof at maturity or earlier redemption at the office designated by the Paying Agent.

SECTION 8. Description of Current Interest Bonds.

(a) The Bonds issued as Current Interest Bonds shall be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof, provided that one such Bond may be in an irregular denomination. The Current Interest Bonds shall be dated their date of delivery or such date or dates as shall appear on the Bond Purchase Agreement (the “Dated Date”) and shall mature on the date or dates, in the years and in the Principal Amounts, and interest shall be computed at the rates, set forth in the Bond Purchase Agreement.

(b) Interest on each Current Interest Bond shall accrue from its dated date as set forth in the Bond Purchase Agreement. Interest on Current Interest Bonds shall be computed using a year of 360 days comprised of twelve 30-day months and shall be payable on each Interest Payment Date to the Owner thereof as of the close of business on the Record Date. Interest with respect to each Current Interest Bond will be payable from the Interest Payment Date next preceding the date of registration thereof, unless (i) it is registered after the close of business on any Record Date and on or before the close of business on the succeeding Interest Payment Date in which event interest with respect thereto shall be payable from such Interest Payment Date; or (ii) it is registered prior to the close of business on the first Record Date, in which event interest shall be payable from its Dated Date; provided, however, that if at the time of registration of any Current Interest Bond interest with respect thereto is in default, interest with respect thereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment. Payments of interest on the Current Interest Bonds will be made on each Interest Payment Date by check or draft of the Paying Agent sent by first-class mail, postage prepaid, to the Owner thereof on the Record Date, or by wire transfer to any Owner of \$1,000,000 or more of such Current Interest Bonds, to the account specified by such Owner in a

written request delivered to the Paying Agent on or prior to the Record Date for such Interest Payment Date; provided, however, that payments of defaulted interest shall be payable to the person in whose name such Current Interest Bond is registered at the close of business on a special record date fixed therefor by the Paying Agent which shall not be more than 15 days and not less than ten days prior to the date of the proposed payment of defaulted interest.

SECTION 9. Description of Capital Appreciation Bonds.

(a) The Bonds issued as Capital Appreciation Bonds shall be issued in fully registered form in their Principal Amounts but shall reflect denominations of \$5,000 Maturity Amount or any integral multiple thereof, except that one such Bond may reflect an irregular denomination. The Capital Appreciation Bonds shall be dated the date of their issuance, shall be issued in the aggregate Principal Amounts, shall mature on the dates, in the years and in the Maturity Amounts, and shall accrete interest at the accretion rates, all as set forth in the Bond Purchase Agreement.

(b) Interest on each Capital Appreciation Bond, if any, shall be compounded semiannually on February 1 and August 1 of each year until maturity, commencing on the date set forth in the Bond Purchase Agreement, or as otherwise provided in the Bond Purchase Agreement, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity as part of its Maturity Amount or at earlier redemption at Accreted Value.

SECTION 10. Description of Convertible CABs.

(a) The Bonds issued as Convertible CABs shall be issued in fully registered form in any denominations of \$5,000 Conversion Value or any integral multiple thereof. The Convertible CABs shall be dated the date of their issuance, shall be issued in the aggregate Principal Amount, shall mature on the dates and in the years, shall be subject to redemption and have the Conversion Values, all as set forth in the Bond Purchase Agreement.

(b) Prior to the Conversion Date, the Convertible CABs shall not pay current interest. Prior to the Conversion Date, each Convertible CAB shall have increased in value by the accretion of interest from its initial Principal Amount on the date of issuance thereof to its stated Conversion Value at the Conversion Date. Prior to the Conversion Date, interest accreting on the Convertible CABs will be computed on the basis of a 360-day year comprised of twelve (12) 30-day months, will be compounded semiannually on February 1 and August 1 in each year, commencing on the date set forth or as otherwise provided in the Bond Purchase Agreement. No interest will be payable on any Convertible CAB prior to or on the Conversion Date.

(c) Following the Conversion Date, interest on the Convertible CABs shall be computed based upon the Conversion Value and on the basis of a 360 day year comprised of twelve 30-day months and will be payable on each Interest Payment Date, commencing on the

first Interest Payment Date following the Conversion Date. Following its Conversion Date, each Convertible CAB will pay interest and be payable in the same manner as Current Interest Bonds.

SECTION 11. Book-Entry System.

(a) The Bonds shall be initially issued in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities (or more than one in the event of a split coupon) of the Bonds within each series. Upon initial issuance, the ownership of each such Bond certificate shall be registered in the Bond Register in the name of the Nominee as nominee of the Depository. Except as provided in subsection (c) hereof, all of the Outstanding Bonds shall be registered in the Bond Register in the name of the Nominee and the Bonds may be transferred, in whole but not in part, only to the Depository, to a successor Depository or to another nominee of the Depository or of a successor Depository. Each Bond certificate shall bear a legend acknowledging the interests of the Nominee as described herein.

With respect to Bonds registered in the Bond Register in the name of the Nominee, the District shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds a beneficial interest in the Bonds. Without limiting the immediately preceding sentence, the District shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any beneficial ownership interest in the Bonds, (ii) the delivery to any Participant, beneficial owner or any other person, other than the Depository, of any notice with respect to the Bonds, including any redemption notice, (iii) the selection by the Depository and the Participants of the beneficial interests in the Bonds to be redeemed in part, or (iv) the payment to any Participant, beneficial owner or any other person, other than the Depository, of any amount with respect to Principal of, premium, if any, Accreted Value and interest on the Bonds. The District may treat and consider the person in whose name each Bond is registered in the Bond Register as the absolute Owner of such Bond for the purpose of payment of Principal of, premium, if any, Accreted Value and interest on such Bond, for the purpose of giving Redemption Notices and other notices with respect to such Bond, and for all other purposes whatsoever, including, without limitation, registering transfers with respect to the Bonds.

The Paying Agent shall pay all Principal of, premium, if any, Accreted Value and interest on the Bonds only to the respective Owners, as shown in the Bond Register, and all such payments shall be valid hereunder with respect to payment of Principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner, as shown in the Bond Register, shall receive a Bond evidencing the obligation to make payments of Principal of, premium, if any, and interest, pursuant to this Resolution. Upon delivery by the Depository to the Paying Agent and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions hereof with respect to Record Dates, the word Nominee in this Resolution shall refer to such new nominee of the Depository.

(b) If at any time the Depository notifies the District that it is unwilling or unable to continue as Depository with respect to the Bonds or if at any time the Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Depository is not appointed by the District within 90 days after the District receives notice or become aware of such condition, as the case may be, subsection (a) hereof shall no longer be applicable and the District shall issue new Bonds representing the Bonds as provided below. In addition, the District may determine at any time that the Bonds shall no longer be represented by book-entry securities and that the provisions of subsection (a) hereof shall no longer apply to the Bonds. In any such event the District shall execute and deliver certificates representing the Bonds as provided below. Bonds issued in exchange for book-entry securities pursuant to this subsection (b) shall be registered in such names and delivered in such denominations as the Depository shall instruct the District. The Paying Agent shall then deliver certificated securities representing the new Bonds to the persons in whose names such Bonds are registered.

If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or cause to be prepared a new fully registered book-entry security for each of the maturities of Bonds, registered in the name of such successor or substitute securities depository or its nominee, or make such other arrangements as are acceptable to the District and such securities depository and not inconsistent with the terms of this Resolution.

(c) Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal or Accreted Value of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the representation letter or as otherwise instructed by the Depository.

(d) The initial Depository under this Resolution shall be DTC. The initial Nominee shall be Cede & Co., as nominee of DTC.

SECTION 12. Execution of the Bonds.

(a) The Bonds shall be executed by the District by the manual or facsimile signature of the President of the Board and countersigned by the manual or facsimile signature of the Clerk of the Board or by a deputy of either of such officers. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been issued by the District, such Bonds may, nevertheless, be issued, as herein provided, as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any of the Bonds may be signed and sealed by such persons as at the time of the execution of such Bonds shall be duly authorized to hold or shall hold the proper offices in the District, although at the date borne by the Bonds such persons may not have been so authorized or have held such offices.

(b) The Bonds shall bear thereon a certificate of authentication executed manually by the Paying Agent. Only such Bonds as shall bear thereon such certificate of authentication duly executed by the Paying Agent shall be entitled to any right or benefit under this Resolution and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Paying Agent. Such certificate of the Paying Agent upon any Bond shall be conclusive evidence that the Bond so authorized has been duly authenticated and delivered under this Resolution and that the Owner thereof is entitled to the benefit of this Resolution.

SECTION 13. Transfer and Exchange. The transfer of any Bond may be registered upon surrender of such Bond to the Paying Agent. Such Bond shall be endorsed or accompanied by delivery of the written instrument of transfer shown in Exhibit A hereto, duly executed by the Owner or his duly authorized attorney, and payment of such reasonable transfer fees as the Paying Agent may establish. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations, will be executed and delivered to the transferee in exchange therefor.

The Paying Agent shall deem and treat the person in whose name any Outstanding Bond shall be registered upon the Bond Register as the absolute Owner of such Bond, whether the Principal, premium, if any, Accreted Value or interest with respect to such Bond shall be overdue or not, for the purpose of receiving payment of Principal, premium, if any, Accreted Value and interest with respect to such Bond and for all other purposes, and any such payments so made to any such Owner or upon his order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and the District or the Paying Agent shall not be affected by any notice to the contrary.

Bonds may be exchanged at the office of the Paying Agent for Bonds of like tenor, maturity and Transfer Amount. All Bonds surrendered in any such exchange shall thereupon be cancelled by the Paying Agent. The Paying Agent may charge the Owner a reasonable sum for each new Bond executed and delivered upon any exchange (except in the case of the first exchange of any Bond in the form in which it is originally delivered, for which no charge shall be imposed) and the Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be required to register the transfer or exchange of any Bond (i) during the period beginning at the close of business on any Record Date through the close of business on the immediately following Interest Payment Date, or (ii) that has been called or is subject to being called for redemption, during a period beginning at the opening of business 15 days before any selection of Bonds to be redeemed through the close of business on the applicable redemption date, except for the unredeemed portion of any Bond to be redeemed only in part.

SECTION 14. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, the Paying Agent, at the expense of the Owner, shall deliver a new Bond of like date, interest rate, maturity, Transfer Amount, series and tenor as the Bond so mutilated in exchange and substitution for such mutilated Bond, upon surrender and cancellation thereof. All Bonds so surrendered shall be cancelled. If any Bond shall be destroyed, stolen or lost, evidence of such destruction, theft or loss may be submitted to the Paying Agent and if such evidence is satisfactory to the Paying Agent that such Bond has been destroyed, stolen or lost, and upon furnishing the Paying Agent with indemnity satisfactory to the Paying Agent and complying with such other reasonable regulations as the Paying Agent may prescribe and paying such expenses as the Paying Agent may incur the Paying Agent shall, at the expense of the Owner, execute and deliver a new Bond of like date, interest rate, maturity, Transfer Amount and tenor in lieu of and in substitution for the Bond so destroyed, stolen or lost. Any new Bonds issued pursuant to this Section 14 in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute valid contractual obligations on the part of the District and shall be equally secured by and entitled to equal and proportionate benefits with all other Bonds issued under this Resolution in any moneys or securities held by the Paying Agent for the benefit of the Owners of the Bonds.

SECTION 15. Bond Register. The Paying Agent shall keep or cause to be kept at its office sufficient books for the registration and registration of transfer of the Bonds. Upon presentation for registration of transfer, the Paying Agent shall, as above provided and under such reasonable regulations as it may prescribe subject to the provisions hereof, register or register the transfer of the Bonds, or cause the same to be registered or cause the registration of the same to be transferred, on such books.

SECTION 16. Unclaimed Money. All money which the Paying Agent shall have received from any source and set aside for the purpose of paying or redeeming any of the Bonds shall be held in trust for the respective Owners of such Bonds, but any money which shall be so set aside or deposited by the Paying Agent and which shall remain unclaimed by the Owners of such Bonds for a period of one year after the date on which any payment or redemption with respect to such Bonds shall have become due and payable shall be transferred to the general fund of the District; provided, however, that the Paying Agent, before making such payment, shall cause notice to be mailed to the Owners of such Bonds, by first class mail, postage prepaid after a date in said notice, which date shall not be less than 90 days prior to the date of such payment, to the effect that said money has not been claimed and that after a date named therein, any unclaimed balance of said money then remaining will be transferred to the general fund of the District. Thereafter, the Owners of such Bonds shall look only to the general fund of the District for payment of such Bonds.

SECTION 17. Application of Proceeds. Upon the sale of the Bonds, the proceeds, or a portion of the proceeds, of the Series D Bonds shall be deposited into the Building Fund of the District, which shall be kept separate and apart from all other accounts held for the District by the Treasurer. The District shall, from time to time, disburse amounts from the Building Fund to pay the Project Costs. Amounts in the Building Fund shall be invested so as to be available for

the aforementioned disbursements. The District shall keep a written record of disbursements from the Building Fund. All or a portion of the proceeds of the Series E Bonds will be withdrawn by the District upon or prior to the delivery of the Certificates and applied to fund capitalized interest and a reserve fund or to purchase a policy of municipal bond insurance and/or a reserve surety for the Certificates or to pay certain other costs of delivery of the Certificates, as the District may elect.

Any amounts that remain in the Building Fund at the completion of the Projects shall be transferred to the Debt Service Fund to be used to pay the Principal of, premium, if any, and interest on the Bonds, subject to any conditions set forth in the Tax Certificate.

SECTION 18. Payment and Security for the Bonds. The Board hereby requests that the County, annually at the time of making the levy of taxes for County purposes, levy a continuing direct *ad valorem* tax for that Fiscal Year upon the taxable property in the District in an amount at least sufficient, together with moneys on deposit in the Debt Service Fund and available for such purpose, to pay the Principal of, premium, if any, Accreted Value and interest on each Bond as each becomes due and payable in the next succeeding Bond Year. The tax levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The proceeds from the levy of the aforementioned tax which the County receives are pledged to the payment of the District's general obligation bonds, including the Bonds, and the District shall have no right, title or interest therein. The Bonds are the general obligations of the District and do not constitute an obligation of the County. No part of any fund or account of the County is pledged or obligated to the payment of the Bonds, the interest thereon or the Maturity Value thereof.

SECTION 19. Debt Service Fund.

(a) The District shall deposit or cause to be deposited any accrued interest and any original issue premium received by the District from the sale of the Bonds, in the fund established for the account of the District and designated as the "San Bernardino City Unified School District, 2004 Election General Obligation Bonds Debt Service Fund" (the "Debt Service Fund") to be administered by the County and used only for the payment of the Principal of, premium, if any, and interest on the Bonds and the other outstanding general obligation bonds of the District.

(b) All *ad valorem* taxes collected by the County for the payment of the Bonds and the District's other general obligation bonds shall be deposited upon collection by the County into the Debt Service Fund and used for the payment of the Principal of, premium, if any, and interest on the Bonds and the other outstanding general obligation bonds of the District, without distinction, *in pari passu*.

(c) The District shall transfer or cause to be transferred from the Debt Service Fund to the Paying Agent, an amount, in immediately available funds, sufficient to pay all the

Principal of, premium, if any, and interest on the Bonds (collectively, the “Debt Service”) on each Interest Payment Date. Debt Service on the Bonds shall be paid by the Paying Agent in the manner provided by law for the payment of Debt Service.

(d) Any amounts on deposit in the Debt Service Fund when there are no longer any general obligation bonds of the District Outstanding shall be transferred to the general fund of the District.

SECTION 20. Establishment and Application of Excess Earnings Fund. The District shall establish a special fund designated “San Bernardino City Unified School District Bonds Excess Earnings Fund” (the “Excess Earnings Fund”) which shall be administered by the County Office of Education for the account of the District and which shall be kept separate and apart from all other funds and accounts held hereunder. The District shall deposit, or cause to be deposited, moneys to the Excess Earnings Fund in accordance with the provisions of the Tax Certificate. Amounts on deposit in the Excess Earnings Fund shall only be applied to payments made to the United States or otherwise transferred to other accounts or funds established hereunder in accordance with the Tax Certificate.

SECTION 21. Payments of Costs of Issuance. The District may pay, or cause to be paid, Costs of Issuance using proceeds of the Bonds.

SECTION 22. Establishment of Additional Funds and Accounts. If at any time it is deemed necessary or desirable by the District, the Treasurer or the County Office of Education may establish additional funds under this Resolution and/or accounts within any of the funds or accounts established hereunder.

SECTION 23. Redemption. The Bonds shall be subject to redemption as provided in the Bond Purchase Agreement.

SECTION 24. Selection of Bonds for Redemption. Whenever provision is made in this Resolution or in the Bond Purchase Agreement for the redemption of the Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 60 days prior to the date designated for such redemption (or such other period as to which the Paying Agent consents), shall select Bonds for redemption in such order as the District may direct, or, in the absence of such direction, in inverse order of maturity within a series or as otherwise set forth in the Bond Purchase Agreement. Within a maturity, the Paying Agent shall select Bonds for redemption by lot or as otherwise set forth in the Bond Purchase Agreement. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the Principal Amount of \$5,000.

SECTION 25. Notice of Redemption. When redemption is authorized or required pursuant to this Resolution or the Bond Purchase Agreement, the Paying Agent, upon written

instruction from the District given at least 60 days prior to the date designated for such redemption (or such other period as the Paying Agent consents), shall give notice (a “Redemption Notice”) of the redemption of the Bonds. Such Redemption Notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price or Accreted Value, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount or Accreted Value, as appropriate, of such Bond to be redeemed, and (g) the original issue date, interest rate or accretion rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with the interest accrued to the redemption date and that from and after such date interest with respect thereto shall cease to accrue or accrete and be payable.

The Paying Agent shall take the following actions with respect to such Redemption Notice:

(a) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) So long as the Bonds shall be held in book-entry only form, at least two days before the date of the notice required by clause (a) of this Section, such Redemption Notice shall be given by (i) first class mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to DTC.

(c) In the event that the Bonds shall no longer be held in book-entry only form, at least two days before the date of notice required by clause (a) of this Section, such Redemption Notice shall be given by (i) first class mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear the CUSIP number identifying, by series and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 26. Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon

payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

SECTION 27. Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside for the payment of their redemption price, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 24 hereof, together with interest to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of Sections 23, 24, 25 and 26 shall be cancelled upon surrender thereof and delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent upon written notice by the District given to the Paying Agent.

SECTION 28. Paying Agent, Appointment and Acceptance of Duties.

(a) The Board hereby appoints U.S. Bank National Association, Los Angeles, California, to provide Paying Agent services for the Bonds under this Resolution. All fees and expenses incurred for services of the Paying Agent shall be the sole responsibility of the District.

(b) Unless otherwise provided, the office of the Paying Agent designated by the Paying Agent shall be the place for the payment of Principal of, Maturity Amount, Conversion Value, premium, if any, and interest on the Bonds.

SECTION 29. Liability of Paying Agent. The Paying Agent makes no representations as to the validity or sufficiency of this Resolution or of any Bonds issued hereunder or as to the security afforded by this Resolution, and the Paying Agent shall incur no liability in respect hereof or thereof.

SECTION 30. Evidence on Which Paying Agent May Act. The Paying Agent, upon receipt of any notice, resolution, request, consent, order, certificate, report, opinion, bond, or other paper or document furnished to it pursuant to any provision of this Resolution, shall examine such instrument to determine whether it conforms to the requirements of this Resolution and shall be protected in acting upon any such instrument believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent may consult

with counsel, who may or may not be counsel to the District, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under this Resolution in good faith and in accordance therewith.

SECTION 31. Compensation. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Resolution.

SECTION 32. Ownership of Bonds Permitted. The Paying Agent or the Representative may become the Owner of any of the Bonds.

SECTION 33. Resignation or Removal of Paying Agent and Appointment of Successor.

(a) The Paying Agent initially appointed hereunder may resign from service as Paying Agent and in that event, the District may select a replacement third party to perform the services of Paying Agent. Without further action by the District, if at any time the Paying Agent shall resign or be removed, the District may appoint a successor Paying Agent, which shall be a bank or trust company doing business in and having a corporate trust office in California, with at least \$100,000,000 in net assets. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the District in a format mutually agreeable to the Paying Agent and the District. Such successor Paying Agent shall signify the acceptance of its duties and obligations hereunder by executing and delivering to the District, a written acceptance thereof. Resignation or removal of the Paying Agent shall be effective upon appointment and acceptance of a successor Paying Agent.

(b) In the event of the resignation or removal of the Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor.

SECTION 34. Investment of Certain Funds. Moneys held in all funds and accounts established hereunder shall be invested and reinvested in Authorized Investments to the fullest extent practicable as shall be necessary to provide moneys when needed for payments to be made from such funds or accounts. Nothing in this Resolution shall prevent any investment securities acquired as investments of funds held hereunder from being issued or held in book-entry form on the books of the Department of the Treasury of the United States. All investment earnings on amounts on deposit in the Building Fund, the Excess Earnings Fund and the Debt Service Fund shall remain on deposit in such funds.

SECTION 35. Valuation and Sale of Investments. Obligations purchased as an investment of moneys in any fund or account shall be deemed at all times to be a part of such fund or account. Profits or losses attributable to any fund or account shall be credited or charged

to such fund or account. In computing the amount in any fund or account created under the provisions of this Resolution for any purpose provided in this Resolution, obligations purchased as an investment of moneys therein shall be valued at cost, plus, where applicable, accrued interest.

SECTION 36. Supplemental Resolutions With Consent of Owners. This Resolution, and the rights and obligations of the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the District with the written consent of Owners owning at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District; provided, however, that if a bond insurance policy respecting the Bonds is in effect, and provided that the bond insurer, if any, complies with its obligations thereunder, the bond insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount, Maturity Amount or Conversion Value of any Bond, reduce the interest rate payable thereon, change any redemption provision, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal, interest, Maturity Amount or Conversion Value is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification thereof or hereof. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

SECTION 37. Supplemental Resolutions Effective Without Consent of Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, without the requirement of consent of the Owners or any bond insurer, shall be fully effective in accordance with its terms:

- (a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (b) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;
- (c) To confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by this Resolution, of any moneys, securities or funds, or to establish any additional funds, or accounts to be held under this Resolution;
- (d) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution; or

(e) To amend or supplement this Resolution in any other respect, provided such Supplemental Resolution does not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the Owners.

SECTION 38. Effect of Supplemental Resolution. Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds and shall not be deemed an infringement of any of the provisions of this Resolution, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms of this Resolution, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the District or any officer or agent of either from taking any action pursuant thereto.

SECTION 39. Defeasance. If all Outstanding Bonds shall be paid and discharged in any one or more of the following ways:

(1) by well and truly paying or causing to be paid the Principal or Accreted Value of and interest on all Bonds Outstanding, as and when the same become due and payable;

(2) by depositing with the Paying Agent, in trust, before maturity, cash which, together with the amounts then on deposit in the Debt Service Fund plus the interest to accrue thereon, without the need for further investment, is fully sufficient, in the opinion of a certified public accountant to pay all Bonds Outstanding on their redemption date or at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or

(3) by depositing with an institution to act as escrow agent selected by the District and which meets the qualifications of a Paying Agent pursuant to Section 33, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America and permitted under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient, in the opinion of a certified public accountant, to pay and discharge all Bonds Outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment;

then all obligations of the District and the Paying Agent under this Resolution with respect to all Outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under Section 31 hereof.

SECTION 40. Bond Insurance. All, one or more series or a portion of the Bonds may be sold with bond insurance or other form of credit enhancement, if the Authorized Representative, in consultation with the Representative and the Financial Advisor, determines that the savings to the District resulting from the purchase of such bond insurance exceeds the cost thereof.

SECTION 41. Effective Date. This resolution shall take effect immediately upon its adoption.

EXHIBIT A-1

FORM OF CURRENT INTEREST BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNITED STATES OF AMERICA STATE OF CALIFORNIA

**SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT
(COUNTY OF SAN BERNARDINO)
[TAXABLE] GENERAL OBLIGATION BONDS
2004 SERIES [D] [E]**

\$ _____ No. _____

Interest Rate: _____% Maturity Date: August 1, 20__ Dated Date: _____, 2011 CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The San Bernardino City Unified School District (the "District") of the County of San Bernardino, State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Principal Amount set forth above, on the Maturity Date set forth above, together with interest thereon from the Dated Date set forth above until the Principal Amount hereof shall have been paid or provided for, in accordance with the Resolution hereinafter referred to, at the interest rate set forth above. Interest on this Bond is

payable on [August] 1, 20__ and semiannually thereafter on the first day of February and August (each, an "Interest Payment Date") in each year to the Registered Owner hereof from the Interest Payment Date next preceding the date on which this Bond is registered (unless it is registered after the close of business on the fifteenth calendar day of the month preceding any Interest Payment Date (a "Record Date") and on or before the close of business on the immediately following Interest Payment Date, in which event it shall bear interest from such following Interest Payment Date, or unless this Bond is registered prior to the close of business on [July] 15, 20__, in which event it shall bear interest from its Dated Date; provided, however, that if at the time of registration of this Bond interest with respect hereto is in default, interest with respect hereto shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment). Interest on this Bond shall be computed using a year of 360 days, comprised of twelve 30-day months. The Principal Amount hereof is payable at the office of U.S. Bank National Association, as paying agent (the "Paying Agent"), in Los Angeles, California. The interest hereon is payable by check or draft mailed by first class mail to each registered owner, at his address as it appears on the registration books kept by the Paying Agent as of the Record Date.

[The Bonds of this issue are comprised of \$_____ Principal Amount of Current Interest Bonds, of which this Bond is a part (a "Current Interest Bond"), \$_____ Principal Amount of Capital Appreciation Bonds and \$_____ Principal Amount of Convertible CABs.] This Bond is issued and authorized by the District under and in accordance with the provisions of (i) Section 53506 *et seq.* of the Government Code of the State of California, as amended (the "Act"), (ii) Article XIII A of the California Constitution, and pursuant to a resolution adopted by the Board of Education of the District on January 18, 2011 (the "Resolution"), and (iii) the Bond Purchase Agreement. Reference is hereby made to the Resolution, a copy of which is on file at the office of the District, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of more than 55% of the qualified electors of the District voting on the proposition at an election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to both Principal and interest from *ad valorem* taxes, which, under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Principal of this Bond, or any part thereof, nor any interest or premium hereon constitute a debt, liability or obligation of the County of San Bernardino.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner,

subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

[The Current Interest Bonds maturing on or before August 1, 20__, are not subject to redemption prior to their stated maturity dates. The Current Interest Bonds maturing on and after August 1, 20__, may be redeemed before maturity, at the option of the District, from any source of available funds, in whole or in part on any date on or after August 1, 20__, at par, together with interest accrued thereon to the date of redemption.]

[The Current Interest Bonds maturing on August 1, 20__, are subject to mandatory sinking fund redemption, in part by lot, on August 1 in each of the years and in the principal amounts set forth in the following schedule, at a redemption price of par, plus accrued interest to the date fixed for redemption:]

Mandatory Sinking Fund

Payment Date
(August 1)

Mandatory Sinking Fund Payment
\$

[Whenever provision is made in this Resolution or in the Bond Purchase Agreement for the redemption of the Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 60 days prior to the date designated for such redemption (or such other period as the Paying Agent consents), shall select Bonds for redemption in such order as the District may direct, or, in the absence of such direction, in inverse order of maturity within a series. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the Principal Amount of \$5,000.]

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District and provided that the bond insurer, if any, complies with its obligations thereunder, the bond insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount, Maturity Amount or Conversion Value of any Bond, reduce the interest rate payable thereon, change any redemption provision, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal, interest,

Maturity Amount or Conversion Value is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification thereof or hereof.

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the owners.

If this Bond is called for redemption and the Principal Amount of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

IN WITNESS WHEREOF, the San Bernardino City Unified School District has caused this Bond to be executed and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the San Bernardino City Unified School District and to be countersigned by the manual or facsimile signature of the Clerk of said Board of Education.

Board of Education Minutes
January 18, 2011

SAN BERNARDINO CITY UNIFIED SCHOOL
DISTRICT

By: _____ [Form Document]
President of the Board of Education

Countersigned:

By: _____ [Form Document]
Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Education of the San Bernardino City Unified School District.

DATED: _____, 2011

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent

By: _____
Authorized Officer

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner hereby sells, assigns and transfers unto

Name of Transferee: _____

Address for Payment of Interest: _____

Social Security Number or other Tax Identification No.:

the within-mentioned Bond and hereby irrevocably constitutes and appoints attorney, to transfer the same on the books of the Paying Agent with full power of substitution in the premises.

Registered Owner

Dated:

NOTICE: The signature on this Assignment must correspond with the name as written on the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

The San Bernardino City Unified School District of the County of San Bernardino (the "District"), State of California, for value received, hereby acknowledges itself indebted and promises to pay to the Registered Owner set forth above the Maturity Amount set forth above, on the Maturity Date set forth above. Interest on this Bond with respect to the Principal Amount hereof will accrue, commencing August 1, 2011 at the Accretion Rate per annum shown above from the Dated Date shown above and will accrete and be compounded semiannually on February 1 and August 1 of each year until maturity, computed using a year of 360 days comprised of twelve 30-day months and shall be payable only at maturity or earlier redemption as part of the Maturity Amount or the Accreted Value. The Maturity Amount or Accreted Value hereof is payable at the office of U.S. Bank National Association, as initial paying agent (the "Paying Agent"), in Los Angeles, California.

[The Bonds of this issue are comprised of \$ _____ of Principal Amount of Capital Appreciation Bonds of which this Bond is a part (a "Capital Appreciation Bond"), \$ _____ Principal Amount of Current Interest Bonds and \$ _____ Principal Amount of Convertible CABs..] This Bond is issued and authorized by the District under and in accordance with the provisions of (i) Section 53506 *et seq.* of the Government Code of the State of California, as amended (the "Act"), (ii) Article XIII A of the California Constitution, and pursuant to a resolution adopted by the Board of Education of the District on January ___, 2011 (the "Resolution") and (iii) the Bond Purchase Agreement. Reference is hereby made to the Resolution, a copy of which is on file at the office of the District, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution. The Bonds were authorized by a vote of more than 55% of the qualified electors of the District voting on the proposition at an election held therein to determine whether such Bonds should be issued.

This Bond is a general obligation of the District, payable as to Maturity Amount from *ad valorem* taxes that under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Accreted Value of this Bond, or any part hereof, nor any premium hereon constitute a debt, liability or obligation of the County of San Bernardino.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

[The Capital Appreciation Bonds are not subject to redemption prior to their stated maturity dates.]

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District and provided that the bond insurer, if any, complies with its obligations thereunder, the bond insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount, Maturity Amount or Conversion Value of any Bond, reduce the interest rate payable thereon, change any redemption provision, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal, interest, Maturity Amount or Conversion Value is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification thereof or hereof.

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the owners.

If this Bond is called for redemption and the Accreted Value, without premium, is duly provided therefor as specified in the Resolution, then interest shall cease to accrete with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as

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January 18, 2011

required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

IN WITNESS WHEREOF, the San Bernardino City Unified School District has caused this Bond to be executed and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the San Bernardino City Unified School District and to be countersigned by the manual or facsimile signature of the Clerk of said Board of Education.

SAN BERNARDINO CITY UNIFIED SCHOOL
DISTRICT

By: _____ [Form Document]
President of the Board of Education

Countersigned:

By: _____ [Form Document]
Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Education of the San Bernardino City Unified School District.

DATED: _____, 2011

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent

By: _____
Authorized Officer

EXHIBIT A-3

FORM OF CONVERTIBLE CAB

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE RESOLUTION) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY

TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

REGISTERED
 NO. ___

REGISTERED
 \$ _____

SAN BERNARDINO CITY UNIFIED SCHOOL DISTRICT
 (COUNTY OF SAN BERNARDINO)
 [TAXABLE] GENERAL OBLIGATION BONDS
 2004 SERIES [D] [E]

Accretion Rate to but not including the <u>Conversion Date</u> %	Interest Rate from and after the <u>Conversion Date</u> %	Conversion <u>Date</u> August 1, 20__	Maturity <u>Date</u> August 1, __	<u>Dated as of:</u>	<u>CUSIP</u>
--	--	--	---	---------------------	--------------

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

CONVERSION VALUE: _____ DOLLARS

The San Bernardino City Unified School District (the "District") in the County of San Bernardino, California (the "County"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Conversion Value on the Maturity Date, each as stated above, such Conversion Value comprising the Principal Amount and interest accreted thereon to but not including the Conversion Date stated above. Prior to the Conversion Date stated above, this Bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2011 at the Accretion Rate specified above to the Conversion Date specified above, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denomination Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. From the Conversion Date, the District, for value received, promises to pay to the Registered Owner named above, interest on the Accreted value as of the Conversion Date (the "Conversion Value") until the Conversion Value is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing _____ 1, 20 __. From and after the Conversion Date this Bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 15th day of the month next preceding any Bond Payment Date to the Bond Payment date, inclusive, in which

event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before _____ 15, [20__], in which event it will bear interest from the Date of Delivery. Conversion Value and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this Bond (or, if applicable, one or more predecessor Bonds) is registered (the "Registered Owner") on the register maintained by U.S. Bank National Association, as initial paying agent, in Los Angeles, California, paying agent, registrar and transfer agent of the District (herein called the "Paying Agent"), including its designated agents, successors and assigns acting in such capacity. Conversion Value and redemption premium, if any, are payable upon presentation and surrender of this Bond at the principal office of the Bond Registrar. The Bonds were authorized by a vote of more than 55% of the qualified electors of the District voting on the proposition at an election held therein to determine whether such Bonds should be issued.

[The Bonds of this issue are comprised of \$ _____ of Principal Amount of Convertible Capital Appreciation Bonds of which this Bond is a part (a "Convertible Capital Appreciation Bond") in the Denominational Amount of \$ _____ and the Conversion Value of \$ _____ and \$ _____ Principal Amount of Current Interest Bonds.] This Bond is issued and authorized by the District under and in accordance with the provisions of (i) Section 53506 *et seq.* of the Government Code of the State of California, as amended (the "Act"), (ii) Article XIII A of the California Constitution, and pursuant to a resolution adopted by the Board of Education of the District on January ____, 2011 (the "Resolution") and (iii) the Bond Purchase Agreement. Reference is hereby made to the Resolution, a copy of which is on file at the office of the District, for a description of the terms on which the Bonds are delivered, and the rights thereunder of the registered owners of the Bonds and the rights and duties of the Paying Agent and the District, to all of the provisions of which the registered owner of this Bond, by acceptance hereof, assents and agrees. All capitalized terms used but not otherwise defined herein shall have the respective meanings set forth in the Resolution.

This Bond is a general obligation of the District, payable as to Conversion Value from *ad valorem* taxes that under the laws now in force, may be levied without limitation as to rate or amount upon all of the taxable property in the District. Neither the payment of the Conversion Value of this Bond, or any part hereof, nor any premium hereon constitute a debt, liability or obligation of the County of San Bernardino.

This Bond is issued in fully registered form and is nonnegotiable. Registration of this Bond is transferable by the registered owner hereof, in person or by his attorney duly authorized in writing, at the aforesaid offices of the Paying Agent, but only in the manner, subject to the limitations, and upon payment of the charges, provided in the Resolution and upon surrender and cancellation of this Bond. Upon such registration of transfer, a new Bond or Bonds, of like tenor and maturity in the same Transfer Amount and in authorized denominations will be issued to the transferee in exchange herefor. The District and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

[The Convertible Capital Appreciation Bonds maturing on August 1, 20__ may be redeemed before maturity at the option of the District, from any source of available funds, in whole or in part, at the direction of the District, on any date on or after August 1, 20__ at a redemption price equal to the principal amount thereof, together with accrued interest to the date of redemption, without premium.]

The rights and obligations of the District and of the owners of the Bonds may be modified or amended at any time by a supplemental resolution adopted by the District with the written consent of owners of at least 60% in aggregate Bond Obligation of the Outstanding Bonds, exclusive of Bonds, if any, owned by the District and provided that the bond insurer, if any, complies with its obligations thereunder, the bond insurer shall be deemed to be the sole Owner of the Bonds for purposes of this sentence. Notwithstanding the foregoing, no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the Principal Amount, Maturity Amount or Conversion Value of any Bond, reduce the interest rate payable thereon, change any redemption provision, extend its maturity or the times for paying interest thereon or change the monetary medium in which Principal, interest, Maturity Amount or Conversion Value is payable, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification thereof or hereof.

For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms: (1) to add to the covenants and agreements of the District in the Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (2) to add to the limitations and restrictions in the Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with the Resolution as theretofore in effect; (3) to confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by the Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under the Resolution; (4) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Resolution; or (5) to amend or supplement the Resolution in any other respect, provided such supplemental resolution does not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the owners.

If this Bond is called for redemption and the Conversion Value of this Bond plus premium, if any, and accrued interest due with respect hereto are duly provided therefor as specified in the Resolution, then interest shall cease to accrue with respect hereto from and after the date fixed for redemption.

This Bond shall not become valid or obligatory for any purpose until the Certificate of Authentication hereon endorsed shall have been dated and executed manually by the Paying Agent.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the San Bernardino City Unified School District has caused this Bond to be executed and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the San Bernardino City Unified School District and to be countersigned by the manual or facsimile signature of the Clerk of said Board of Education.

SAN BERNARDINO CITY UNIFIED SCHOOL
DISTRICT

By: _____ [Form Document]
President of the Board of Education

Countersigned:

By: _____ [Form Document]
Clerk of the Board of Education

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution of the Board of Education of the San Bernardino City Unified School District.

DATED: _____, 2011

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent

By: _____
Authorized Officer

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and ZIP code of Transferee): _____ this Bond and irrevocably constitutes and appoints attorney to transfer this Bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or by any change whatever, and the signature(s) must be guaranteed by an eligible guarantor institution.

Social Security Number, Taxpayer Identification Number or other identifying number of Assignee: _____

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

SESSION SEVEN - Legislation and Action

8.0 - Consent Items (When considered as a group, unanimous approval is advised.)

Certain items of business require review and approval by the Board of Education. Other items are for information and review only. Therefore, the following items are grouped as a consent list for receipt and approval. When members have questions about items included in the consent calendar, these items are pulled out of the group and considered separately.

Consent items 8.1, 8.8, 8.9, 8.10, 8.11, and 8.15 were held for later consideration.

Upon motion by Member Parra Craig, seconded by Member Savage, and approved by the affirmative vote of Members Ayala, Parra Craig, Flores, Penman, Savage, Tillman, and Valdez (Noes: None), the following were adopted:

8.2 - Acceptance of Gifts and Donations to the District

BE IT RESOLVED that the Board of Education acknowledges receipt of \$300.00, San Bernardino Rotary Foundation; \$1,000.00, Arrowhead Family Medical Group, Inc.; \$500.00, Naomi Wylie; and \$1,000.00, Andy Valmar.

8.3 - Business and Inservice Meetings

BE IT RESOLVED that the Board of Education approves the attendance and participation of the following individuals in scheduled business and inservice meetings:

Abigail Medina Lori Collins (Board Representatives)	To attend California Association for the Gifted (CAG) Annual Conference, in Palm Springs, CA, February 27, 2011. Total cost, including meals and mileage per District guidelines, not to exceed \$400.00, will be paid from Advanced Learner Programs & Services Account No. 430.
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8.4 - Cafeteria Warrant Register, Ending December 31, 2010

BE IT RESOLVED that the Cafeteria Warrant Register, ending December 31, 2010, be approved.

BE IT FURTHER RESOLVED that the Board of Education authorizes Derek Harris, Interim Employee Benefits Director; John A. Peukert, Assistant Superintendent, Facilities/Operations; Adriane Robles, Nutrition Services Director; or Larry Lobaugh, Nutrition Services Program Manager, to sign disbursements. Two signatures are required on all cafeteria warrants.

8.5 - Commercial Warrant Registers for Period from December 1, through December 31, 2010

BE IT RESOLVED that the Commercial Warrant Register for period from December 1, through December 31, 2010, be approved.

BE IT FURTHER RESOLVED that the Board of Education authorizes James Cunningham, Accounting Services Director; David Moyes, Accounts Payable Supervisor; Derek Harris, Interim Employee Benefits Director; or Mohammad Z. Islam, Chief Business and Financial Officer, to sign disbursements.

8.6 - Payment for Course of Study Activities

BE IT RESOLVED that the Board of Education considers the following activities to be a part of the regular course of study for the 2010-11 school year and approves payment to the following:

Adam Christing from Clean Comedians for March 2011 performances at San Bernardino High School, Arroyo Valley High School, San Geronio High School, Pacific High School, and an ROP job fair. The cost, not to exceed \$5,700.00, will be paid from WorkAbility I Program Account No. 437.

Joann Medeiros from Aquarium of the Pacific for a "Mobile Aquarium" presentation on January 27, 2011. The cost, not to exceed \$1,500.00, will be paid from Kendall Elementary School Account No. 501.

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Samuel Trejo and Patricia Berry from San Bernardino Valley College for various presentations at Sierra High School throughout the remainder of the 2010-11 school year, beginning January 18, 2011. The presentations will be made at no cost to the District.

Enrique D. Melendez from Universal Technical Institute for various presentations at Sierra High School throughout the remainder of the 2010-11 school year, beginning January 25, 2011. The presentations will be made at no cost to the District.

The Orange County Performing Arts Center for a presentation entitled "The Icky Yucky Gross Bug Show," by EDUTAINMENT ARTS on February 10, 2011. The cost, not to exceed \$455.00, will be paid from North Park Elementary School ASB Account.

8.7 - Federal/State/Local District Budgets and Revisions

BE IT RESOLVED that the Board of Education approves the addition of \$19,327.00 in the budgeting of revenue and expenditures for the restricted program, Drug Free Schools (555).

8.12 - Amend Board Resolution, Agenda Item 9.32, Contract Amendment, Cybertech Systems and Software, Inc.

BE IT RESOLVED that the Board of Education approves amending the Board resolution approving the contract with Cybertech Systems and Software, Inc., Agenda Item 9.32. The amendment is necessary to correct the contract amount to include the hardware migration cost of \$42,000.00, approved by the Board on December 21, 2010, for a revised not-to-exceed contract amount of \$452,000.00. All other terms and conditions will remain the same.

8.13 - Amendment to the Board Resolution of November 2, 2010, Agenda Item 8.9, Extended Field Trip, Arroyo Valley High School, Ninth Annual JROTC Cadet Leadership Challenge Camp, San Luis Obispo, California

BE IT RESOLVED that the Board of Education approves amending the Board resolution of November 2, 2010, Agenda Item 8.9, Extended Field Trip for 40 students and 5 District employees to attend the Ninth Annual JROTC Cadet Leadership Challenge Camp in San Luis Obispo, California March 18, through March 22, 2011. This amendment is to change the camp location and the date of the trip from San Luis Obispo, California to Fort Irwin, California and the date from March 18, through March 22, 2011, to March 25, through March 29, 2011. All other terms and conditions remain the same.

8.14 - Emergency Resolution to Award Contract, Curtis Middle School HVAC Vandalism

BE IT RESOLVED that the Board of Education unanimously approves an emergency request to the County Superintendent of Schools asking for approval to enter into any necessary contract(s) in writing or otherwise on behalf of the District for the performance of labor and furnishing of materials or supplies for this purpose without advertising for or inviting bids.

BE IT ALSO RESOLVED that the cost, less the District's deductible amount, will be paid by Southern California Risk Management to the contractor.

BE IT FURTHER RESOLVED that the Board of Education authorizes Mohammad Z. Islam, Chief Business and Financial Officer, to sign all documents deemed necessary associated with this emergency contract(s) award.

8.16 - Expulsion of Student(s)

BE IT RESOLVED that the Board of Education accepts and adopts the recommendation and findings of the Hearing Panel, based on a review of the Panel's finding of facts and recommendations, and orders the expulsion of the following student(s) with the birth date(s) as listed below in accordance with the Board rules and regulations and in compliance with Education Code Section 48900:

****(S)**4/29/1995 **(S)**6/12/1999 **(S)**12/31/1996 *6/24/1996 **(S)**8/23/1994 **(S)**8/2/1995

*The Board does hereby order the enforcement of the expulsion suspended for a period of not more than one calendar year. The suspension of the enforcement of the expulsion order is deemed appropriate for the rehabilitation of the pupil, per Education Code section 48917.

**The Board does hereby expel the pupil for a period of one semester, and does hereby order the enforcement of the expulsion suspended for the following semester, allowing him/her to be considered for re-enrollment in the district under suspended expulsion as deemed appropriate for the rehabilitation of the pupil, per Education Code section 48917.

(S) A stipulated expulsion is a process whereby the pupil and his/her family acknowledge responsibility for the behavior leading to the recommendation for expulsion by the school administration, and waive their right to a hearing by admitting to the facts in support of an expulsion recommendation. The pupil and his/her family stipulate the facts of the case as presented by the school, accepting one of the following consequences: ***(S)** suspended expulsion, ******(S)**** expulsion one semester, suspended expulsion one semester, **(S)** expulsion two semesters.

8.17 - Student(s) Recommended for Suspension, but Remanded Back to School Sites or Had Suspensions Reduced, Due to Errors of Due Process, Lack of Evidence, and/or Availability of Other Means of Correction

BE IT RESOLVED that the following student(s) were recommended for suspension, but suspension is deemed inappropriate based on due process errors, insufficient evidence, and/or the availability of other means of correction in compliance with Education Code Section 48900. Therefore, although they were recommended for suspension, the suspension was reversed or modified.

8.18 - Student(s) Recommended for Expulsion, but Remanded Back to the School Sites Due to Errors of Due Process, Lack of Evidence and/or Availability of Other Means of Correction

BE IT RESOLVED that the following student(s) were recommended for expulsion, but expulsion is deemed inappropriate based on due process errors, insufficient evidence, and/or the availability of other means of correction in compliance with the Education Code section 48900. Therefore, although they were recommended for expulsion, the expulsion is not granted:

8.19 - Student(s) Not Recommended for Expulsion as Specified Under Education Code Section 48915 (a)

Education Code Section 48915 (a) states, "Principal or the Superintendent of the schools shall recommend a pupil's expulsion...., unless the principal or superintendent finds and so reports in writing to the governing board that expulsion is inappropriate, due to the particular circumstance, which should be set out in the report of the incident."

The student(s) identified below were found to have committed a violation of Education Code Section 48900 for which a referral for expulsion is mandated; however, the principal found that due to particular circumstances, expulsion is inappropriate:

8.20 - Revocation of Suspension of Expulsion

FURTHER, in accordance with Education Code Section 48917, the Board does hereby order the expulsion of the student(s) with birth date(s) as listed:

This order revokes a previously suspended expulsion order and is recommended at this time because the student(s) violated the conditions of the suspension of the expulsion order.

8.21 - Lift of Expulsion of Student(s)

BE IT RESOLVED that the Board of Education authorizes the readmission of the following student(s), with the birth date(s) as indicated below, to schools of the San Bernardino City Unified School District in accordance with the Board rules and regulations and in compliance with the Education Code Section 48900:

6/12/1996 2/13/1995

8.22 - Failure to Recommend Mandatory Expulsion 48915

BE IT RESOLVED that the following school(s) have failed to adhere to Education Code Section 48915. Principals are required by Education Code to report guns, brandishing a knife, sexual assault, possession of an explosive device, and/or the sale of an illegal substance. The following school(s) have not followed this Education Code requirement:

8.23 - Petition to Expunge, Rescind, or Modify Expulsion

Education Code 48917, Section (e) states: upon satisfactory completion of the rehabilitation assignment of a pupil, the governing board shall reinstate the pupil in a school of the district and may also order the expungement of any or all records of the expulsion proceedings.

8.24 - Education Code 48213

Education Code 48213 states: that a student can be excluded from attendance pursuant to Section 120230 of the Health and Safety Code or Section 49451 of this code if a principal or his designee determines that the continued presence of the child would constitute a clear and present danger to the life, safety, and health of a pupil or school personnel. The governing board is not required to send prior notice of the exclusion to the parent or guardian of the pupil. The governing board shall send a notice of the exclusion as soon as is reasonably possible after the exclusion.

8.1 - Compensation for School Board Members

Teresa Parra Craig asked for clarification. Upon motion by Member Parra Craig, seconded by Member Tillman, and approved by the affirmative vote of Members Ayala, Parra Craig, Flores, Penman, Savage, Tillman, and Valdez (Noes: None), the following was adopted:

BE IT RESOLVED that the Board of Education approves compensation for Board Member Louise Ayala for the January 11, 2010 School Board meeting.

8.8 - Annual Audited Financial Report for Fiscal Year 2009-10

Upon motion by Member Parra Craig, seconded by Member Tillman, and approved by the affirmative vote of Members Ayala, Parra Craig, Flores, Penman, Savage, Tillman, and Valdez (Noes: None), the following was adopted:

BE IT RESOLVED that the Annual Audited Financial Report for Fiscal Year 2009-10, including the Compliance Audit of Federal and State Funded Programs, as prepared by Vavrinek, Trine, Day & Co. LLP, Certified Public Accountants, be accepted as submitted.

8.9 - Agreement with Consortium on Reading Excellence (CORE) to Provide Specialized Site Implementation at Newmark Elementary School

Barbara Flores stated that there has been no evaluation of CORE's effectiveness and asked why the District is using them again. Dr. Delgado stated that they offer specialized implementation of a reading program. Elsa Valdez requested a report on its effectiveness. Danny Tillman stated that if we hold administrators responsible, we need to give them flexibility.

This item was tabled.

8.10 - Agreement with Get Ahead Writing, LLC, to Provide Staff Training in Direct Application of Writing Application Standards

Teresa Parra Craig stated that she will abstain from voting. Upon motion by Member Tillman, seconded by Member Savage, and approved by the affirmative vote of Members Ayala, Flores, Penman, Savage, Tillman, and Valdez (Noes: None; Abstentions: Parra Craig), the following was adopted:

BE IT RESOLVED that the Board of Education approves entering into an agreement with Get Ahead Writing, LLC, Fullerton, CA, to provide training in direct application of writing application standards to District staff, and a Writing Boot Camp for 4th Graders, effective January 19, through June 30, 2011. The services will include 20 days of on-site training. The cost for services, not to exceed \$26,000.00, will be paid from the Restricted General Fund—Elementary Secondary Education Act, Account No. 507.

BE IT FURTHER RESOLVED that the Board of Education authorizes Mohammad Z. Islam, Chief Business and Financial Officer, to sign all related documents.

8.11 - Agreement with Principal's Exchange, LLC to Promote Significantly Improved Academic Achievement and Accelerate Schools Exit from Program Improvement Status

Barbara Flores asked if Principal's Exchange has been a Program Improvement team. Dr. Delgado reported they have been for some time. Test scores have risen and the principal asked to continue with them. Elsa Valdez stated that she had major problems with them in the past and thought they wouldn't be used again once their original work was done. Dr. Delgado stated that prior concerns were with the early exit of students from the English Learner Program. Rio Vista has expanded their number of ABE classes. Dr. Valdez stated that she will vote against it. Dr. Delgado stated that the Board can vote no, and if so, Rio Vista will need to find someone else who would be unfamiliar with their school. Dr. Valdez stated that they used a heavy handed approach with the District and were not following the wishes of the Board.

There was no motion to adopt the agreement.

8.15 - Bid No. 27-10, Mobile Furniture - Learning Walls

Teresa Parra Craig asked if Timothy Brantley from Fleetwood Group responded correctly to the formal bid. Mohammad Islam stated that Fleetwood Group did not bid; they are a manufacturer.

Upon motion by Member Parra Craig, seconded by Member Flores, and approved by the affirmative vote of Members Ayala, Parra Craig, Flores, Savage, Tillman, and Valdez (Noes: Penman), the following was adopted:

BE IT RESOLVED that Bid No. 27-10, Mobile Furniture – Learning Walls, Line Items 001 through Line 010, be awarded to Concept School & Office Furnishing, Temecula, CA; lowest responsive and responsible bidder meeting District specifications, as follows:

<u>BIDDER</u>	<u>UNIT PRICE</u>	<u>LINE ITEM AWARD</u>
Concept Schools &	\$ 4,377.84	001
Office Furnishings	\$ 3,609.92	002
Temecula, CA	\$ 4,609.84	003
	\$ 3,609.92	004
	\$ 4,841.84	005
	\$ 3,551.92	006
	\$ 4,493.84	007
	\$ 3,551.92	008
	\$ 1,142.60	009
	\$ 725.00	010

BE IT FURTHER RESOLVED that the District reserves the right to purchase more than or less than the quantity indicated, exercising unit price escalation in accordance with the bid specifications, at the sole discretion of the District, throughout the initial one-year term of the bid award, and all extensions, not to exceed three years total.

9.0 - Action Items

9.3 - Resolution Denying Charter School Petition for Optimo Preparatory Academy

Upon motion by Member Flores, seconded by Member Parra Craig, and approved by the affirmative vote of Members Ayala, Parra Craig, Flores, Penman, Savage, Tillman, and Valdez (Noes: None), the following was adopted:

WHEREAS, pursuant to Education Code section 47605, et seq., the Board of Education of the San Bernardino City Unified School District (“Board” or “District”) is required to review and authorize creation and/or renewal of charter schools.

WHEREAS, Petitioners for the Optimo Preparatory Academy (“Optimo” or “School”) submitted to the District a Charter School Petition (“Petition”), on or about November 15, 2010.

WHEREAS, on December 7, 2010, a public hearing on the provisions of the Petition was conducted in accordance with the provisions of Education Code section 47605, at which time the District Board considered the level of public support for this Petition by teachers employed by the District, other employees of the District and parents. At that public hearing, Mr. Steven Holguin, lead petitioner, spoke in support of the Petition. Several other individuals were in attendance at the hearing in support of the Petition.

WHEREAS, in reviewing the Petition, the Board has been cognizant of the intent of the Legislature that charter schools are and should become an integral part of the California educational system and that establishment of charter schools should be encouraged.

WHEREAS, in reviewing the Petition, the District staff from the areas of Student Services, Curriculum & Instruction, Human Resources, Facilities, and Business, working collaboratively with the Superintendent, Dr. Arturo Delgado, and with District legal counsel, have reviewed and analyzed all of the information with respect to the Petition, including information related to the operation and potential effects of the proposed charter school and have made a recommendation to the District Board that the Petition be denied based on that review.

WHEREAS, the District Board of Education has fully considered Optimo's Petition and the District staff's recommendation.

NOW, THEREFORE, BE IT RESOLVED that the District Board of Education finds the above recitals to be true and correct and incorporates them herein by this reference;

BE IT FURTHER RESOLVED that the District Board of Education, having fully considered and evaluated the Petition for Optimo, hereby denies the Petition pursuant to Education Code section 47605 as not consistent with sound educational practice based upon the following findings:

- I. THE PETITION PRESENTS AN UNSOUND EDUCATIONAL PROGRAM FOR THE PUPILS TO BE ENROLLED IN THE CHARTER SCHOOL. [Education Code section 47605(b) (1)]
 - A. The Petition presents an unsound educational program for the pupils to be enrolled in the Charter School. [Education Code section 47605(b)(1)];
 - B. The Petition does not contain reasonably comprehensive descriptions of all of the required elements. [Education Code section 47605(b) (5).]

BE IT FURTHER RESOLVED that the District Board of Education hereby determines that the foregoing findings are supported by the following facts:

- II. THE PETITION PRESENTS AN UNSOUND EDUCATIONAL PROGRAM FOR THE PUPILS TO BE ENROLLED IN THE CHARTER SCHOOL. [Education Code section 47605(b) (1)]
 - A. The Plan for English Learners (EL) is Inadequate and Incomplete and Raises Numerous Concerns.

The District finds that the Petition fails to provide a reasonably comprehensive educational program for EL students for the following reasons:

The Petitioners are targeting District attendance areas in which there are high numbers of identified English Learners (ELs). Thus, it is imperative their program for identified English Learners is well-developed and specifically address the needs of English Learners. This program should include effective second language acquisition methodologies, a comprehensive English Language Development (ELD) program, research-based instructional strategies, and supplemental services. The following concerns are noted with respect to the provision of EL services:

1. The Petition provides that the School will comply with all federal, state, and judicial mandates for English Learners; however, the Petition goes on to note that communication with families will occur in the native language whenever possible, when in fact state law requires that schools communicate with families in their home language when 15% or more of the student population are from a single language such as Spanish.
2. State law also requires schools to have an English Learner Advisory Committee (ELAC) when 21 or more English Learners are enrolled in the school. The Petition does not mention the formation and operation of an ELAC.
3. In the Petition, it is noted that teachers will be required to have an English Learner teaching authorization. However only two of six teachers, who signed the Petition as being meaningfully interested in teaching at the School, currently possess such authorization.
4. In the teaching and learning section of the Petition, a wealth of teaching strategies and techniques that have proven to be successful for English Learner students are mentioned. However, a designated block of time (class), specifically titled "ELD" must be noted in course offerings at the School, as well as in course descriptions according to the state requirement that each and every English Learner student is required to receive ELD on a daily basis until Reclassified English Proficient (R-FEP). Simply stating that a student's ELD progress will be monitored is not sufficient. There must be documented evidence which identifies that ELD occurs on a daily basis for each and every English Learner student. ELD could be a part of the school's identified extra assistance time, which every student will receive, as noted on page 55.
5. In addressing the method used when evaluating the effectiveness of English Learner programs, the Petition identifies Annual Measurable Achievement Objectives (AMAO) 1, 2, and 3; however the expectation for AMAO 1 and 3 are below the target required or not identified accurately. To clarify, AMAO 1 is greater than the 50% the Petition mentions as a minimum goal for the school and AMAO 3 also includes Adequate Yearly Progress (AYP) proficiency in English-Language Arts and Mathematics in addition to the participation rate identified in the Petition.

B. The Petition Does Not Meet the Needs of Students With Exceptional Needs As It Does Not Adequately Address the Provision of Services Pursuant To the Individuals With Disabilities Education Improvement Act (IDEIA).

Specifically, while the Petition provides that the School will be a school within the District for purposes of the IDEIA and that the School seeks services from the District in the same manner as the other schools of the District, the School's budget does not make provision for the School's payment for such services, as required by both the Petition and Education Code Section 47646(c).

III. THE PETITION DOES NOT CONTAIN REASONABLY COMPREHENSIVE DESCRIPTIONS OF ALL OF THE REQUIRED ELEMENTS. [Education Code section 47605(b)(5)]

The Petitioners are required to set forth in the Petition reasonably comprehensive descriptions of sixteen elements as described in Education Code section 47605(b)(5). The District Board of Education finds that there are serious deficiencies/concerns in several of these required elements as more fully discussed below.

A. Description of the Educational Program of the School. [Education Code section 47605(b)(5)(A)]

As discussed above, the proposed educational program for EL students, who may constitute a large percentage of the School's population, is not fully and adequately described in the Petition.

B. The Governance Structure of the Charter School, Including, but Not Limited to, the Process to Ensure Parental Involvement. [Education Code section 47605(b)(5)(D)]

1. The Petition provides that the Charter School shall be operated by a nonprofit organization pursuant to California law. No articles of incorporation and bylaws for the corporation called 212 Degree Schools were submitted. Instead, only "sample bylaws and articles" which have not been adopted by the Corporate Board were submitted with the Petition. The failure to provide specific bylaws with depth and detail regarding the corporate structure, rules, and operations, and without bylaws makes it impossible to understand the School's proposed governance structure.
2. The proposed governance structure of the School presents conflict of interest issues that may violate applicable law, including but not limited to Government Code section 1090, common law of conflicts, as well as good practices to protect the public interest.

3. While the Petition provides that Optimo will comply with the Brown Act, many of the provisions contained in the sample bylaws are contrary to the provisions of the Brown Act.
4. The organizational chart provides for two administrators for only 150 students and 22 teachers. This structure appears to be unnecessarily top-heavy and does not appear to be a good use of limited resources.

C. The Procedures to be Used by the District and the Charter School for Resolving Disputes Relating to Provisions of the Charter. [Education Code section 47605(b)(5)(N)]

The Petition includes two separate dispute resolution processes. The first process that is set forth on page 139 makes reference to a multi-step process that includes mediation. Then, inexplicably, on page 140, a separate process that includes both mediation and arbitration is set forth.

The second process is particularly overly cumbersome and not designed to lead to an expedient resolution of disputes. The inclusion of two separate procedures creates confusion and ambiguity. The failure to include a single comprehensive dispute resolution process as part of the Petition is problematic as this is an area that is extremely important to be clear for the District to be able to properly exercise its oversight obligations.

IV. ADMISSION REQUIREMENTS, IF APPLICABLE [Ed. Code §47605(b) (5)(H)]

The admission preferences are unacceptable and violate the Charter Schools Act of 1992. The Act specifies that if the number of students desiring to attend the school exceeds capacity, preference “shall” be extended to pupils currently attending the school and residents of the school district. The hierarchy of preferences set forth in the Petition puts current students of the District behind both children of founders and teachers of the School, in violation of the Education Code.

V. THE PETITION DOES NOT PROVIDE A REASONABLY COMPREHENSIVE DESCRIPTION OF THE PROCEDURES FOR PUPIL SUSPENSION AND EXPULSION.

Education Code section 47605(b)(5)(J) requires a “petition to *state* the procedures by which pupils can be suspended or expelled.” (Emphasis added.) The Petition provides at page 121 that “Optimo Prep Staff will develop a comprehensive set of student discipline policies through the work of the Executive Committee that will include all interested parents, students and staff and is in accordance with Education Code section 48900 by August 1, 2011.”

While the Petition then sets forth 15 pages of policies and procedures related to the suspension/expulsion of students, it is entirely unclear if these provisions are at all applicable to the School or will be adopted at some point in the future.

The Petition, therefore, fails to meet the minimum requirements for providing a reasonably comprehensive description of the procedures for pupil suspension and expulsion.

VI. THE PETITION DOES NOT PROVIDE A REASONABLY COMPREHENSIVE DESCRIPTION OF PUPIL ATTENDANCE ALTERNATIVES.

Education Code section 47605(b)(5)(L) requires a petition to state “the public school attendance alternatives for pupils residing within the school district who choose not to attend charter schools.”

California Code of Regulations, Title 5, section 11967.5.1(f)(12) requires a petition to specify that “the parent or guardian of each pupil enrolled in the charter school shall be informed that the pupil has no right to admission in a particular school of any local education agency (or program of any local education agency) as a consequence of enrollment in the charter school, except to the extent that such a right is extended by the local education agency.”

The Petition does not include this statement and thus, fails to meet the minimum requirements for providing a reasonably comprehensive description of pupil attendance alternatives.

BE IT FURTHER RESOLVED that the terms of this Resolution are severable. Should it be determined that one or more of the findings and/or the factual determinations supporting the findings is invalid, the remaining findings and/or factual determinations and the denial of the Petition renewal shall remain in full force and effect. In this regard, the District Board of Education specifically finds that each factual determination, in and of itself, is a sufficient basis for the finding it supports, and each such finding, in and of itself, is a sufficient basis for denial.

The foregoing resolution was considered, passed, and adopted by this Board at its regular meeting of January 18, 2011.

DENYING THE CHARTER SCHOOL PETITION FOR
OPTIMO PREPARATORY ACADEMY

By: _____
President of the Board of Education of the San
Bernardino City Unified School District

with the Superintendent, Dr. Arturo Delgado, and with District legal counsel, have reviewed and analyzed all of the information with respect to the Petition, including information related to the operation and potential effects of the proposed charter school and made a recommendation to the District Board that the Petition be denied based on that review.

WHEREAS, the District Board of Education has fully considered Le Ta'iala's Petition and the District staff's recommendation.

NOW, THEREFORE, BE IT RESOLVED that the District Board of Education finds the above recitals to be true and correct and incorporates them herein by this reference;

BE IT FURTHER RESOLVED that the District Board of Education, having fully considered and evaluated the Petition for Le Ta'iala, hereby denies the Petition pursuant to Education Code section 47605 as not consistent with sound educational practice based upon the following findings:

- I. THE PETITION PRESENTS AN UNSOUND EDUCATIONAL PROGRAM FOR THE PUPILS TO BE ENROLLED IN THE CHARTER SCHOOL. [Education Code section 47605(b)(1)]
 - A. The Petition presents an unsound educational program for the pupils to be enrolled in the Charter School. [Education Code section 47605(b)(1)];
 - B. The Petition does not contain reasonably comprehensive descriptions of all of the required elements. [Education Code section 47605(b)(5)].

BE IT FURTHER RESOLVED that the District Board of Education hereby determines the foregoing findings are supported by the following specific facts:

- II. THE PETITION PRESENTS AN UNSOUND EDUCATIONAL PROGRAM FOR THE PUPILS TO BE ENROLLED IN THE CHARTER SCHOOL. [Education Code section 47605(b)(1)]
 - A. The Plan for English Language Learners (ELL) is Inadequate and Incomplete and Raises Numerous Concerns.

The District finds that the Petition fails to provide a reasonably comprehensive educational program for EL students for the following reasons:

The Petitioners are targeting District attendance areas in which there are high numbers of identified English Learners (ELs) at the elementary and middle schools. Thus, it is imperative their program for identified English Learners is well-developed and specifically address the needs of English Learners. This program should include effective second language acquisition methodologies, a

comprehensive English Language Development (ELD) program, research-based instructional strategies, and supplemental services. The following concerns are noted with respect to the provision of EL services:

- In the opening pages of the petition, it mentions that English Learner students are expected to comprise approximately 60% of the student population. Yet, the Petition does not mention the formation and operation of an English Learner Advisory Committee (ELAC), as required when twenty-one (21) or more English Learners are enrolled in the school.
- All elements of the criteria for reclassification are included in the Petition on page 46; however there is no mention regarding the two-year monitoring period that should occur after an English Learner student has been Reclassified Fluent English-Proficient (R-FEP).
- In addressing the method used when evaluating the effectiveness of English Learner programs, the Petition identifies Annual Measurable Achievement Objectives (AMAO) 1, 2, and 3; however the expectation for AMAO 3 is not identified accurately. To clarify, AMAO 3 should also include Adequate Yearly Progress (AYP) proficiency in English-Language Arts and Mathematics in addition to the participation rate identified in the Petition.

B. The Charter Petition Fails to Adequately Address How the School will Comply with Section 504 of the Rehabilitation Act of 1973 (Section 504).

The District is obligated to ensure that a proposed charter school will meet the needs of individuals with exceptional needs in accordance with state and federal law. The District has numerous concerns regarding the provision of these services as Petitioners have failed to address the manner in which these services will be provided and to properly budget monies for these services.

The Petition fails to identify who will be responsible for conducting evaluations for students with a suspected disability pursuant to Section 504. The District is specifically concerned about this issue, given the fact that 34 C.F.R. 104 requires the Section 504 evaluation to be conducted by a team or group of persons including those who are knowledgeable about the student, the suspected handicapping condition, evaluative procedures, the meaning of evaluative data, and accommodation and placement options. Finally, the Charter's budget document makes no specific provision for funding for identification and implementation of Section 504 plans. In the District's experience, such services can be very costly and the failure to plan for them could negatively impact the operations of the School.

C. The Petition Does Not Meet the Needs of Students With Exceptional Needs As It Does Not Adequately Address the Provision of Services Pursuant To the Individuals With Disabilities Education Improvement Act (IDEIA).

Specifically, while the Petition provides that the School will be a school within the District for purposes of the IDEIA and that the School seeks services from the District in the same manner as the other schools of the District, the School's budget does not make provision for the School's payment for such services, as required by both the Petition and Education Code section 47646(c).

III. THE PETITION DOES NOT CONTAIN REASONABLY COMPREHENSIVE DESCRIPTIONS OF ALL OF THE REQUIRED ELEMENTS. [Education Code section 47605(b)(5)]

The Petitioners are required to set forth in the Petition reasonably comprehensive descriptions of sixteen elements as described in Education Code section 47605(b)(5). The District Board of Education finds that there are serious deficiencies/concerns in several of these required elements as more fully discussed below.

A. Description of the Educational Program of the School. [Education Code section 47605(b)(5)(A)]

As discussed above, the proposed educational program for EL students, who may constitute a large percentage of the school's population, is not fully and adequately described in the Petition.

B. The Governance Structure of the Charter School, Including, but Not Limited to, the Process to Ensure Parental Involvement. [Education Code section 47605(b)(5)(D)]

1. The Petition provides that the Charter School shall be operated by a nonprofit organization pursuant to California law. Articles of Incorporation and Bylaws for a corporation called Le Ta'iala Leadership Academy were submitted and the Petition provides that this corporation is registered in the State of California.
2. The School's proposed governance structure presents conflict of interest issues that may violate applicable law, including but not limited to Government Code section 1090 and the Political Reform Act of 1974, common law conflicts of interests, California law governing nonprofit corporations, as well as good practices to protect the public interest. The Charter proposes that Mr. Mataitusi will serve on the Board as well as in the paid position of Executive Director/Principal. Additionally, at least one teacher will serve on the Corporate Board as well as in a paid employment position. The School's Board will make financial decisions, including rates of pay and employment decisions, thereby setting up a

situation by which the Board members will be making these decisions for themselves. Typically, pursuant to Government Code section 1090, public officers are deemed to have participated in all decisions made by their entity and recusal does not cure a conflict, so the Board members may not be able to cure these conflicts by recusing themselves from pertinent decisions.

3. The Petition provides that the School “shall function as a nonprofit organization pursuant to California law.” Later in the Petition, it states that the School will be operated *by* a non-profit. In addition to the fundamental operational issues raised by these matters, the District is gravely concerned by the petitioners’ apparent lack of understanding of these issues. The petitioners would need to understand the legal requirements and ramifications of operating a nonprofit corporation in order to successfully operate a charter school as a nonprofit corporation.
4. While the Petition provides that Le Ta’iala will comply with the Brown Act, many of the provisions contained in the bylaws are contrary to the provisions of the Brown Act.
5. The Academy is to be constituted as a nonprofit public benefit corporation, but the Petition makes no provision for a District representative to serve on the Corporate Board as required pursuant to Education Code section 47604(b).

C. The Procedures to be Used by the District and the Charter School for Resolving Disputes Relating to Provisions of the Charter. [Education Code section 47605(b)(5)(N)]

The dispute resolution process between the School and the District is unacceptable and the District would not agree to the proposed process. The procedure is overly cumbersome in that it involves both mediation and arbitration and is not designed to lead to an expedient resolution of disputes.

D. The Petition Does Not Provide a Reasonably Comprehensive Description of the Annual Independent Financial Audit.

Education Code section 47605(b)(5)(I) requires the petition to state “[t]he manner in which annual, independent financial audits shall be conducted, which shall employ generally accepted accounting principles, and the manner in which audit exceptions and deficiencies shall be resolved to the satisfaction of the chartering authority.”

The Petition provides at page 70 that any disputes regarding the resolution of audit exceptions and deficiencies will be resolved to the satisfaction of *the auditing agency* and the District. This is contrary to the provisions of the Education Code which provides that all deficiencies must be resolved to the satisfaction of the District.

The Petition therefore fails to meet the minimum requirements for providing a reasonably comprehensive description of the process for the annual independent financial audit.

E. The Petition Does Not Provide a Reasonably Comprehensive Description of the Procedures for Pupil Suspension and Expulsion.

Education Code section 47605(b)(5)(J) requires a petition to state “*the procedures* by which pupils can be suspended or expelled.” (Emphasis added.)

The entire discussion of the student discipline procedures is set forth on a single page. There are no actual procedures that have been adopted, just a promise to adopt something prior to the first day of school.

The Petition therefore does not meet the minimum requirements for providing a reasonably comprehensive description of the procedures for pupil suspension and expulsion.

F. The Petition Does Not Provide a Reasonably Comprehensive Description of Pupil Attendance Alternatives.

Education Code section 47605(b)(5)(L) requires the petition to state “the public school attendance alternatives for pupils residing within the school district who choose not to attend charter schools.”

California Code of Regulations, Title 5, section 11967.5.1(f)(12) requires the petition to specify that “the parent or guardian of each pupil enrolled in the charter school shall be informed that the pupil has no right to admission in a particular school of any local education agency (or program of any local education agency) as a consequence of enrollment in the charter school, except to the extent that such a right is extended by the local education agency.”

The Petition does not include this statement and thus fails to meet the minimum requirements for providing a reasonably comprehensive description of pupil attendance alternatives.

G. The Petition Fails to Provide a Reasonably Comprehensive Description of the Means to Achieve a Reflective Racial and Ethnic Balance.

Education Code section 47605(b)(5)(G) requires a petition to state, “the means by which the school will achieve a racial and ethnic balance among its pupils that is reflective of the general population residing within the territorial jurisdiction of *the school district* to which the charter petition is submitted.”

On page 66, the Petition states: “Academy shall extend its outreach efforts to ensure that it maintains a racial and ethnic balance reflective of San Bernardino

BE IT RESOLVED that the Personnel Report #14, dated January 18, 2011, be approved as presented (see page __). Personnel actions included in this report are in accordance with policies of the Board of Education, the rules and regulations of the Personnel Commission, and the District's Affirmative Action Plan.

9.6 - In Recognition of Deceased Employees

Members of the audience and Board of Education observed a moment of silence for the following deceased employees:

ELDON "IKE" FROKE

WHEREAS Eldon Froke was a dedicated member of the certificated staff for the San Bernardino City Unified School District from 1952 until his retirement in 1984; and

WHEREAS throughout his long and productive career with the District, Eldon Froke taught at Vermont and Urbita Elementary Schools, Franklin and Del Vallejo Middle Schools, and Pacific and San Bernardino High Schools; and

WHEREAS Eldon Froke served in the U.S. Navy until 1946 and later attended Northern State University and the University of Redlands; and

WHEREAS music was Eldon Froke's passion, and he served as choir director at Lutheran Church of the Cross for nearly 45 years and sang with the Riverside Citrus Belters Barbershop Chorus; and

WHEREAS on October 5, 2010, Eldon Froke died, bringing deep sorrow to his loving family and friends; and

WHEREAS Eldon Froke is survived by his wife, Swanny; three children, Doran Froke, Kim Froke, and Candy Shipley; six grandchildren; and four great-grandchildren;

THEREFORE, BE IT RESOLVED that the Board of Education of the San Bernardino City Unified School District does take this opportunity to express its gratitude for Eldon Froke's many fine years of service to the District and does extend its deepest sympathy to his family.

DOROTHY MOORE GRACE

WHEREAS Dorothy Grace was a dedicated member of the certificated staff for the San Bernardino City Unified School District from 1964 until her retirement in 1973; and

WHEREAS throughout her productive career with the District, Dorothy Grace taught kindergarten at Cypress Elementary School; and

WHEREAS Dorothy Grace graduated from the University of Redlands in 1935, and after retiring from teaching in the District, she spent two years teaching English as a second language to junior college women in Japan; and

WHEREAS Dorothy Grace was a world traveler, an avid baseball fan, and an artist specializing in Chinese brush painting, having studied in China; and

WHEREAS on September 24, 2010, Dorothy Grace died, bringing deep sorrow to her loving family and friends; and

WHEREAS Dorothy Grace is survived by her son, Larry Wilson Grace of Saratoga, California; three daughters, Carolynn Grace Zenk of Vancouver, Washington; Mary Jeanette Conrad of Victorville; and Beverly Beck of Highland; seven grandchildren; three step-grandchildren; and nine great-grandchildren;

THEREFORE, BE IT RESOLVED that the Board of Education of the San Bernardino City Unified School District does take this opportunity to express its gratitude for Dorothy Grace's many fine years of service to the District and does extend its deepest sympathy to her family.

FYVIE C. JACKSON

WHEREAS Fyvie Jackson was a dedicated member of the certificated staff for the San Bernardino City Unified School District from 1968 until her retirement in 1991; and

WHEREAS throughout her long and productive career with the District, Fyvie Jackson worked at Bradley Elementary School and Educational Services; and

WHEREAS Fyvie Jackson grew up in Minnesota and Michigan and married Charles Jackson in 1943, and they relocated to the San Diego area in 1948; and

WHEREAS on November 26, 2010, Fyvie Jackson died, bringing deep sorrow to her loving family and friends; and

WHEREAS Fyvie Jackson is survived by two siblings, four children, six grandchildren, and six great-grandchildren;

THEREFORE, BE IT RESOLVED that the Board of Education of the San Bernardino City Unified School District does take this opportunity to express its gratitude for Fyvie Jackson's many fine years of service to the District and does extend its deepest sympathy to her family.

GRACE B. LANCASTER

WHEREAS Grace Lancaster was a dedicated member of the classified staff for the San Bernardino City Unified School District from 1973 until her retirement in 1992; and

WHEREAS throughout her long and productive career with the District, Grace Lancaster worked as a clerk and career guidance technician; and

WHEREAS Grace Lancaster was a member of the Highland Women's Club and volunteered for the American Heart Association; and

WHEREAS on February 25, 2010, Grace Lancaster died, bringing deep sorrow to her loving family and friends; and

WHEREAS Grace Lancaster is survived by her two sons, Bob Lancaster and Mark Lancaster, both of Highland; a daughter, Judy Lancaster of Vista; two granddaughters; and a grandson;

THEREFORE, BE IT RESOLVED that the Board of Education of the San Bernardino City Unified School District does take this opportunity to express its gratitude for Grace Lancaster's many fine years of service to the District and does extend its deepest sympathy to her family.

KENNETH RAYMOND MATHERS

WHEREAS Kenneth Mathers was a dedicated member of the certificated staff for the San Bernardino City Unified School District from 1954 until his retirement in 1986; and

WHEREAS throughout his long and productive career with the District, Kenneth Mathers taught math at Arrowview Middle School; and

WHEREAS Kenneth Mathers was a graduate of Massillon High School in Ohio and joined the Marines at age 17, serving in World War II and in the battle of Okinawa; and

WHEREAS in his leisure time, Kenneth Mathers was an avid duplicate bridge player and was active in tournaments for 30 years; and

WHEREAS on October 6, 2010, Kenneth Mathers died, bringing deep sorrow to his loving family and friends; and

WHEREAS Kenneth Mathers is survived by his wife of 58 years, Carolyn; a son, Tom; and two grandchildren, Jessica and Brian;

THEREFORE, BE IT RESOLVED that the Board of Education of the San Bernardino City Unified School District does take this opportunity to express its gratitude for Kenneth Mathers' many fine years of service to the District and does extend its deepest sympathy to his family.

CRUZ E. NEVAREZ

WHEREAS Cruz Nevarez was a dedicated member of the certificated staff for the San Bernardino City Unified School District from 1956 until 1975; and

WHEREAS throughout his long and productive career with the District, Cruz Nevarez taught at Pacific and San Bernardino High Schools and also worked as a substitute teacher at various schools; and

WHEREAS Cruz Nevarez earned his United States citizenship while serving as an Army combat medic during World War II, and after his discharge in 1945, he attended the University of Redlands and earned a bachelor's degree in education; and

WHEREAS on November 10, 2010, Cruz Nevarez died, bringing deep sorrow to his loving family and friends; and

WHEREAS Cruz Nevarez is survived by a daughter, Olivia; two sons, Mario and John; three step grandchildren; three step great-grandchildren; and his former wife, Carmen;

THEREFORE, BE IT RESOLVED that the Board of Education of the San Bernardino City Unified School District does take this opportunity to express its gratitude for Cruz Nevarez's many fine years of service to the District and does extend its deepest sympathy to his family.

DOROTHY JEAN REBENSTORF

WHEREAS Dorothy Rebenstorf was a dedicated member of the classified staff for the San Bernardino City Unified School District from 1983 until 1986; and

WHEREAS Dorothy Rebenstorf was an active member of the Arden Hills Seventh-Day Adventist Church and was active with Pathfinders, vacation Bible school, Dorcas and taught Sabbath school; and

WHEREAS on October 4, 2010, Dorothy Rebenstorf died, bringing deep sorrow to her loving family and friends; and

WHEREAS Dorothy Rebenstorf is survived by 6 children, Bruce, Jane, David, Richard, Thomas, and Dorothy Jean; a foster daughter, Tani Ruff; 19 grandchildren; 23 great-grandchildren; and 2 great-great-grandchildren; 2 brothers, Richard and Glen; 2 sisters, Joan Brittingham and Louise Cochran; and several nieces and nephews;

THEREFORE, BE IT RESOLVED that the Board of Education of the San Bernardino City Unified School District does take this opportunity to express its gratitude for Dorothy Rebenstorf's many fine years of service to the District and does extend its deepest sympathy to her family.

BILLIE E. "REED" WILLIAMS

WHEREAS Billie Williams was a dedicated member of the certificated staff for the San Bernardino City Unified School District from 1961 until her retirement in 1982; and

WHEREAS throughout her long and productive career with the District, Billie Williams taught at Lyman, Cypress, and Emmerton Elementary Schools; and

WHEREAS Billie Williams and her husband, Walter, traveled extensively throughout the United States and Europe, but they especially enjoyed the many summers they spent in their trailer at Big Bear Lake where they fished, walked and enjoyed the leisure time gained from the fruits of their many years of labor; and

WHEREAS on November 8, 2010, Billie Williams died, bringing deep sorrow to her loving family and friends; and

WHEREAS Billie Williams is survived by her devoted son, Tim; two grandsons, Derek and Adrian; three granddaughters, Anna, Elizabeth, and Kristen; and six great-grandchildren;

THEREFORE, BE IT RESOLVED that the Board of Education of the San Bernardino City Unified School District does take this opportunity to express its gratitude for Billie Williams' many fine years of service to the District and does extend its deepest sympathy to her family.

SESSION EIGHT - Closed Session

10.0 - Closed Session

As provided by law, the Board met in Closed Session for consideration of the following:

Student Matters/Discipline

Conference with Labor Negotiator

District Negotiator: Yolanda Ortega

Employee Organization: California School Employees Association
San Bernardino School Police Officers Association

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District Negotiator: Harold Vollkommer
Employee Organization: Communications Workers of America
San Bernardino Teachers Association

Public Employee Discipline/Dismissal/Release

Public Employee Appointment

Title: High School AAIAC
Middle School Vice Principal

Public Employee Evaluation

Title: Superintendent

SESSION NINE – Open Session

11.0 - Action Reported from Closed Session

Upon motion by Member Savage, seconded by Member Flores, and approved by the affirmative vote of Members Ayala, Parra Craig, Flores, Penman, Savage, Tillman, and Valdez (Noes: None), the following was adopted:

BE IT RESOLVED that the Board of Education approves the appointment of the following employees:

FLORES, CARLOS: Middle School Vice Principal, effective date, work year and salary, to be determined. Budget: 035

SESSION TEN - Closing

12.0 - Adjournment

By the affirmative vote of the members, the meeting was adjourned at 10:10 p.m.

The next regular meeting of the Board of Education of the San Bernardino City Unified School District will be held on Tuesday, February 1, 2011, at 5:30 p.m. in the Community Room of the Board of Education Building, 777 North F Street, San Bernardino.