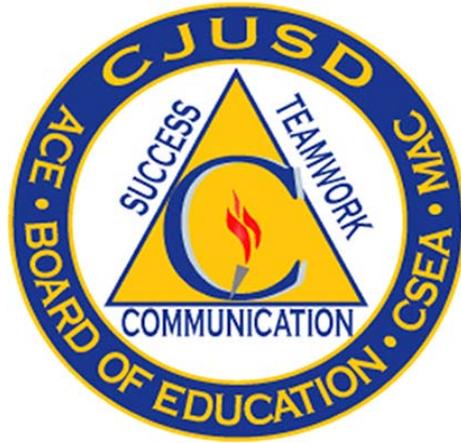


Colton Joint Unified School District

Student Services Center, Board Room, 851 South Mt. Vernon Ave., Colton, CA 92324



Board of Education
Regular Meeting
and
Board of Directors of the
Colton Joint Unified School District
Facilities Corporation Meeting
Agenda

Thursday, April 5, 2012
at 6:00 p.m.

Strategic Plan – Mission Statement

The Mission of the Colton Joint Unified School District, a team of caring employees dedicated to the education of children, is to ensure each student learns the academic knowledge and skills necessary to thrive in college or in the workforce and be responsible, productive citizens by providing engaging, challenging, and enriching opportunities and specialized programs in a safe environment in partnership with students, families and our diverse communities.

1.0 OPENING

1.1 Call to Order

- Mr. Robert D. Armenta Jr., *President*
- Mr. Roger Kowalski, *Vice President*
- Mrs. Patt Haro, *Clerk*
- Mr. Randall Cenicerros
- Mr. Frank Ibarra
- Mrs. Laura Morales
- Mr. Pilar Tabera
- Mr. Jerry Almendarez
- Mr. Jaime R. Ayala
- Mrs. Ingrid Munsterman
- Mr. Mike Snellings
- Mrs. Bertha Arreguin
- Mr. Todd Beal
- Mr. Brian Butler
- Mrs. Jennifer Jaime
- Mrs. Janet Nickell
- Ms. Katie Orloff
- Ms. Jennifer Rodriguez
- Ms. Sosan Schaller
- Mr. Darryl Taylor
- Mr. Robert Verdi

1.2 Renewal of the Pledge of Allegiance.

An interpreter is available for Spanish-speaking persons wanting assistance.

2.0 SPECIAL PRESENTATIONS

- 2.1 Employee Recognition
- 2.2 Bloomington High School Wrestling

3.0 SCHOOL SHOWCASE

- 3.1 Colton High School

4.0 PUBLIC HEARING

5.0 ADMINISTRATIVE PRESENTATIONS

- 5.1 Credit Recovery - *Director Brian Butler*
- 5.2 Budget Update – *Assistant Superintendent Ayala*

6.0 PUBLIC COMMENT

- 6.1 Announcement Regarding Public Comment for Items on the Agenda and Items Not on the Agenda (Gov. Code 54954.3[a])

The Board President clarifies the process regarding public comment and requests that the appropriate “Public Comment Card” be filled out. At the appropriate time during the Hearing Session, each speaker will be invited to the podium and should begin by stating his or her name and residing city. Board Bylaw 9323 states that “*Individual speakers shall be allowed three minutes to address the Board on each agenda or non-agenda item. The Board shall limit the total time for public input on each item to 15 minutes. With Board consent, the president may increase or decrease the time allowed for public presentation, depending on the topic and the number of persons wishing to be heard. The president may take a poll of speakers for or against a particular issue and may ask that additional persons speak only if they have something new to add.*”

Blue card—Specific Consent, Action, Study & Information or Closed Session Item: Please list the specific agenda item number and subject

White card—Items/Topics Not on the Agenda: Please list topic / subject

7.0 ACTION SESSION

A. Consent Items

The following Consent Items are expected to be routine and non-controversial. They will be acted upon by the Board of Education at one time unless a Board Member, a staff member, or a member of the public requests that an item be held for discussion or deferred for separate action.

- Page 5 A-1 Approval of Minutes for the March 8th and 15th Board Meetings
- Page 21 A-2 Approval of Student Field Trips
- Page 23 A-3 Approval of Consultants for Assembly Presentations
- Page 25 A-4 Approval of Consultant for Staff Development

Colton Joint Unified School District

Board Meeting Agenda –April 5, 2012

- Page 29 A-5 Approval of the Memorandum of Understanding with Cal-SCHLS Regional Center for the Administration of the California Healthy Kids Survey as part of the Safe and Supportive School (S3) Grant for Bloomington and Colton High Schools
- Page 35 A-6 Acceptance of Gifts
- Page 37 A-7 Authorization to Piggyback the Glendale Unified School District Bid P-13 08/09 for Apple, Inc. Products, Services and Related Items
- Page 39 A-8 Approval of Reimbursement for Damage to Employee Vehicle in Accordance with Board Policy 4156.3
- Page 41 A-9 Approval to Open an Escrow Account for the Deposit of Earned Retentions for Best Contracting Services, Inc. on the Grand Terrace High School Project

B. Action Items

- Page 47 B-1 Approval of Personnel Employment
- Page 49 B-2 Approval of Conference Attendance
- Page 51 B-3 Approval of Purchase Orders
- Page 53 B-4 Award of Bid #12-10 to Diamond Fitness Systems for Athletic Equipment at Grand Terrace High School
- Page 57 B-5 Approval of Reduction in or Partial Release of Retainage for C.W. Driver, Inc. for the Bloomington High School New Math & Science Building Project
- Page 63 B-6 Approval of Agreement with Superior Construction Services, Inc. to Perform Construction Inspection Services for Walk-In Freezer and Refrigerator at the District Warehouse
- Page 67 B-7 Approval for an Eighteen Month Lease Extension with Mobile Modular Management Corporation for Interim Portable Classrooms at Bloomington High School (16 Classrooms and 1 Restroom)
- Page 69 B-8 Approval to File a Notice of Completion for First Fire Systems, Inc., Bid #09-04 for Fire Alarm and Low Voltage upgrades at Jurupa Vista, Reche Canyon, and Wilson Elementary Schools, and Bloomington Middle School
- Page 71 B-9 Approval of Prequalified Inspector of Record Firms for Various Modernization Projects
- Page 73 B-10 Adoption of Resolution No. 12-40 to Determine and Find the Terrace View Elementary School Parking Lot and Bus Drop Off Project Substantially Complex and to Increase the Statutory Minimum Retention Amounts
- Page 77 B-11 Approval of Preconstruction Services Agreement with Balfour Beatty Construction for Modernizations at Crestmore, Grant, Lewis and Lincoln Elementary Schools as Part of the Qualified School Construction Bonds (QSCB) Funding Program
- Page 95 B-12 Adoption of Resolution No. 12-37 of the Colton Joint Unified School District Governing Board Authorizing the Borrowing of Funds for Fiscal Year 2012-13 and the Issuance and Sale of One or More Series of 2012-13 Tax and Revenue Anticipation Notes Thereafter and Participation in the California School Cash Reserve Program and Requesting the Board of Supervisors of the County to Issue and Sell Said Series of Notes
- Page 141 B-13 Adoption of Resolution No. 12-41 as Related to the Refinancing of the 2001 Certificates of Participation Approving An Amended and Restated Site Lease, An Amended and Restated Lease Agreement, Escrow Instructions and A Termination Agreement; Approving A Private Placement with The Bank Of Nevada; Making Certain Determinations Relating Thereto; And Authorizing Certain Other Actions In Connection Therewith

C. Action Item – Board Policy

- Page 223 C-1 Proposed Amendment of Board Policy and Administrative Regulations:
 - AR 1250 Visitors/Outsiders on School Grounds (Revised)
 - AR 6173.1 Education for Foster Youth (Revised)

D. Action Items – Resolution ~ None

BOARD OF DIRECTORS OF THE COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION MEETING

8.0

- Page 233 E-1 Approval of Resolution No. 12-42 , an Amended and Restated Site Lease, an Amended and Restated Lease Agreement, an Assignment Agreement and a Termination Agreement, and Authorizing Certain Actions in Connection Therewith Between the CJUSD Board of Education and the Board of Directors of the CJUSD Facilities Corporation, as Related to the Refinancing of the Certificates of Participation Series 2001

9.0 ADMINISTRATIVE REPORTS

- Page 315 AR-8.1 Approved Disbursements
AR-8.2 Facilities Update
AR-8.3 ACE Representative
AR-8.4 CSEA Representative
AR-8.5 MAC Representative
AR-8.6 ROP Update

10.0 SUPERINTENDENT’S COMMUNIQUE

11.0 BOARD MEMBER COMMENTS

12.0 CLOSED SESSION

Following action items: Board Room, Student Services Center, 851 So. Mt. Vernon Ave., Colton, California (Government Code 54950 et seq.)

- 12.1 **Student Discipline, Revocation, and Re-entry**
- Page 317
12.2 **Personnel**
♦ Public Employee: Discipline/Dismissal/Release (Gov. Code 54957)
- 12.3 **Conference with Legal Counsel—Anticipated Litigation**
Significant exposure to litigation pursuant to Government Code Section 54956.9(b)
Potential Case: *~one~*
- 12.4 **Conference with Legal Counsel—Existing Litigation**
Pursuant to Government Code Section 54956.9(a)
Case Number: *None*
- 12.5 **Conference with Labor Negotiator**
Agency:
Ingrid Munsterman, Assistant Superintendent, Human Resources Division
Employee Organizations:
Association of Colton Educators (ACE)
California School Employees’ Assoc. (CSEA)
Management Association of Colton (MAC)
- 12.6 **Conference with Real Property Negotiator (Gov. Code 54956.8)**
Property: *None*
District Negotiators: Jerry Almendarez, Jaime R. Ayala, Darryl Taylor
Counsel: Fagen Friedman & Fulfrost

13.0 PUBLIC SESSION – ACTION REPORTED FROM CLOSED SESSION

14.0 ADJOURNMENT

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

CONSENT ITEM

TO: **Board of Education**

PRESENTED BY: Jerry Almendarez, Superintendent

SUBJECT: Approval of Minutes for the March 8th and 15th Board Meetings

GOAL: Student Performance, Personnel Development, Facilities/Support Services, Budget Planning, School Safety & Attendance, Community Relations, & Parent Involvement

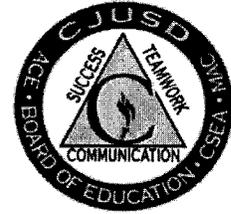
STRATEGIC PLAN: Strategy #1 – Communication Strategy #4 – Facilities
Strategy #2 – Curriculum Strategy #5 – College Career
Strategy #3 – Decision Making Strategy #6 – Character

RECOMMENDATION: That the Board approve the minutes for the March 8th and 15th Board Meetings.

A-1

Colton Joint Unified School District

Student Services Center, Board Room, 851 South Mt. Vernon Ave., Colton, CA 92324



Minutes March 8, 2012

The Board of Education of the Colton Joint Unified School District met for a Special Board Meeting on Thursday, March 8, 2012 at 6:00 p.m. in the Board Room at the CJUSD Student Services Center, 851 So. Mt. Vernon Avenue, Colton, California.

Trustees Present

Mr. Robert D. Armenta Jr., *President*
Mr. Roger Kowalski, *Vice President*
Mrs. Patt Haro, *Clerk*
Mr. Randall Cenicerros (absent; excused)
Mr. Frank Ibarra
Mrs. Laura Morales
Mr. Pilar Tabera

Staff Members Present (*excused)

Mr. Jerry Almendarez
Mr. Jaime R. Ayala
Mrs. Ingrid Munsterman
Mr. Mike Snellings
Mrs. Bertha Arreguin
Mr. Todd Beal
Mr. Brian Butler
Mrs. Jennifer Jaime
Mrs. Janet Nickell
Ms. Katie Orloff
Ms. Jennifer Rodriguez
Ms. Sosan Schaller
Mr. Darryl Taylor
Mr. Robert Verdi

Strategic Plan -- Mission Statement

The Mission of the Colton Joint Unified School District, a team of caring employees dedicated to the education of children, is to ensure each student learns the academic knowledge and skills necessary to thrive in college or in the workforce and be responsible, productive citizens by providing engaging, challenging, and enriching opportunities and specialized programs in a safe environment in partnership with students, families and our diverse communities

1.0 OPENING Call to Order/Renewal of the Pledge of Allegiance

Board President Armenta called the meeting to order at 6:00 p.m. Board Member Ibarra led in the renewal of the Pledge of Allegiance.

2.0 SPECIAL PRESENTATIONS ~ None

3.0 SCHOOL SHOWCASE ~ None

4.0 PUBLIC HEARING ~ None

5.0 ADMINISTRATIVE PRESENTATIONS ~ None

6.0 PUBLIC COMMENT ~ None

6.1 Blue card—Specific Consent, Action, Study & Information or Closed Session Item

- *None*

White card—Items/Topics Not on the Agenda

The following spoke in support of Lola Hornbeck for Grand Terrace High School varsity volleyball coach.

- *Robert Campa*, Colton resident
- *Claudia Rodriguez*, Colton resident

- *Pam Lemos*, Colton resident, commented on the hiring practice for varsity coaching positions, specifically the GTHS volleyball coach.

7.0 ACTION SESSION

A. #495 On motion of Board Member Haro and Board Member Morales, and carried on a 6-0-1 (Board Member Cenicerros was absent) vote, the Board approved Action Items A-1 through A-3, as presented.

495.1 A-1 Adopted School Calendar for the 2012-13 and 2013-14 School Years: Single Track and Traditional

495.2 A-2 Awarded Bid #12-05 to Best Contracting Services, Inc. for Bid Package 8.1, Sheet Metal at Grand Terrace High School

495.3 A-3 Approved Acceptance of Stop Notice Release Bonds Provided by Suffolk Construction Co., Inc. in Accordance with Civil Code Section 3196

C. Action Item – Board Policy ~ None

D. Action Items – Resolution ~None

8.0 ADMINISTRATIVE REPORTS ~None

9.0 SUPERINTENDENT’S COMMUNICATION ~None

10.0 BOARD MEMBER COMMENTS

Board Member Tabera ~ No Comment

Board Member Morales ~ No Comment

Board Member Kowalski ~ No Comment

Board Member Haro ~ No Comment

Board Member Ibarra asked administration to provide information on the hiring process for high school coaches.

Board Member Armenta ~ No Comment

11.0 CLOSED SESSION ~ None

12.0 ADJOURNMENT

At 6:10 p.m. the meeting was adjourned. The next Board of Education meeting is scheduled for Thursday, March 15, 2012, at the Colton JUSD Student Services Center, 851 South Mt. Vernon Avenue, Colton, California.

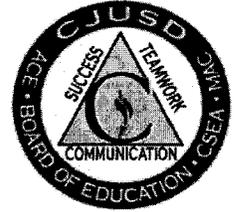
Date Approved: April 5, 2012

Patricia Haro, Clerk

Jerry Almendarez, Superintendent

Colton Joint Unified School District

Student Services Center, Board Room, 851 South Mt. Vernon Ave., Colton, CA 92324



Minutes March 15, 2012

The Board of Education of the Colton Joint Unified School District met for a Regular Board Meeting on Thursday, March 15, 2012 at 6:00 p.m. in the Board Room at the CJUSD Student Services Center, 851 So. Mt. Vernon Avenue, Colton, California.

Trustees Present

Mr. Robert D. Armenta Jr., *President* (arrived at 6:05 p.m.)
Mr. Roger Kowalski, *Vice President*
Mrs. Patt Haro, *Clerk*
Mr. Randall Cenicerros
Mr. Frank Ibarra
Mrs. Laura Morales

Mr. Pilar Tabera (arrived at 6:07 p.m.)

Staff Members Present (*excused)

Mr. Jerry Almendarez	Mrs. Jennifer Jaime *
Mr. Jaime R. Ayala	Mrs. Janet Nickell
Mrs. Ingrid Munsterman	Ms. Katie Orloff
Mr. Mike Snellings	Ms. Jennifer Rodriguez
Mrs. Bertha Arreguin	Ms. Sosan Schaller
Mr. Todd Beal	Mr. Darryl Taylor
Mr. Brian Butler	Mr. Robert Verdi *

Strategic Plan -- Mission Statement

The Mission of the Colton Joint Unified School District, a team of caring employees dedicated to the education of children, is to ensure each student learns the academic knowledge and skills necessary to thrive in college or in the workforce and be responsible, productive citizens by providing engaging, challenging, and enriching opportunities and specialized programs in a safe environment in partnership with students, families and our diverse communities

1.0 OPENING Call to Order/Renewal of the Pledge of Allegiance

Board Vice President Kowalski called the meeting to order at 6:00 p.m. ACE President Houck led in the renewal of the Pledge of Allegiance.

2.0 SPECIAL PRESENTATIONS

3.0 SCHOOL SHOWCASE

3.1 Bloomington High School

Bloomington High School student, Tom Diaz, presented the *Three A's of Bloomington High School*, academics, athletics, and activities.

4.0 PUBLIC HEARING

5.0 ADMINISTRATIVE PRESENTATIONS

5.1 Budget Update (EXHIBIT A)

Mike Williams, CM de Crinis, the District's financial advisor, presented options to the board to refinance the district's General Obligation Bond debt.

Mr. Ayala presented a brief budget update followed by Director Schaller's Second Interim Financial report.

6.0 PUBLIC COMMENT

6.1 Blue card—Specific Consent, Action, Study & Information or Closed Session Item

- None

White card—Items/Topics Not on the Agenda

- *Ariana Haro*, temporary CJUSD teacher, commented on fundraising.
- *Wendy Kinder*, CJUSD employee, reminded the board and staff of the “bar coding parties” scheduled throughout the district.
- *Jeanette Ramirez*, CJUSD employee, spoke of discrimination in the workplace.
- *Pam Lemos*, community member, commented on the hiring practice for varsity coaching positions, specifically the GTHS volleyball coach.
- *Christine Irish-Re*, community member, commented on student athletics and activities at Colton High School

7.0 ACTION SESSION

A. #496 Consent Items

On motion of Board Member Tabera and Board Member Cenicerros, and carried on a 7-0 vote, the Board approved Consent Items A-1 through A-9, as presented.

- #496.1 A-1 Approved Minutes for the March 1, 2012 Board Meeting
- #496.2 A-2 Approved Student Field Trips (**EXHIBIT B**)
- #496.3 A-3 Approved Consultants for Assembly Presentations (**EXHIBIT C**)
- #496.4 A-4 Approved Grand Terrace Elementary School Fundraiser at Cal Skate Grand Terrace (May 10, 2012)
- #496.5 A-5 Approved Bloomington High School Junior/Senior Prom (April 27, 2013)
- #496.6 A-6 Approved the Colton High School Junior/Senior Prom (May 4, 2013)
- #496.7 A-7 Approved Two-Year Agreement with the County of San Bernardino Probation Department for a School Probation Officer (April 2012 thru June 2014)
- #496.8 A-8 Accepted Gifts (**EXHIBIT D**)
- #496.9 A-9 Approved Agreement with East Valley Special Education Local Plan Area (EVSELPA) for Pupil Transportation Services (2011-12)

B. #497 On motion of Board Member Haro and Board Member Tabera, and carried on a 7-0 vote, the Board approved Action Items B-2 through B-8, B-10 through B-12 and B-14, as presented. Action Items B-1, B-9 and B-13 were considered separately.

- #497.1 B-2 Approved Conference Attendance (**EXHIBIT E**)
- #497.2 B-3 Approved to Extend the Current Agreement with Edline/SchoolCenter Web-Hosting Services to Provide District, School Site and Classroom Web Services
- #497.3 B-4 Approval of Purchase Orders
- #497.4 B-5 Awarded Bid #12-08 to Spectrum Communications Cabling Services, Inc. for Computer Network Equipment at Joe Baca Middle School
- #497.5 B-6 Awarded Bid #12-07 to Nick Rail Music and Sam Ash Megastores, LLC for Grand Terrace High School Band Instruments
- #497.6 B-7 Approved to Open a Checking Account With the Citizens Business Bank for the Grand Terrace High School Associated Student Body Account
- #497.7 B-8 Approved 2011-12 Second Interim Financial Report with a Qualified Certification
- #497.8 B-10 Approved Reduction in or Partial Release of Retainage for Daniel’s Electrical Construction Co., Inc. (Bid Package No. 16) for the Grand Terrace High School Project
- #497.9 B-11 Approved Agreement with C.H.J. Consultants to Perform Geotechnical Observations, Compaction Testing and Materials Inspection and Testing Services for Walk-In Freezer and Refrigerator at the District Warehouse
- #497.10 B-12 Approved Change Order No. 8 and 9 – DJM Construction Company, Inc. for the Colton High School New Math & Science Building Project
- #497.11 B-14 Approved Waiver of California High School Exit Exam (CAHSEE) Requirement for Students with Disabilities Who Have Taken the Exam with Modifications and Received the Equivalent of a Passing Score (2011-12)

#498 On motion of Board Member Kowalski and Board Member Cenicerros, and carried on a 6-1 (Board Member Tabera opposed) vote, the Board approved Action Items B-9 through B-13, as presented.

- #498.1 B-9 Approved Contract Amendment No. 1 for Daniel’s Electrical Construction Co., Inc. (Category No. 16) for Network Upgrade for Grand Terrace High School, Increment No. 1
- #498.2 B-13 Approved Amendment of the Agreement with John R. Byerly, Inc. for State required Soils and Material Testing Services for the Construction of Grand Terrace High School Increment 2 Project

C. Action Item – Board Policy ~ None

D. Action Items – Resolution

- #499 On motion of Board Member Cenicerros and Board Member Ibarra, and carried on a 7-0 vote, the Board approved Action Items D-1 through D-2, as presented
- #499.1 D-1 Adopted Resolution No. 12-38, Cesar E. Chavez Day, March 31, 2012
- #499.2 D-2 Adopted Resolution No. 12-39, Labor History Month, April 2012

8.0 ADMINISTRATIVE REPORTS

AR-8.1 Approved Disbursements

AR-8.2 *Proposed Amendment of Board Policy and Administrative Regulations:

- AR 1250 Visitors/Outsiders on School Grounds (Revised)
- AR 6173.1 Education for Foster Youth (Revised)

*Will be presented for board approval at the April 5th board meeting.

AR-8.4 Facilities Update (EXHIBIT F)

Director Taylor presented the Facilities Program Update followed by Mike DeVries, Vanir Construction Management, Grand Terrace High School update.

AR-8.5 ACE Representative

ACE President Houck introduced the new ACE board members and thanked Superintendent Almendarez for hosting on-going meetings with ACE. Mrs. Houck reminded the board of the upcoming bowling tournament and Relay for Life events. Lastly, she asked the board to support a bill to approve advertising on school buses.

AR-8.6 CSEA Representative ~ No Update

AR-8.7 MAC Representative

President Williford also reminded the board of the bowling tournament along with the upcoming APPLE golf tournament. He thanked everyone who supported MAV's 2nd Annual Ontario Reign Hockey night and wished all a happy and restful Spring Break.

AR-8.8 ROP Update ~ No Update

9.0 SUPERINTENDENT'S COMMUNICATION

Superintendent Almendarez spoke of his recent walk-through site visits at Zimmerman Elementary and Ruth O. Harris Middle Schools. The walk-throughs focused on EDI strategies. He also informed the board of a Common Core Standards meeting with Jose Espinoza, SBCSS, the ACE executive board and executive cabinet. Mr. Almendarez also spoke of the 21st Century Classroom and reminded the public of the bar coding "parties" planned throughout the district. Lastly, he announced that applications for the APPLE Scholarship are now available.

To view the Communiqué please visit the CJUSD website at www.colton.k12.ca.us

10.0 BOARD MEMBER COMMENTS

- Board Member Tabera** apologized for his tardiness as he is coaching a baseball team.
- Board Member Cenicerros** wished staff a happy Spring Break.
- Board Member Morales** ~ No Comment
- Board Member kowalski** ~ No Comment
- Board Member Haro** commented on Read Across America, Festival of Bands, Astronomy Club Night (Lincoln), Cultural Day (Crestmore), elementary math club contest (Grand Terrace) and several other site events in which she attended. Mrs. Haro also questioned the re-modernization plans for Colton High School's cafeteria and announced the passing of Bloomington Middle School student, Da'jion Anthony Blie.
- Board Member Ibarra** spoke of his personal relationship with Cesar Chavez and thanked staff for continuing to honor him.
- Board Member Armenta** expressed appreciation for the hard work and dedication of his fellow board members.

11.0 CLOSED SESSION

Following action items: Board Room, Student Services Center, 851 So. Mt. Vernon Ave., Colton, CA (Government Code 54950 et seq.)

At 8:12 p.m., Board President Armenta announced that the board would recess to closed session.

- 11.1 • Student Discipline, Revocation and Re-entry
- 11.2 • Personnel
- 11.3 • Conference with Legal Counsel—Anticipated Litigation
- 11.4 • Conference with Legal Counsel—Existing Litigation
- 11.5 • Conference with Labor Negotiator
- 11.6 • Conference with Real Property Negotiator

12.0 PUBLIC SESSION – ACTION REPORTED FROM CLOSED SESSION

The Board meeting reconvened at 9:58 p.m.

#500 On motion of Board Member Kowalski and Board Member Armenta, and carried on a 4-3(Board Members Tabera, Ibarra, and Cenicerros opposed) vote, the Board approved Action Items B-1, as presented. Because of a conflict of interest, this vote is void and will be re-presented for approval at the April 5th board meeting.

#500.1 B-1 Approved Personnel Employment

~VOID~

12.1 **Student Discipline, Revocation, and Re-entry**

#501 On motion of Board Member Cenicerros, and Board Member Morales, and carried on a 7-0, vote, the Board found (5) students in violation of the California Education Codes as charged and agreed with the hearing panel's recommendation for expulsion

- Due to the nature and severity of the students' actions, other means of correction are not feasible.
- The students' presence at the school would endanger person or property and/or the students' presence at the school would threaten to obstruct the educational environment

- | | |
|-----------|-----------|
| 1. 124573 | 4. 128203 |
| 2. 159905 | 5. 95127 |
| 3. 151348 | |

#502 On motion of Board Member Cenicerros, and Board Member Kowalski, and carried on a 7-0, (name abstentions and/or absent members if needed) vote, the Board accepted the readmission of the (3) students as recommended.

- The District is recommending the readmission of three (3) students to the Colton Joint Unified School District, confirming they have met their plan of rehabilitation in accordance with California Education Code 48916.

- | | | |
|-----------|-----------|-----------|
| 1. 160522 | 2. 143895 | 3. 125996 |
|-----------|-----------|-----------|

12.2 **Personnel**

- ♦ Public Employee: Discipline/Dismissal/Release (Gov. Code 54957)

#503 On motion of Board Member Haro, and Board Member Morales, and carried on a 7-0, vote, the Board voted to approve the resignation agreement and release for employee # 6729.

#504 On motion of Board Member Haro, and Board Member Morales, and carried on a 7-0, vote,, the Board voted to approve the superintendent's decision for employee #963's formal complaints.

12.3 **Conference with Legal Counsel—Anticipated Litigation** ~ No Report

12.4 **Conference with Legal Counsel—Existing Litigation** ~ No Report

12.5 **Conference with Labor Negotiator** ~ No Report

13.0 ADJOURNMENT

At 10:02 p.m. the meeting was adjourned in memory of Lenore Mendoza and Da'jion Anthony Blij. The next Board of Education meeting is scheduled for Thursday, April 5, 2012, at the Colton JUSD Student Services Center, 851 South Mt. Vernon Avenue, Colton, California.

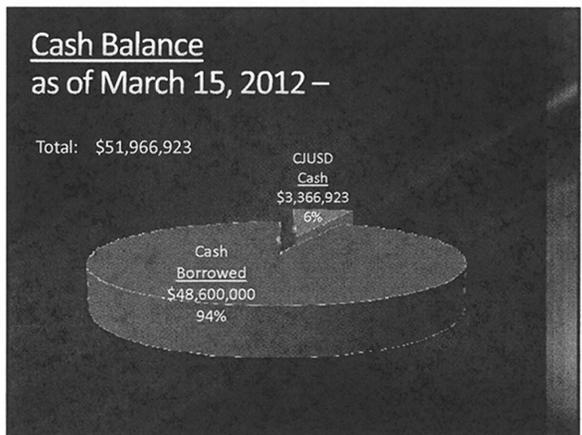
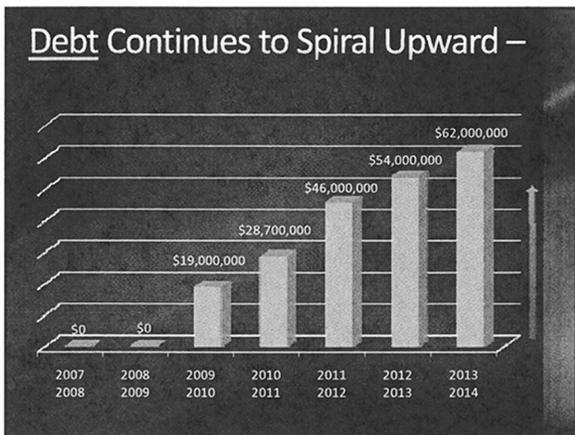
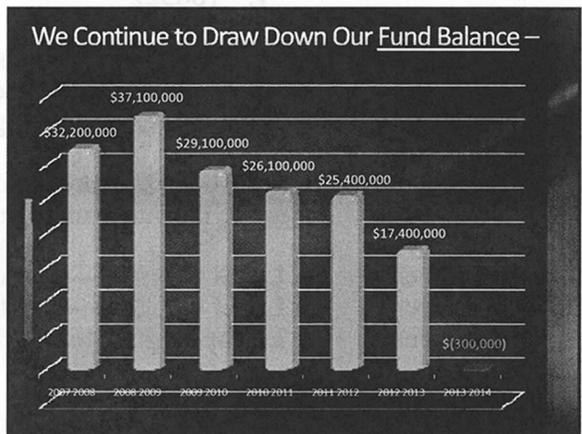
EXHIBIT A: Budget Update

CJUSD Budget Update

Presented by:
Jaime R. Ayala
Assistant Superintendent
Business Services Division
March 15, 2012

Qualified Certification

- Education Code Section 42131(a)(1)
 - "A qualified certification shall be assigned to any school district that, based upon current projections, may not meet its financial obligations for the current fiscal year or two subsequent fiscal years."



Why We Need to Reduce Expenditures

- The Governor's proposed 2011-12 budget is calling for flat funding – best case
- If the Governor's tax initiative fails, the Governor is calling for K-12 midyear cuts, possibly as high as \$370 per ADA
- The only viable course of action available is to reduce expenditures
- It will be very difficult to completely eliminate deficit spending in the coming year, but we can significantly reduce it
 - Reducing deficit spending will slow down the drain on the Fund Balance
 - Reducing deficit spending will help preserve cash and reduce the need to borrow

The Consequences of Not Taking Action

- If we run out of cash we will be insolvent
 - Solution: Reduce deficit spending and proceed with the TRAN
- If we default on our debt we are insolvent
 - Solution: Make on-going reductions to reduce deficit spending
- If our fund balance reduces to zero we are insolvent
 - Solution: Reduce deficit spending

EXHIBIT B, Field Trips

<u>Site</u>	<u>Date</u>	<u>Depart Return</u>	<u>Destination</u>	<u>Activity/Background</u>	<u>Grade</u>	<u>Teacher</u>	<u>Cost</u>	<u>Funding</u>	<u>Strategi c Plan</u>
BHS	3/26/12 to 3/29/12 (M/T/W/Th)	6:30 am 8:30 pm	Central California Colleges and Universities: UC Santa Barbara Cal Poly San Luis Obispo UC Santa Cruz San Jose State University Stanford University UC Berkeley UC Davis CSU Sacramento CSU Stanislaus UC Merced Fresno State (Charter transportation)	<i>College Tour</i> To acquaint AVID juniors with a variety of public and private colleges and prepare them for the college application process.	11	Ray Brown Ramona Martinez Tracy Mack Elston Thompson (48 students)	\$11,084.96	ASB	Strate #1
CHS	3/30/12 to 4/1/12 (F/S/S)	8 am 10 pm	Anaheim Convention Center Anaheim, CA (District transportation)	<i>USA National Cheer Competition</i> Cheer Squad has qualified to compete in the national competition.	9-12	Laura Martinez Monique Martinez (28 students)	\$10,060	Donations	Strategy #1
R. Canyon	4/9/12 to 4/12/12 (M/T/W/Th)	9:30 am 12:30 pm	Thousand Pines Outdoor School Crestline, CA (District transportation)	<i>Outdoor Science School</i> Students will participate in a hands-on life science education in the natural environment.	6	Jonelle Rissi Jennifer Pedroza Kelly Hoekstra (55 students) + camp chaperones	\$10,810	ASB \$9,810 Donations \$1,000	Strategy #1

EXHIBIT C, Consultants

<u>Site</u>	<u>Date</u>	<u>Time</u>	<u>Program/Purpose</u>	<u>Location</u>	<u>Consultant(s)</u>	<u>Cost</u>	<u>Funds</u>	<u>Strategi c Plan*</u>
CMS	4/12/12	6 pm	<i>Project UPBEAT</i> Students in grades 7-8 participate in a college-oriented program that aims to assist students in setting academic goals and motivate them to continue their education beyond high school.	CSUSB	CSU San Bernardino Dr. Robert Blackey San Bernardino, CA	\$50	QEIA	Strategy #1

EXHIBIT D, GIFTS

Site	Donor	Donation/Purpose	Amount
JHS	Class of 1975	Check #435362502	\$400.00
Grimes	Edison International-Edison Gifts	Check #164459. For Alyssa Riddle	\$30.00
Grimes	Edison International-Employee Contributions Campaign	Check #149816. For Alyssa Riddle	\$30.00
Reche Canyon	T.E.A.M. Coyote, Inc.	Check #1726. To purchase mobi's for two classrooms	\$1,500.00
Ruth O Harris	Edison International Employee Contributions Campaign c/o James Harris	Check #149818	\$375.00
Ruth O Harris	Edison International-Edison Gifts	Check #164461	\$375.00
Slover	Daniel Morse	Check #5829. For DJ club van transportation	\$75.00
Sycamore Hills	Alicia Gonzalez- Y&J Transport	Check #12326. For Mrs. Simpson's 4 th grade field trip-Sycamore Hills ASB	\$1,000.00
Terrace View	Christen A. Seymour & Suzanne M. Seymour	Check #2673. For Mrs. Bouer's class	\$100.00
Terrace View	Parents of Mrs. McClellands 4 th Grade Class	Cash- \$56.00. Check #870-\$12.00 / Check #1729-\$10.00 / Check #740-\$10.00	\$88.00
Zimmerman	Zimmerman P.T.A.	Check #2313 - \$680.00 for transportation for 6 th grade science camp. \$8,420.00 for school-wide field trip admissions and transportation	\$9,100.00

EXHIBIT E, CONFERENCES:

Employee	Title	Site	Conference	Date/Location	Funds
Lisa Lennox	Curriculum Program Specialist	Pupil Personnel Services	<i>Workability I Region 5 Business Meeting</i>	04/30 – 05/02/2012 Rancho Mirage, CA	Workability I Fund: \$803
Bertha Arreguin Sheila Martinelli Aleen Rubio Kristi Ward MaryBeth Richardson	Director CPS Counselor TOA CPS	LSS Secondary Curriculum	<i>WestEd Quality Teaching for English Learners (QTEL) Summer Institute</i>	07/22-27/2012 San Francisco, CA	Title III Fund: \$16,472.37

Date Approved: April 5, 2012

Patricia Haro, Clerk

Jerry Almendarez, Superintendent

EXHIBIT F: Facilities Update

Grand Terrace High School at the Ray Abril Jr. Education Complex Progress Update as of 03-15-12





Grand Terrace High School: Progress Update (03-15-12)

PROGRESS PERCENT COMPLETE (%)		
INCREMENT 1 (Bid Packages 1-17)		
BUILDING / AREA	03/01/12	03/15/12
Overall Project (Based on 02/2012 Schedule Update)	92	95
Building "A"	91	95
Building "B"	89	93
Building "D"	94	97
Building "E"	95	96
Building "F"	90	94
Building "G"	91	97
Buildings "M" & "N"	91	95
Site Work	85	87



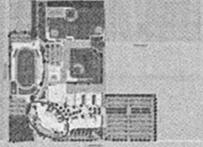
Bldg. A: Cafeteria / Performing Arts Theater / Library
 Bldg. B: Gymnasium
 Bldg. C: Student Center
 Bldg. D, E, F: Classrooms
 Bldg. G: Administration Center / Classrooms
 Bldg. H: Roof Facility
 Bldg. I: J.V. Practice / Concessions / Restrooms
 Bldg. L: Grandstand / Locker Rooms / Team Rooms
 Bldg. M: Satellite Kitchen / Concession
 Bldg. N: Ball Field Restrooms

Grand Terrace High School: Progress Update (03-15-12)

Building "A" (Cafeteria/Performing Arts-Theater/Library) 95% complete:

- Section 1 (Cafeteria/Kitchen): Installing VCT flooring in Cafeteria; Installing ceiling tiles in Kitchen.
- Section 2 (Performing Arts-Theater): Theater seating is complete; Marlite wall paneling system is complete; Wood stage floor is installed;
- Section 3 (Library): VCT flooring installation is complete; Installation of book detection system is complete.





Grand Terrace High School: Progress Update (03-15-12)

Building "B" (Gymnasium) 93% complete:

- Installing telescoping bleachers;
- VCT flooring installation in hallways is complete;
- Test and balance of HVAC system is in progress;
- Installation of sheetmetal fascia / trim is complete at the roof eaves.





Grand Terrace High School: Progress Update (03-15-12)

Building "D" (Classroom Building) 97% complete:

- Scaffolding is removed; Veneer at stair tower is complete; East and west windows are installed;
- Interior of stair tower is painted and finishes are installed;
- Radius design VCT flooring is installed at the south entrance;
- Test and balance of HVAC system is complete;
- Final cleaning is in progress; Generation of architect's punchlist is pending.





Grand Terrace High School: Progress Update (03-15-12)

Building "E" (Classroom Building) 96% complete:

- Scaffolding is removed; Veneer at stair tower is complete;
- Interior of stair tower is painted and finishes are installed;
- Radius design VCT flooring is installed at the south entrance;
- Test and balance of HVAC system is complete;
- Final cleaning and generation of architect's punchlist are pending.





Grand Terrace High School: Progress Update (03-15-12)

Building "F" (Classroom Building) 94% complete:

- Scaffolding is removed; Veneer at stair tower is in progress;
- Interior of stair tower is painted;
- VCT flooring installation is complete on 1st and 2nd floors;
- Test and balance of HVAC system is complete;
- Final cleaning and generation of architect's punchlist are pending.





Grand Terrace High School: Progress Update (03-15-12)

Building "G" (Administration Center and Classrooms) 97% complete:

- Electrical and plumbing finishes are complete at the Administration Center; Mechanical finishes are in progress; Ceiling tiles are installed; Tackable wallboard installation is complete;
- Painting at the lobby area is complete; Suspended accent canopies are installed at the lobby area;
- Final cleaning in the Classroom wing is complete; Generation of Architect's punchlist is pending.





Grand Terrace High School: Progress Update (03-15-12)

Buildings "M" (Concessions) and "N" (Field Restrooms) 95% complete:

- Building "M" final cleaning is complete; Punchlist has been generated and distributed.
- Building "N" final cleaning is complete; Punchlist has been generated and distributed.





Grand Terrace High School: Progress Update (03-15-12)

Site Work (87% complete):

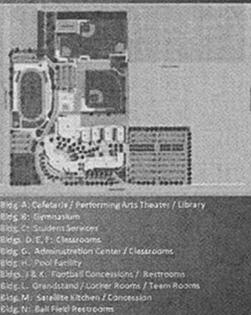
- Concrete placement between Bldgs. "C" & "D" is complete;
- Paving for parking lot north of Bldg. "H" (Pool Bldg.) and access road east of Bldg. "H" is complete;
- Installation of sod at varsity baseball field and hydroseeding on slopes are in progress;
- Concrete flatwork down the center fire lane is in progress;
- Installation of field scoreboards is in progress.





Grand Terrace High School: Progress Update (03-15-12)

PROGRESS PERCENT COMPLETE (%)		
INCREMENT 2 (Bid Package 1-18)		
BUILDING / AREA	03/01/12	03/15/12
Overall Project (As of 02/2011 Schedule Update)	61	66
Building "C"	63	77
Building "H"/Pool	41	44
Buildings "J" & "K"	66	74
Building "L"	53	57
Football Field	11	16
Tennis Courts	44	45
Parking Lots	19	24

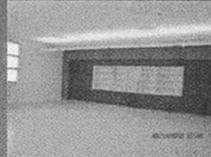
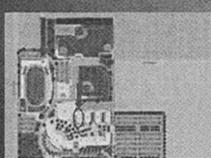


Bldg. A: Cafeteria / Performing Arts Theater / Library
 Bldg. B: Gymnasium
 Bldg. C: Student Services
 Bldg. D, E, F: Classrooms
 Bldg. G: Administration Center / Classrooms
 Bldg. H: Pool Facility
 Bldg. J & K: Football Concessions / Restrooms
 Bldg. L: Grandstands / Corridor Rooms / Team Rooms
 Bldg. M: Satellite Kitchen / Concessions
 Bldg. N: Ball Field Restrooms

Grand Terrace High School: Progress Update (03-15-12)

Building "C" (Student Services): 77% complete

- Suspended acoustical ceiling tile installation is complete;
- Mechanical/Electrical/Plumbing at ceiling grid is complete;
- HVAC systems are up and running, and the building has been climatized;
- FRP wall paneling installation is in progress;
- Floorcoverings installation (VCT and carpet) is in progress.

Grand Terrace High School: Progress Update (03-15-12)

Building "H" (Pool / Pool Building): 44% complete

Building "H":

- Framing at roof eaves is complete;
- Overhead HVAC, electrical and fire sprinkler rough-in is substantially complete;
- Pool equipment installation is substantially complete;

Pool:

- Installation of perimeter drain piping and area drains is complete; Waterline tile is complete;
- Forming for coping is in progress.





Grand Terrace High School: Progress Update (03-15-12)

Buildings "J" & "K" (Football Concessions/Restrooms): 74% complete

Building "J":

- Interior sheetrock installation, taping, and painting is complete; Wall tile is in progress;
- Installation of standing seam metal roofing system is in progress at fascia;

Building "K":

- Interior sheetrock installation, taping, and painting is complete; Wall tile is complete; Setting electrical finishes; Installation of standing seam metal roofing system is in progress at fascia.





Grand Terrace High School: Progress Update (03-15-12)

Building "L" (Football Grandstand/Locker/Team Room): 57% complete

Grandstand:

- Forming and placement of the concrete stair risers at the stepped deck is in progress;
- Shoring removal and strapping of beams from underside of concrete deck structure and at storage rooms continues;
- Installation of metal guardrails is in progress;
- Rebar and embedded anchor bolts for built slab and beams at the Press Box is in progress.





Grand Terrace High School: Progress Update (03-15-12)

Site Work - Including Football Field, Tennis Courts & Parking: 33% complete

- SW Parking Lot: Grading is complete; Underground conduit for lighting is complete; Concrete light standards have been poured;
- SE Parking Lot: Grading is complete; Planter curbs are complete; Underground conduit is complete; Light standards have been placed;
- NW Parking Lot: Clearing bins & materials;
- Football Field: Underground utilities trenching and conduit installation is complete; Interior track curb installation is in progress;
- Tennis Courts: Concrete flatwork is complete.





Grand Terrace High School: Progress Update (03-15-12)

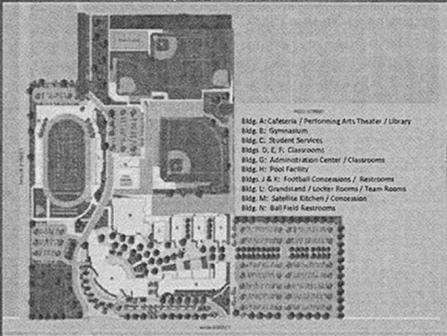
Critical Issues Impacting the Completion Schedule:

- ❑ The District terminated Action Sheet Metal's contract.
- ❑ Bids were received from pre-qualified roofing/sheet metal contractors on February 27, 2012 for performance of the required corrections to the standing seam metal roofing installation, as well as completion of the other remaining scope of work that had been assigned to Action Sheet Metal.
- ❑ The Board awarded the contract to the low bidder, Best Contracting, at a Special Board Meeting on March 8, 2012.
- ❑ The Pre-Construction Meeting was conducted on March 12, 2012.
- ❑ The work is scheduled to commence the week of March 19, 2012 and be completed by July 2, 2012.

17

Grand Terrace High School: Progress Update (03-15-12)

QUESTIONS?



- Bldg. A: Cafeteria / Performing Arts Theater / Library
- Bldg. B: Gymnasium
- Bldg. C: Student Services
- Bldg. D: E. F. Classrooms
- Bldg. G: Administration Center / Classrooms
- Bldg. H: Food Facility
- Bldg. J & K: Football Concessions / Restrooms
- Bldg. L: Grandstand / Locker Rooms / Team Rooms
- Bldg. M: Sideline Kitchen / Concessions
- Bldg. N: Ball Field Restrooms

18



FACILITIES program update

MARCH
2012



QSCB-FUNDED PROJECTS

Construction on the following QSCB projects will begin in the summer of 2012:

Crestmore Elementary

- Modernization of 15 classrooms, 2 kindergarten rooms and Multi-Purpose room
- Lunch shelter
- New administration building and parking lot
- Fire alarm upgrade

Grant Elementary

- Modernization of 17 classrooms, 2 kindergarten rooms and Multi-Purpose room
- Lunch shelter
- Modernization to administration building
- Fire alarm upgrade

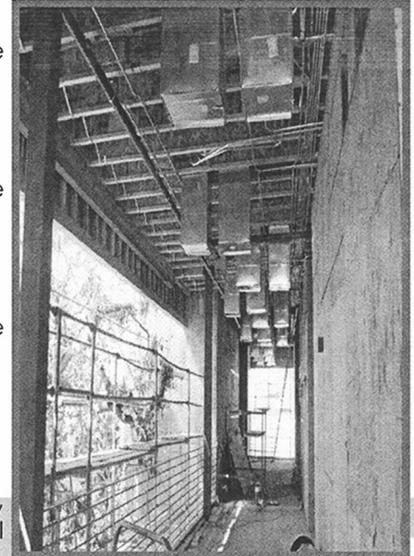
Lincoln Elementary

- Modernization of 19 classrooms, 2 kindergarten rooms and Multi-Purpose room
- Modernization to administration building
- Fire alarm upgrade

Lewis Elementary

- Modernization of 14 classrooms, 1 kindergarten room and Multi-Purpose room
- Fire alarm upgrade

While QSCB projects are priority, additional modernization projects at Cooley Ranch, D'Arcy, Jurupa Vista, Reche Canyon, Ruth O. Harris and San Salvador will begin shortly after the start of QSCB projects.



CHS Math & Science Building

CITIZENS' OVERSIGHT COMMITTEE (COC)

The next quarterly meeting is scheduled for March 26, 2012 at 5:30 p.m. and will include presentations by WLC Architects, Inc. and Vanir Construction Management, Inc.

CALENDAR OF EVENTS

April 2012

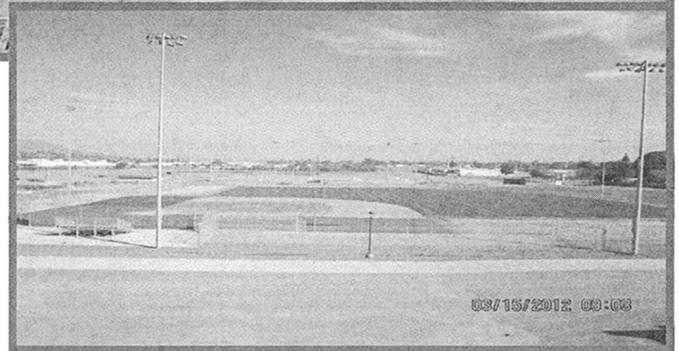
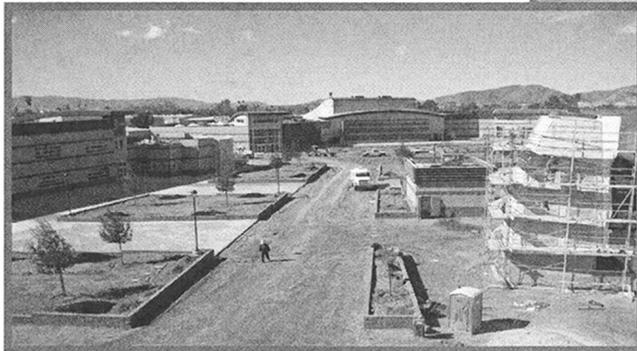
April 5 CJUSD Board Meeting @ 6:00 p.m.

April 19 CJUSD Board Meeting @ 6:00 p.m.

May 2012

May 3 CJUSD Board Meeting @ 6:00 p.m.

May 17 CJUSD Board Meeting @ 6:00 p.m.



Grand Terrace High School



MARCH
2012

FACILITIES Program update



GSCB-FUNDED PROJECTS

- Construction on the following GSCB project will begin in the summer of 2012:
- **Central Elementary**
 - Modernization of 18 classroom, 2 kindergarten rooms and multi-purpose room
 - Lunch trailer
 - New administration building and parking lot
 - Site plan upgrade
 - **East Elementary**
 - Modernization of 17 classroom, 2 kindergarten rooms and multi-purpose room
 - Lunch trailer
 - Modernization to administration building
 - Site plan upgrade
 - **West Elementary**
 - Modernization of 19 classroom, 2 kindergarten rooms and multi-purpose room
 - Modernization to administration building
 - Site plan upgrade
 - **North Elementary**
 - Modernization of 14 classroom, 1 kindergarten room and multi-purpose room
 - Site plan upgrade



The North & Science Building

CITIZENS' OVERSIGHT COMMITTEE (COC)

The next public meeting is scheduled for March 14, 2012 at 5:00 p.m. and will be held in the auditorium of the school. The agenda will include a presentation by WLC and a public comment period. For more information, please contact the school administrator.

CALENDAR OF EVENTS

- April 2012
- April 2 - Board Meeting 8:00 a.m.
 - April 19 - Board Meeting 8:00 a.m.
- May 2012
- May 3 - Board Meeting 8:00 a.m.
 - May 17 - Board Meeting 8:00 a.m.



BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

CONSENT ITEM

TO: Board of Education

PRESENTED BY: Mike Snellings, Assistant Superintendent, Educational Services Division

SUBJECT: Approval of Student Field Trips

GOAL: Improved Student Performance

STRATEGIC PLAN: Strategy #1 – Communication

BACKGROUND: See attached grid.

**BUDGET
IMPLICATIONS:** General Fund Expenditure: \$37,607.30

RECOMMENDATION: That the Board approve the student field trips as listed and expend the appropriate funds.

A-2

FIELD TRIPS: Regular Meeting April 5, 2012

<u>Site</u>	<u>Date</u>	<u>Depart</u>	<u>Return</u>	<u>Destination</u>	<u>Activity/Background</u>	<u>Grade</u>	<u>Teacher</u>	<u>Cost</u>	<u>Funding</u>	<u>Strates. Plan*</u>
BHS	4/6/12 (Fri.)	7:30 am	8 pm	San Diego Zoo San Diego, CA (District transportation)	<i>San Diego Zoo</i> Students will observe animals in their habitat to enhance the academic science program.	11/12	Cari Wilkinson (50) + 3 chaperones	\$1,203.30	Safe & Supportive Schools Grant	Strategy #1
BHS	4/13/12 to 4/15/12 (F/S/S)	5 am	4 pm	Santa Clara Convention Center Santa Clara, CA (Air transportation / South West Airlines)	<i>2012 Key Club Convention</i> Student will participate in the Key Club District Convention.	9-12	Leilani Bautista (7) +1 chaperone	\$3,920	ASB	Strategy #1
CHS	4/13/12 to 4/15/12 (F/S/S)	7 am	7:30 pm	Santa Clara Convention Center Santa Clara, CA (District transportation)	<i>2012 Key Club Convention</i> Students will participate in the Key Club District Convention.	9-12	Stephen Boone (6)	\$2,134	ASB	Strategy #1
THMS	4/28/12 (Sat.)	8 am	9 pm	Disneyland Anaheim, CA (District transportation)	<i>End of Year Activity</i> Reward trip for AVID students.	7/8	Lauren Rumpf Diane Brown Lauren Tyler Kelli Gudgeon (100) + 6 chaperones	\$7,600	ASB	Strategy #1
Sycamore Hills	5/21/12 to 5/24/12 (M/T/W/ Th)	9 am	11 am	Camp Elk Wrightwood, CA	<i>Outdoor Education Science Camp</i> Students will participate in a hands-on life science education in the natural environment.	6	Brenda Betten John Hoang Renee Jones Megan Pierce Annette Wolcott (130)	\$22,750	ASB \$22,450 Special Education \$300	Strategy #1

*

Strategy #1: We will establish an effective internal and external communications system to keep all partners informed about our mission, objectives, strategies, policies, successes, and strengths.

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

CONSENT ITEM

TO: Board of Education

PRESENTED BY: Mike Snellings, Assistant Superintendent, Educational Services Division

SUBJECT: Approval of Consultants for Assembly Presentations

GOAL: Improved Student Performance

STRATEGIC PLAN: Strategy #1 – Communication

BACKGROUND: See attached grid.

**BUDGET
IMPLICATIONS:** General Fund Expenditure: \$2,197.00

RECOMMENDATION: That the Board approve the consultants for assembly presentations as listed and expend the appropriate funds.

A-3

ASSEMBLIES/PROGRAMS: Regular Meeting April 5, 2012

Site	Date	Time	Program/Purpose	Location	Consultant(s)	Cost	Funds	Strater Plan
Rogers	4/6/12	8 am 9 am	<i>The Mobile Dairy Classroom</i> K-6 students will learn about agriculture's contribution to our food supply and provide students with knowledge of healthy food choices. The activity will reinforce the California Science Standards.	Rogers	Dairy Council of California Irvine, CA	No cost	No cost	Strategy #1
Grand Terrace	4/9/12	1:45 pm 2:45 pm	<i>Perfection on Wheels / Pep Rally</i> To motivate K-6 students to do their best on the CST"s.	Grand Terrace	Perfection on Wheels La Jolla, CA	\$1,397	Donations	Strategy #1
Grant	4/11/12	9 am to 11:30 am	<i>Petting Zoo-Farm Animals</i> Kindergarten students will have a hands-on science experience learning the physical characteristics of animals.	Grant	Giddy Up Ranch Phelan, CA	\$500	Boosters	Strategy #1
Lewis	5/6/12	8:30 am	<i>Tricks without Treats Parrot Show</i> First grade students will see an educational program that addresses the life Science Standard.	Lewis	Tricks Without Treats Parrot Show Steve Reverditto Norco, CA	\$300	Saturday School	Strategy #1

*Strategy #1: We will establish an effective internal and external communications system to keep all partners informed about our mission, objectives, strategies, policies, successes, and strengths.

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

CONSENT ITEM

TO: **Board of Education**

PRESENTED BY: Mike Snellings, Assistant Superintendent, Educational Services Division

SUBJECT: **Approval of Consultant for Staff Development**

GOAL: Improved Student Performance

STRATEGIC PLAN: Strategy #1 – Communication

BACKGROUND: See attached grid.

**BUDGET
IMPLICATIONS:** General fund expenditure: \$1,000.00

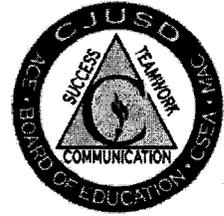
RECOMMENDATION: That the Board approve the consultant for staff development as listed and expend the appropriate funds.

A-4

CONSULTANTS: Regular Meeting: April 5, 2012

Site	Date(s)	Time	Program/Purpose	Location	Consultant(s)	Cost	Funds	Strate Plan`
Grand Terrace	April 12, 19, 26, 2012	9:20 am 11:20 am	<i>Learning is M.A.G.I.C.</i> To provide English and Spanish speaking parents with strategies that will enable them to address the educational needs of their children.	Grand Terrace	Learning is M.A.G.I.C. Glendale, CA	\$1,000	EIA/LEP	Strategy #2 #5

Colton Joint Unified School District



Consultant Request Proposal

School: Grand Terrace Elementary
Approval Date: April 5, 2012
Name of Consultant: Learning is M.A.G.I.C.
Billing Address: 1141 N. Columbus Avenue, Suite #207
Glendale, CA 91202
Contact Number: (818) 549-9101
Email address: tonyom@att.net

Consultant Qualifications and Background:

With a combined 45 years of teaching, Tonyo Melendez & Ruben Padilla, have vast experience and unique ways of capturing attention and engaging students and parents. Parenting is M.A.G.I.C. is based on principles utilized to great effect in their popular Learning is M.A.G.I.C. program. As parents themselves, they know firsthand the challenges of keeping children trouble-free.

List Districts serviced and accompanying API Scores for 3 years:

	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>
Colton Joint Unified:	701	710	725
Los Angeles Unified	694	709	728
Rialto Unified	713	732	746

Purpose:

To conduct a six week 24 hour program for parents of Grand Terrace School students designed to give parents strategies to cope with the demands of being a parent today. These strategies place an emphasis on understanding children and providing tips to better communicate with children.

Needs:

The Parenting is M.A.G.I.C. classes will address the following:

- Importance of School/Education
- How to help the child with reading, writing, motivation and homework
- Motivation for students
- Parenting classes

Strategies:

The M.A.G.I.C. acronym teaches the value of a set of principles that foster closeness and encourages communication between parent and child. To this effect, Parenting is M.A.G.I.C. will introduce, discuss and teach the following: role of the parent, role of the child, modeling behavior, habits, family histories, effective communication, positive reinforcement, stress coping strategies and more...

Evaluation and Monitoring:

- Monitor benchmark and semester scores
- Monitor AYP results

Budget:

\$1,000 – Total cost to be paid from EIA/LEP funding.

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

CONSENT ITEM

- TO:** Board of Education
- PRESENTED BY:** Mike Snellings, Assistant Superintendent, Educational Services
- SUBJECT:** Approval of the Memorandum of Understanding with Cal-SCHLS Regional Center for the Administration of the California Healthy Kids Survey as part of the Safe and Supportive School (S3) Grant for Bloomington and Colton High Schools
- GOAL:** Improved Student Performance
- STRATEGIC PLAN:** Strategy #1 – Communication
Strategy #2 – Curriculum
- BACKGROUND:** The District has received an agreement with the Cal-SCHLS Regional Center to administer the California Healthy Kids Survey (CHKS) as a condition of the S3 grant. The survey is administered to all students in grades 9 through 12. In addition, two supplementary surveys are administered along with the CHKS; the California School Climate Survey (CSCS) and the California Schools Parent Survey (CSPS).
- BUDGET IMPLICATIONS:** General Fund Expenditure: \$0.30 per student enrolled, approximately \$1,850.00 based on current enrollment in grades 9 - 12. In addition, the district will be charged \$0.30 for each paper copy of the survey that is completed.
- RECOMMENDATION:** That the Board approve the Memorandum of Understanding with Cal-SCHLS Regional Center for the Administration of the California Healthy Kids Survey as part of the Safe and Supportive School (S3) Grant for Bloomington and Colton High Schools

A-5



Memorandum Of Understanding

2011-2012 School Year

School Name: Bloomington High School

This agreement outlines conditions to be met by the above named school and the Cal-SCHLS Regional Center as they relate to the administration of the Cal-SCHLS for the Safe and Supportive Schools Grant. *A signed copy (or fax) of this Memorandum of Understanding (MOU) is required before any materials will be sent.*

School agrees to the following conditions:

SURVEY ADMINISTRATION

- Survey all students in the grades 9 through 12.
- Offer the staff survey to all staff, minimally certificated staff for the entire school.
- Survey as many parents/guardians as possible.
- Use parental consent procedures as allowed by district policy.
- Provide one, school-level contact person.

PAYMENT (CHKS)

- Pay the \$.30 per student enrolled.
- The district must provide a purchase order or check prior to receipt of report.

PAYMENT (CSCS)

No cost if done at the same time as the student survey.

PAYMENT (CSPS)

- * Pay the base set up fee (depends on enrollment) AND \$.30 per returned paper copy of the survey.

OTHER MISCELLANEOUS CONDITIONS

- * Read the Guidebook to the California School Climate, Health, & Learning Surveys, 2011-2012 Edition, paying special attention to the section on active and passive consent procedures. In BOTH cases, specific tasks MUST be completed to insure that the rights of parents and pupils are protected.
- * Provide current student enrollment figures by grade level.
- * Provide survey proctors for each classroom.
- * Have all monitors sign the Assurance of Confidentiality Agreement. This is provided in the Proctor Instructions.

The CHKS Regional Center agrees to the following conditions:

FOR THE BASIC FEE

- * Ongoing technical assistance including phone consultation on sampling and parent consent strategies.
- * Downloadable *CHKS Guidebook* for the district coordinator, and master copies of instructions.
- * Copies of the CHKS survey instrument

By signing this document the Agency and CHKS Regional Center staff signify that each party understands and will comply with the conditions stated above.

Agency Representative:



Signature

Todd Beal

Printed name

3/15/2012

Date

(909) 580-6522

Contact telephone

todd.beal@cjusd.net

Contact email

Cal-SCHLS Regional Center Technical Advisor:

Signature

Printed name

Date



Memorandum Of Understanding

2011-2012 School Year

School Name: Colton High School

This agreement outlines conditions to be met by the above named school and the Cal-SCHLS Regional Center as they relate to the administration of the Cal-SCHLS for the Safe and Supportive Schools Grant. *A signed copy (or fax) of this Memorandum of Understanding (MOU) is required before any materials will be sent.*

School agrees to the following conditions:

SURVEY ADMINISTRATION

- Survey all students in the grades 9 through 12.
- Offer the staff survey to all staff, minimally certificated staff for the entire school.
- Survey as many parents/guardians as possible.
- Use parental consent procedures as allowed by district policy.
- Provide one, school-level contact person.

PAYMENT (CHKS)

- Pay the \$.30 per student enrolled.
- The district must provide a purchase order or check prior to receipt of report.

PAYMENT (CSCS)

No cost if done at the same time as the student survey.

PAYMENT (CSPS)

- * Pay the base set up fee (depends on enrollment) AND \$.30 per returned paper copy of the survey.

OTHER MISCELLANEOUS CONDITIONS

- * Read the Guidebook to the California School Climate, Health, & Learning Surveys, 2011-2012 Edition, paying special attention to the section on active and passive consent procedures. In BOTH cases, specific tasks MUST be completed to insure that the rights of parents and pupils are protected.
- * Provide current student enrollment figures by grade level.
- * Provide survey proctors for each classroom.
- * Have all monitors sign the Assurance of Confidentiality Agreement. This is provided in the Proctor Instructions.

The CHKS Regional Center agrees to the following conditions:

FOR THE BASIC FEE

- * Ongoing technical assistance including phone consultation on sampling and parent consent strategies.
- * Downloadable *CHKS Guidebook* for the district coordinator, and master copies of instructions.
- * Copies of the CHKS survey instrument

By signing this document the Agency and CHKS Regional Center staff signify that each party understands and will comply with the conditions stated above.

Agency Representative:



Signature

Todd Beal

Printed name

3/15/2012

Date

Cal-SCHLS Regional Center Technical Advisor:

Signature

Printed name

Date

(909) 580-6522

Contact telephone

todd-beal@cjsd.net

Contact email

BOARD AGENDA

REGULAR MEETING
April 5, 2012

CONSENT ITEM

TO: **Board of Education**

PRESENTED BY: Jaime R. Ayala, Assistant Superintendent, Business Services Division

SUBJECT: **Acceptance of Gifts**

GOAL: Community Relations

STRATEGIC PLAN: Strategy #6 – Character

BACKGROUND: The Board may accept gifts of money or property on behalf of the district in accordance with Board Policy #3290: Gifts, Grants and Bequests.

RECOMMENDATION: That the Board accept the gifts as listed on the attached matrix.

A-6

Site	Donor	Donation/Purpose	Amount
Birney	Kiaco, Inc. McDonalds-McTeacher's night fund raiser	Check #6285 For field trips and incentives	\$699.75
Colton High	Rev. Fr. Andrew J. Lesko	Check #11929 For CHS Possabilities	\$50.00
Colton High	P&G Burgers	Check #1518 For girls softball	\$150.00
Colton High	Adrian Alvarado	Check #1280 For girls softball	\$150.00
Colton High	David Chavez & Patricia Chavez	Check #8302 For girls softball	\$150.00
Colton High	Colton T-Ball League	Check #1791 For girls softball	\$150.00
Colton High	SAPO, LLC DBA e-Tech	Check #9776 For boys baseball	\$500.00
Colton High	Leno's Rico Taco	Check #9087 For F.I.R.S.T. Robotics	\$250.00
Colton High	Twin Metals Inc.	Check #507 For CHS Key Club	\$750.00
Grand Terrace	Grand Terrace Elementary P.T.A.	Check #1502 For school assemblies	\$1,400.00
Grand Terrace	Grand Terrace Elementary P.T.A.	Check #1501 For field trips	\$3,500.00
Reche Canyon	T.E.A.M. Coyote, Inc.	Check #1728 For 3 rd grade field trip	\$880.00
Reche Canyon	T.E.A.M. Coyote, Inc.	Check #1727 For 6 th grade field trip buses	\$980.00
Reche Canyon	T.E.A.M. Coyote	Check #1734 For 2 nd grade buses for field trip	\$1,160.00
Reche Canyon	Lifetouch	Check #2388998	\$173.55
Reche Canyon	Coca-Cola Refreshments	Check #05969967	\$17.77
Reche Canyon	Coca-Cola Refreshments	Check #06015447	\$19.03
Rogers	Paul J. Rogers P.T.A.	Check #1178	\$800.00
Rogers	Paul J. Rogers P.T.A.	Check #1182	\$500.00
Rogers	Wells Fargo Foundation Educational Matching Gift Program c/o Rosie Medrano	Check #1004654	\$39.00
Rogers	Wells Fargo Foundation Educational Matching Gift Program c/o Rosie Medrano	Check #1001937	\$39.00
Ruth O Harris	Water of Life-Pastor Zac D. Coaston	Itunes gift cards	\$120.00
Ruth O Harris	Coca-Cola Refreshments	Check #06016103	\$25.96
Wilson	Wells Fargo Foundation Educational Matching Gift Program c/o Leah Jimenez	Check #1004502 For Mr. Neiman's 4 th grade class	\$36.00

BOARD AGENDA

REGULAR MEETING
April 5, 2012

CONSENT ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Authorization to Piggyback the Glendale Unified School District Bid P-13 08/09 for Apple, Inc. Products, Services and Related Items
- GOAL:** Support Services/Budget Planning
- STRATEGIC PLAN:** Strategy #1 – Communication
- BACKGROUND:** The Glendale Unified School District has awarded a bid for Apple, Inc. Products, Services and Related Items to Apple, Inc. With the upcoming openings of the CHS Math/Science Building, Joe Baca Middle School and Grand Terrace High School, as well as other District sites, the District needs to have in place bids with favorable pricing to supply these school sites and buildings. The prices and terms of the Glendale USD bid are favorable and it would be in the District's best interest to "piggyback" this bid and all extensions in accordance with Public Contract Code 20118.
- BUDGET IMPLICATIONS:** To be determined as the needs arise. To be purchased as needed from the General Fund 01 and other funds as required.
- RECOMMENDATION:** That the Board authorize the District to piggyback the Glendale Unified School District Bid P-13 08/09 for Apple, Inc. Products, Services and Related Items, as presented.

A-7

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

CONSENT ITEM

TO: **Board of Education**

PRESENTED BY: Jaime R. Ayala, Assistant Superintendent, Business Services Division

SUBJECT: **Approval of Reimbursement for Damage to Employee(s) Vehicle in Accordance with Board Policy 4156.3**

GOAL: School Safety & Attendance

STRATEGIC PLAN: Strategic Parameter #7 – Fiscal Responsibility

BACKGROUND: In accordance with Board Policy #4156.3, reimbursement for vehicle damage shall be limited to payment of the deductible amount of the employee’s insurance policy, not to exceed one hundred dollars (\$100), for damages resulting from malicious acts while the vehicle is parked or driven on Colton Joint Unified School District premises.

**BUDGET
IMPLICATIONS:** General Fund Expenditure: \$200.00 (\$100 for each claim)

RECOMMENDATION: That the Board approve reimbursement for damage to employee vehicle as presented.

A-8

CJUSD - Board Policy #4156.3
 Employee Vehicle Damage Reimbursement

Board Meeting –April 5, 2012

EMPLOYEE (EIN)	LOCATION	DATE/TIME	DETAIL/INCIDENT	RPR. EST.	INS. DED.	POLICE REPORT
EIN # 5010	Lincoln Elementary	March 16, 2012 (Approximately between 9-12:10 p.m.)	Back hatch window was smashed and broken out.	\$389.57	\$250.00	#12-05280
EIN #8472	Grant Elementary	March 5, 2012 (Approximately between 7:15-2:35 p.m.)	Left side passenger window was broken.	\$391.95	\$100.00	

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

CONSENT ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Approval to Open an Escrow Account for the Deposit of Earned Retentions for Best Contracting Services, Inc. on the Grand Terrace High School Project
- GOAL:** Facilities / Support Services
- STRATEGIC PLAN:** Strategy #4 – Facilities
- BACKGROUND:** It is necessary that the Board approve the opening of the individual escrow/bank account.
- Public Contract Code 22300 requires that the District offer contractors performing public works projects the opportunity to deposit their earned retentions into an interest bearing escrow account. The retention is withheld from the individual contractor’s progress billings at the rate of 10%. At the time the individual progress billing (90% of that bill) warrant is mailed to the contractor, another warrant representing 10% of that bill is mailed to the escrow account. There it will earn interest and the contractor can draw on that interest as the project proceeds. Once the Notice of Completion has been recorded and 35 days have passed, the District notifies the escrow agent to release the total retention due to the contractor.
- The contract for Best Contracting Services, Inc. was approved at the March 8, 2012 Board meeting. The original contract amount is \$2,500,632.
- BUDGET IMPLICATIONS:** No Impact to the General Fund
- RECOMMENDATION:** That the Board approve opening an escrow account for the deposit of earned retentions for Best Contracting Services, Inc. on the Grand Terrace High School Project.

A-9

COLTON JOINT UNIFIED SCHOOL DISTRICT

ESCROW AGREEMENT FOR SECURITY DEPOSITS IN LIEU OF RETENTION

Public Contract Code Section 22300

ATTACHMENT NO.12 TO AGREEMENT

This Escrow Agreement ("Escrow Agreement") is made and entered into this March day of 14th, 2012, by and between Colton Joint Unified School District, whose address is 851 S. Mt. Vernon Avenue, Suite 8 Colton, California 92324 (henceforth referenced as ("DISTRICT"); and BEST CONTRACTING SERVICES INC. whose address is 19027 S. HAMILTON AVENUE, GARDENA, CA 90248 (henceforth referenced as "CONTRATOR"); and UNION BANK N.A. whose address is 1980 Saturn Street MC V03-012 Monterey Park CA 91755 (henceforth referenced as "ESCROW AGENT").

For the consideration hereinafter set forth, DISTRICT, CONTRACTOR, AND ESCROW AGENT agree as follows.

1. Pursuant to California Public Contract Code Section 22300, which is hereby incorporated by reference, CONTRACTOR has the option to deposit securities with ESCROW AGENT as a substitute for retention earnings required to be withheld by DISTRICT pursuant to the Construction Contract No. BID #12-05 (Contract Number or other specific Contract Reference) entered into between DISTRICT and CONTRACTOR for the High School No.3 project, in the amount of TWO MILLION FIVE HUNDRED THOUSAND SIX HUNDRED THIRTY TWO dated, MARCH 08, 2012. (the "Contract"). Alternatively upon written request of CONTRACTOR, DISTRICT shall make payments of the retention earnings directly to ESCROW AGENT. When CONTRACTOR deposits the securities as a substitute for retention earnings, ESCROW AGENT shall notify DISTRICT within ten (10) calendar days of the deposit. The market value of the securities at the time of substitution and at all times from substitution until the termination of the ESCROW AGREEMENT shall be at least equal to the cash amount then required to be withheld as retention under terms of Contract between DISTRICT and CONTRACTOR. Securities shall be held in name of the DISTRICT, and shall designate CONTRACTOR as beneficial owner.
2. DISTRICT shall make progress payments to CONTRACTOR for those funds which otherwise would be withheld from progress payments pursuant to Contract provisions, provided that ESCROW AGENT holds securities in form and amount specified above.
3. When DISTRICT makes payments of retention earned directly to ESCROW AGENT, ESCROW AGENT shall hold them for the benefit of CONTRACTOR until the time that escrow created under the Escrow Agreement is terminated. CONTRACTOR may direct the investment of the payments into securities. All terms and conditions of the Escrow Agreement and the rights and responsibilities of the Parties shall be equally applicable and binding when the DISTRICT pays ESCROW AGENT directly.

4. CONTRACTOR shall be responsible for paying all fees for expenses incurred by ESCROW AGENT in administering the Escrow Account, and all expenses by DISTRICT. These expenses and payment terms shall be determined by DISTRICT, CONTRACTOR, and ESCROW AGENT.
5. Interest earned on securities or money market accounts held in escrow and all interest earned on that interest shall be for sole account of CONTRACTOR and shall be subject to withdrawal by CONTRACTOR at any time and from time to time without notice to DISTRICT.
6. CONTRACTOR shall have the right to withdraw all or any part of the principal in the Escrow Account only by written notice to ESCROW AGENT accompanied by written authorization from DISTRICT to ESCROW AGENT that DISTRICT consents to withdrawal of amount sought to be withdrawn by CONTRACTOR.
7. DISTRICT shall have the right to draw upon the securities in the event of default by CONTRACTOR as determined solely by DISTRICT. Upon seven (7) days written notice to ESCROW AGENT from DISTRICT of the default, ESCROW AGENT shall immediately convert the securities to cash and shall distribute the cash as instructed by DISTRICT.
8. Upon receipt of written notification from DISTRICT certifying that the Contract is final and complete, and the CONTRACTOR has complied with all requirements and procedures applicable to the Contract, ESCROW AGENT shall release to CONTRACTOR all securities and interest on deposit less escrow fees and charges of the Escrow Account. The escrow shall be closed immediately upon disbursement of all monies and securities on deposit and payments of fees charges.
9. ESCROW AGENT shall rely on written notifications from DISTRICT and CONTRACTOR pursuant to Paragraph 5 through 8, inclusive of this Escrow Agreement and DISTRICT and CONTRACTOR shall hold ESCROW AGENT harmless from ESCROW AGENT'S release and disbursement of securities and interest as set forth above.
10. Names of persons who are authorized to give written notice or receive written notice on behalf of DISTRICT and on behalf of CONTRACTOR in connection with the foregoing, and exemplars of their respective signatures are as follows:

On behalf of DISTRICT:

Title

Name

Signature

Address

On behalf of CONTRACTOR:

Title
GARY S'DAO, VICE PRESIDENT

Name

Signature

Address **Best Contracting Services, Inc.**
19027 S. Hamilton Ave.
Gardena, CA 90248

On behalf of ESCROW AGENT:
Assistant Vice President

Title
Yolanda Duron

Name

Signature Union Bank N.A. MC V03-012

Address 1980 Saturn Street Monterey Park, CA 91755

At the time the Escrow Account is opened, DISTRICT and CONTRACTOR SHALL deliver to ESCROW AGENT a fully executed original signature of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers on the date first set forth above.

On behalf of DISTRICT:

Title

Name

Signature

Address

On behalf of CONTRACTOR:

Title
GARY S'DAO, VICE PRESIDENT

Name

Signature

Address **Best Contracting Services, Inc.**
19027 S. Hamilton Ave.
Gardena, CA 90248

On behalf of ESCROW AGENT:
Assistant Vice President

Title
Yolanda Duron

Name

Signature Union Bank N.A. MC V03-012

Address 1980 Saturn Street Monterey Park, CA 91755

FUNDS TRANSFER ORDER INFORMATION

Owner: Colton Joint Unified School District
Contractor: BEST Contracting Services, Inc.
Escrow No.: 23860
Project: High School No. 3 (Grand Terrace High School) Bid Package No.8.1 Sheet Metal
Bid #12-05

An account has been opened in connection with the above referenced escrow. Funds may be remitted by either cashier's check or wire transfer per the following information:

MAILING ADDRESS:

Union Bank, N.A.
1980 Saturn Street, V03-12
Monterey Park, CA 91755
Escrow No. 23837

WIRE INSTRUCTIONS:

Union Bank, N.A.
1980 Saturn Street, V03-12
Monterey Park, CA 91755
ABA #122000496
Account #9140064499
Escrow No. 23837

Please ensure that the escrow number is included when remitting funds.

BOARD AGENDA

REGULAR MEETING
April 5, 2012

ACTION ITEM

*Revision 04/03/2012: Lola Hornbeck
removed from: *II-B - Classified –
Activity/Coaching Assignments*

TO: Board of Education
PRESENTED BY: Ingrid Munsterman, Assistant Superintendent, Human Resources Division
SUBJECT: Approval of Personnel Employment and Resignations
GOAL: Human Resources Development
STRATEGIC PLAN: Strategy #1 – Communication

BACKGROUND: Administrative Regulations AR 4112 and 4212 *Appointment and Conditions of Employment* states: *Upon recommendation of the Superintendent, the Governing Board shall approve the appointment of all certificated (AR 4112) and classified (AR 4212) employees.*

Listed below are the recommendations for personnel employment along with their respective positions and sites.

Employment:

I-A Certificated – Regular Staff

1. Arredonodo, Carmen Math Teacher (temporary) BHS

I-B Certificated – Activity/Coaching Assignments

1. Butscher, William Head Varsity Swimming BHS
2. Coronado, Anthony Head Varsity Soccer GTHS
3. Grisham, Greg Head Varsity Basketball GTHS
4. Kirkland, Elissa Head Varsity Swimming CHS
5. Matanga, Edmond Head Varsity Badminton CHS
6. Pacheco, Ryan Head Varsity Soccer GTHS
7. Ponce, Armando Head Varsity Golf CHS
8. Ray, Joseph Head Varsity Basketball GTHS
9. Reh, Michael Head Varsity Baseball CHS
10. Romero, David Head Frosh/Soph Baseball BHS
11. Schaefer, Gabriel Head JV Track BHS
12. Urban, Richard Head Varsity Tennis CHS
13. Wierenga, Jean Head Varsity Track (2011-12) BHS
Head Varsity Track (2012-13) GTHS
Head Varsity Cross Country (2012-13) GTHS
Head Varsity Swimming BHS

14. Wilkinson, Cari

I-C Certificated – Hourly ~ None

I-D Certificated – Substitute Teachers

1. Dumont, Danyale
2. Edwards, Alicia
3. Hudson, Bryan
4. Kaisershot, Katherine
5. Marquez, Skye
6. Rodgers, Cindy
7. Sedzmac, Jonathan
8. Swaim, Keri
9. Vargas, Alicia

I-E Certificated Management ~ None

II-A Classified – Regular Staff

1. Felix, Denise Language Assistant Lewis
2. Khoshkbariie, Michael M Library/Media Technician I Zimmerman
3. Peluffo, Judy Office Assistant II BHS
4. Pena, Bertha Language Assistant Lewis
5. Rivera, Renee Project Office Assistant McKinley

II-B Classified – Activity/Coaching Assignments

1. Aguilera, Julie Head Varsity Track BHS
2. Banuelos, Salvador Head JV Baseball (walk-on) BHS
3. Campa, Shawn Head JV Baseball CHS
4. Castro, Angel Head Varsity Baseball BHS
5. Contreras, Patricia Head Varsity Track CHS
6. DeAnda, Manuel Asst Spring Football (walk-on) CHS
7. Fetuuaho, Toni Asst Spring Football (walk-on) CHS
8. Flores Jr., Robert Head Varsity Softball (2011-12) BHS
Head Varsity Softball (2012-13) GTHS

B-1

9. Gomez, Anthony	Head Frosh/Soph Softball (walk-on)	BHS
10. Gonzales Jr., Johnny C	Head Varsity Track (walk-on)	CHS
11. Hornbeck, Lola	Head Varsity Volleyball (walk-on)	GTHS
12. Jorin, Enoc	Head JV Baseball (walk-on)	CHS
13. Ma'ilo, Chris	Head Spring Football	CHS
14. Mendoza, Kenneth	Head Frosh/Soph Baseball (walk-on)	BHS
15. Montes, Joseph	Head Varsity Softball	CHS
16. Morales, Ruben	Asst Spring Football (walk-on)	CHS
17. Ortiz, Arthur	Head JV Softball	CHS
18. Powell, Kevin	Head Varsity Track	CHS
19. Rossano, Michael	Head Frosh/Soph Softball	BHS
20. Sanchez, Darlene	Head JV Softball	CHS
21. Smalls, Ryan	Head Varsity Track	CHS
22. Texidor Jr., Robert	Head Varsity Wrestling (walk-on)	GTHS

II-C Classified – Hourly

1. Martin, Alfredo	Substitute Bus Driver	Transportation
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II-D Classified – Substitute ~ None

Resignations:

<u>I Certificated</u>	<u>Position</u>	<u>Site</u>	<u>Employment Date</u>	<u>Effective Date</u>
1. EIN#3221	Teacher		09/06/1990	06/02/2012
2. Arredondo, Carmen	Teacher	BHS	03/08/2012	06/02/2012
3. Toscano, Lynn Mary	Teacher	BHS	02/11/1988	06/02/2012

II Classified

1. Houston, Latonia	NSW I	D'Arcy	12/02/2008	03/03/2012
2. Hodges, April	Special Education IA	Grand Terrace	08/27/2008	03/07/2012

RECOMMENDATION: That the Board approve personnel employment and resignations as presented.

ACTION: On motion of Board Member _____ and _____, the Board approved the above recommendation as presented.

BOARD AGENDA

***Revision 04/03/2012:**
Conference for Celia Gonzales
has been cancelled.

REGULAR MEETING
April 5, 2012

ACTION ITEM

TO: Board of Education

PRESENTED BY: Ingrid Munsterman, Assistant Superintendent, Human Resources Division

SUBJECT: Approval of Conference Attendance

GOAL: Human Resources Development

STRATEGIC PLAN: Strategy #1 – Communication

~~Celia Gonzales – Special Projects
Coordinator, Special Projects~~ *Level II Parent Liaison Certificate
Program
May 8 – May 9, 2012
Costa Mesa, CA
Title I Fund: \$698.76*

Elsa Aguilar – **Paul J. Rogers Elementary**
Roseweeta Djemat **Parents** *Closing the Achievement Gap:
Using Parent Involvement as a
School Improvement Strategy
April 24 – April 25, 2012
Riverside, CA
Title I Fund: \$1,200.00*

**BUDGET
IMPLICATIONS:** General Fund Expenditure: ~~\$1,898.76~~-\$1,200.00

RECOMMENDATION: That the Board approve conference attendance as presented.

ACTION: On motion of Board Member _____ and
_____, the Board approved the above
recommendation as presented.

BOARD AGENDA

REGULAR MEETING
April 5, 2012

ACTION ITEM

TO: Board of Education

PRESENTED BY: Jaime R. Ayala, Assistant Superintendent, Business Services Division

SUBJECT: Approval of Purchase Orders

GOAL: Student Performance / Personnel Development

STRATEGIC PLAN: Strategy #1 – Communication

BACKGROUND: Purchase orders in excess of \$10,000 are presented to the Board of Education for approval.

BUDGET IMPLICATIONS: General Fund 01 Expenditures: \$282,075.47

RECOMMENDATION: That the Board approve Purchase Orders in excess of \$10,000 for a total of \$282,075.47

ACTION: On motion of Board Member _____ and _____, the Board approved purchase orders as recommended.

<u>P.O.</u>	<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>RESOURCE</u>	<u>RESOURCE DESCRIPTION</u>	<u>AMOUNT</u>
023190	Follett Library Resources	Other Bks./BMS	3010	NCLB:TTL I, PT A Grant, Low Inc	\$15,000.00
	<i>BMS library is well below the recommended library book amount. The library currently has approximately 9,300 books. The library should have close to 20,000 books. This order will increase the library book size, getting BMS closer to the suggested book amount. Additionally, BMS school uses the Accelerated Reader program using Title I funds to improve vocabulary and reading comprehension. Currently, the students do not have a range of books to choose from within their reading ability levels. Purchasing additional books will increase the range of books students may choose from.</i>				
023356	People's Education	Inst. Matis./Smith	7090	ECONOMIC IMPACT AID-SCE	\$19,373.17
	<i>This is a supplemental material that is standards based that will supplement where our current curriculum does not hit the standards. They are workbooks that have mini lessons that the teachers can use to remediate, enrich, and support the standards. The leadership team at Smith was also in support of these materials.</i>				
023398	Follett Library Resources	Other Bks./Crestmore	3010	NCLB: TTL I, PT A grant, Low Inc	\$20,627.98
	<i>These books are for the library to increase student reading through the use of high-interest teachable chapter books as recommended by our Program Improvement consultant and listed in our school plan. These books will also help to update our library circulation.</i>				
023498	Pearson	Txtbks./C. Ranch	0356	TIER III TEXTBOOKS	\$12,112.46
023499	Pearson	Txtbks./Crestmore	0356	TIER III TEXTBOOKS	\$15,051.25
023501	Pearson	Txtbks./G. Terrace	0356	TIER III TEXTBOOKS	\$13,796.15
023502	Pearson	Txtbks./Grant	0356	TIER III TEXTBOOKS	\$12,242.77
023503	Pearson	Txtbks./Grimes	0356	TIER III TEXTBOOKS	\$14,513.60
023504	Pearson	Txtbks./J. Vista	0356	TIER III TEXTBOOKS	\$10,969.30
023505	Pearson	Txtbks./Lewis	0356	TIER III TEXTBOOKS	\$14,693.97
023506	Pearson	Txtbks./Lincoln	0356	TIER III TEXTBOOKS	\$13,475.05
023507	Pearson	Txtbks./McKinley	0356	TIER III TEXTBOOKS	\$14,693.97
023508	Pearson	Txtbks./Rogers	0356	TIER III TEXTBOOKS	\$13,010.28
023509	Pearson	Txtbks./Smith	0356	TIER III TEXTBOOKS	\$15,585.39
023510	Pearson	Txtbks./Sycamore	0356	TIER III TEXTBOOKS	\$16,371.27
023511	Pearson	Txtbks./T. View	0356	TIER III TEXTBOOKS	\$12,242.77
023512	Pearson	Txtbks./Wilson	0356	TIER III TEXTBOOKS	\$18,097.53
023513	Pearson	Txtbks./Zimmerman	0356	TIER III TEXTBOOKS	\$14,929.20
023576	Pearson	Txtbks./Birney	0356	TIER III TEXTBOOKS	\$15,289.36
	<i>Pearson purchase orders are for core math textbooks for grades K-2 and are consumable. These are orders for the textbooks for the 2012-13 school year. These consumables must be ordered to comply with the William's requirement.</i>				
TOTAL					\$282,075.47

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Award of Bid #12-10 to Diamond Fitness Systems for Athletic Equipment at Grand Terrace High School
- GOAL:** Support Services/Budget Planning
- STRATEGIC PLAN:** Strategy #1 – Communication
- BACKGROUND:** Bids for athletic equipment at Grand Terrace High School were opened on March 27, 2012. The bid was conducted in accordance with Public Contract Code 20111 and advertised in accordance with Public Contract Code 20112. One vendor submitted a bid.
- This bid will be used to purchase athletic equipment to be installed in the weight and fitness rooms at Grand Terrace High School. Items in this bid include weight machines and racks, weightlifting plates, dumbbells, medicine balls, weightlifting bars and jump ropes. A schedule showing the bid received and its amount follows:
- | | |
|-------------------------|-------------|
| Diamond Fitness Systems | \$89,124.23 |
|-------------------------|-------------|
- BUDGET**
- IMPLICATIONS:** Building Fund 21 – Measure G Expenditure: \$89,124.23
- RECOMMENDATION:** That the Board award Bid #12-10, to the lowest responsible bidder, Diamond Fitness Systems for Athletic Equipment at Grand Terrace High School, in the amount of \$89,124.23, as presented
- ACTION:** On motion of Board Member _____ and _____, the Board awarded Bid #12-10, to the lowest responsible bidder, Diamond Fitness Systems for Athletic Equipment at Grand Terrace High School, in the amount of \$89,124.23.

B-4

Colton Joint Unified School District

Bid 12-10 Proposal Sheet

Item #	Item description	Make	Model	Quantity	Unit Price	Total
1	Bicep/Tricep Machine	ProMaxima Fitness Mfg.	PL9023	1		
2	Leg Ext/Leg Curl	ProMaxima Fitness Mfg.	PL9019	1		
3	Leg Press/Calf Raise	ProMaxima Fitness Mfg.	PL9010	1		
4	Lat Pull/Seated Row	ProMaxima Fitness Mfg.	PL9002	1		
5	Multi Press (Flat/Incline Bench & Military Press)	ProMaxima Fitness Mfg.	PL9021	2		
6	Pec Deck/Rear Deltoid	ProMaxima Fitness Mfg.	PL9022	1		
7	Adjustable Slant Board	USA Fitness	USA 131	2		
8	Pro Power Cage with Weight Holders	USA Fitness	PRO-DC	9		
9	Deluxe VKR	USA Fitness	159	1		
10	3 Tier Tray (Hex Head) Dumbbell Rack	USA Fitness	294T	3		
11	Deluxe Multi Position Bench with Wheels	USA Fitness	720	15		
12	Preacher Curl Bench with weight holder	USA Fitness	116	2		
13	Olympic Weight Tree with 2 bar holders	USA Fitness	143	1		
14	DBLE Platform Rubber Bumper Plate Rack with wheels and handle	USA Fitness	USA500D	5		
15	SNGLE Platform Rubber Bumper Plate Rack with wheels and handle	USA Fitness	USA500S	4		
16	2 Teir Kettlebell Rack	USA Fitness	USA291KB	2		
17	Wooden Plyo Boxed Set (12", 18", 24", 30", 36", 42")	USA Fitness	USA W 12/42	2		
18	Weight Lifting Power Chains (15lbs/Pair)	USA Fitness	WLC 30	6		
19	Rubber Coated Dumbbells (10 thru 100 x5lbs)	Troy	TSDR	1		
20	Rubber Coated Dumbbells (20 thru 70 x5lbs)	Troy	TSDR	1		
21	12 sided Rubber Encased Dumbbells (5lb thru 50lb x5lbs & 25lb thru 60lb x5lbs)	Troy	TSDR	1		
22	5lb Technique Plate (Pair)	VTX	HT5L	2		
23	10lb Technique Plate (Pair)	VTX	HT10L	2		

24	45lb RED Solid Rubber Olympic Plate (Pair)	VTX	VTX	14	
25	25lb YELLOW Solid Rubber Olympic Plate (Pair)	VTX	VTX	7	
26	Grip Olympic Weight Plate - Plate quantities: 56 each 45lb; 28 each 35lb; 30 each 25lb; 58 each 10lb; 46 each 5lb; 28 each 2.5lb. Total lb = 5130	VTX	VTX	5130	
27	Rubber Coated-Grip Olympic Weight Plate - Plate quantities: 10 each 45lb; 10 each 35lb; 12 each 25lb; 18 each 10lb; 18 each 5lb; 12 each 2.5lb. Total lb = 1100	VTX	GOVR	1100	
28	KettleBells (5 thru 50 x5lbs/60,70lbs/1 pair each weight)	VTX	VTX	1	
29	Medicine Ball Set with Rack (2,4,6,8,10,12)	VTX	HHKCS-42	2	
30	Power Bar	Midwest	MWVPB	11	
31	DFS "GOLD" Weightlifting Bar	Diamond Weightlifting Bars	MT20KG	8	
32	Combo Hex Shrug Bar	Diamond Weightlifting Bars	HCB	8	
33	Power Bar	Diamond Weightlifting Bars	Midwest	3	
34	5'HD Olympic Curl Bar	Diamond Weightlifting Bars	5'HD	2	
35	Aluminum 6' Olympic Bar	Diamond Weightlifting Bars	AL15	1	
36	HD 5' Olympic Curl Bar	Diamond Weightlifting Bars	HDOCB	1	
37	Olympic Bar Spring Lock Collar (Pair)			8	
38	9' Beaded Jump Rope		35205-9F	30	
39	Rolling Jump Rope Rack		92546	1	
40	Muscle Clamps (Pair)		OC11	20	
41	Installation				

Sub-Total

Tax 7.75%

Total

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

ACTION ITEM

TO: Board of Education

PRESENTED BY: Jaime R. Ayala, Assistant Superintendent, Business Services Division

SUBJECT: **Approval of Reduction in or Partial Release of Retainage for C.W. Driver, Inc. for the Bloomington High School New Math & Science Building Project**

GOAL: Facilities / Support Services

STRATEGIC PLAN: Strategy #4 – Facilities

BACKGROUND: C.W. Driver is requesting a reduction in or partial release of their retention from 10% to 5%. (10%=\$970,332.45 and 5%=\$485,166.23)

Consent of Surety to Reduction has been obtained.

Staff, Harley Ellis Devereaux Architects, Inspector of Record, and consultants are recommending the reduction in or partial release of retainage for C.W. Driver, Inc., in accordance with Specification Section 00700 – General Conditions, Article No. 9 – Progress Payment, Sub Item 9.6.1 – Payment to Contractor. The project is complete and the new building is occupied. However, punch list items and administrative closeout is being completed.

BUDGET IMPLICATIONS: No Impact to State Fund 35

RECOMMENDATION: That the Board approve the reduction in or partial release of retainage for C.W. Driver, Inc. for the Bloomington High School New Math & Science Building Project.

ACTION: On motion of Board Member _____ and _____, the Board approved the recommendation, as presented.

B-5

March 22, 2012

Sent: email

Mr. Owen Chang
Colton Joint Unified School District
851 South Mt. Vernon Ave.
Colton, CA 92324-3926

PROJECT: CJUSD - BLOOMINGTON HS M/S

SUBJECT: Request for partial release of retention

Dear Owen:

C.W. Driver. is requesting a reduction of retainage from 10% to 5%. Under separate cover we have provided the original Consent of Surety Reduction for Partial Release of Retainage.

Thank you for your assistance. Please call the undersigned if you have any questions.

Sincerely,



George Carlson
Senior Project Manager

File: 10018-00700

**CONSENT OF SURETY
TO REDUCTION IN OR
PARTIAL RELEASE OF RETAINAGE**

OWNER
ARCHITECT
CONTRACTOR
SURETY
OTHER

AIA DOCUMENT G707 A

Bond No. PRF8847609

PROJECT: Bloomington High School Math & Science Bldg. Project
(name, address)

TO (Owner)

Colton Joint Unified School District
851 S. Mt Vernon Avenue, Suite 8
Colton, CA 92324

ARCHITECT'S PROJECT NO:

CONTRACT FOR: construction

CONTRACT DATE: 6/21/10

In accordance with the provisions of the Contract between the Owner and the Contractor as indicated above, the
(here insert name and address of Surety as it appears in the bond.)

Fidelity and Deposit Company of Maryland
777 S. Figueroa Street, Suite 3900
Los Angeles, CA 90017

, SURETY,

on bond of (here insert name and address of Contractor as it appears in the bond)

C.W. Driver, Inc.
468 N. Rosemead Blvd.
Pasadena, CA 91107

, CONTRACTOR,

hereby approves the reduction in or partial release of retainage to the Contractor as follows:

Reduction in Retention by 50%

The Surety agrees that such reduction in or partial release of retainage to the Contractor shall not relieve the Surety
of any of its obligations to (here insert the name and address of Owner)

Colton Joint Unified School District
851 S. Mt Vernon Avenue, Suite 8
Colton, CA 92324

, OWNER,

as set forth in the said Surety's bond.

IN WITNESS WHEREOF,

the Surety has hereunto set its hand this

7th

day of March, 2012

FIDELITY AND DEPOSIT COMPANY OF MARYLAND

Surety

Nanette Myers

Signature of Authorized Representative

Nanette Myers

Attorney-in-Fact

Title Surety Phone No.

818 409-2800

Attest: Power of Attorney Attached
(Seal):

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange

On MAR 07 2012

before me, K. Luu, Notary Public

Here Insert Name and Title of the Officer

personally appeared

Nanette Myers

Name(s) of Signer(s)

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

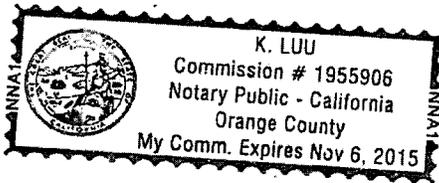
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public

Place Notary Seal Above



OPTIONAL

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

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

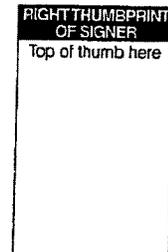
- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Power of Attorney
FIDELITY AND DEPOSIT COMPANY OF MARYLAND

KNOW ALL MEN BY THESE PRESENTS: That the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, a corporation of the State of Maryland, by FRANK E. MARTIN JR., Vice President, and ERIC D. BARNES, Assistant Secretary, in pursuance of authority granted by Article VI, Section 2, of the By-Laws of said Company, which are set forth on the reverse side hereof and are hereby certified to be in full force and effect on the date hereof, does hereby nominate, constitute and appoint James A. SCHALLER, Mike PARIZINO, Nanette MYERS, Rachelle RHEAULT, Rhonda C. ABEL, Kim LUU and Jeri APODACA, all of Newport Beach, California, EACH its true and lawful agent and Attorney-in-Fact, to make, execute, seal and deliver, for, and on its behalf as surety, and as its act and deed: any and all bonds and undertakings, and the execution of such bonds or undertakings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, to all intents and purposes as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its office in Baltimore, Md., in their own proper persons. This power of attorney revokes that issued on behalf of James A. SCHALLER, Mike PARAZINO, Nanette MYERS, Rachelle RHEAULT, Rhonda C. ABEL, Kim LUU, Jeri APODACA, dated June 23, 2011.

The said Assistant Secretary does hereby certify that the extract set forth on the reverse side hereof is a true copy of Article VI, Section 2, of the By-Laws of said Company, and is now in force.

IN WITNESS WHEREOF, the said Vice-President and Assistant Secretary have hereunto subscribed their names and affixed the Corporate Seal of the said FIDELITY AND DEPOSIT COMPANY OF MARYLAND, this 25th day of July, A.D. 2011.

ATTEST:

FIDELITY AND DEPOSIT COMPANY OF MARYLAND



Eric D. Barnes

Frank E. Martin Jr.

By:

Eric D. Barnes *Assistant Secretary* *Frank E. Martin Jr.* *Vice President*

State of Maryland }
City of Baltimore } ss:

On this 25th day of July, A.D. 2011, before the subscriber, a Notary Public of the State of Maryland, duly commissioned and qualified, came FRANK E. MARTIN JR., Vice President, and ERIC D. BARNES, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, to me personally known to be the individuals and officers described in and who executed the preceding instrument, and they each acknowledged the execution of the same, and being by me duly sworn, severally and each for himself depose and saith, that they are the said officers of the Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and that the said Corporate Seal and their signatures as such officers were duly affixed and subscribed to the said instrument by the authority and direction of the said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my Official Seal the day and year first above written.



Maria D. Adamski

Maria D. Adamski *Notary Public*
My Commission Expires: July 8, 2015

EXTRACT FROM BY-LAWS OF FIDELITY AND DEPOSIT COMPANY OF MARYLAND

"Article VI, Section 2. The Chairman of the Board, or the President, or any Executive Vice-President, or any of the Senior Vice-Presidents or Vice-Presidents specially authorized so to do by the Board of Directors or by the Executive Committee, shall have power, by and with the concurrence of the Secretary or any one of the Assistant Secretaries, to appoint Resident Vice-Presidents, Assistant Vice-Presidents and Attorneys-in-Fact as the business of the Company may require, or to authorize any person or persons to execute on behalf of the Company any bonds, undertakings, recognizances, stipulations, policies, contracts, agreements, deeds, and releases and assignments of judgements, decrees, mortgages and instruments in the nature of mortgages,....and to affix the seal of the Company thereto."

CERTIFICATE

I, the undersigned, Assistant Secretary of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND, do hereby certify that the foregoing Power of Attorney is still in full force and effect on the date of this certificate; and I do further certify that the Vice-President who executed the said Power of Attorney was one of the additional Vice-Presidents specially authorized by the Board of Directors to appoint any Attorney-in-Fact as provided in Article VI, Section 2, of the By-Laws of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND.

This Power of Attorney and Certificate may be signed by facsimile under and by authority of the following resolution of the Board of Directors of the FIDELITY AND DEPOSIT COMPANY OF MARYLAND at a meeting duly called and held on the 10th day of May, 1990.

RESOLVED: "That the facsimile or mechanically reproduced seal of the company and facsimile or mechanically reproduced signature of any Vice-President, Secretary, or Assistant Secretary of the Company, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power of attorney issued by the Company, shall be valid and binding upon the Company with the same force and effect as though manually affixed."

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said Company,

MAR 07 2012

this _____ day of _____.

Ronald F. Halcy
Assistant Secretary

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

ACTION ITEM

TO: Board of Education

PRESENTED BY: Jaime R. Ayala, Assistant Superintendent, Business Services Division

SUBJECT: Approval of Agreement with Superior Construction Services, Inc. to Perform Construction Inspection Services for Walk-In Freezer and Refrigerator at the District Warehouse

GOAL: Facilities / Support Services

STRATEGIC PLAN: Strategy #4 – Facilities

BACKGROUND: During construction, inspection needs to be performed to assure the project is constructed in accordance with plans and specifications, as well as building codes. Inspections include but are not limited to observation of concrete pour, structural installation, and electrical infrastructure work.

District staff solicited and reviewed the proposals from inspection firms, and recommends Superior Construction Services, Inc. based on their experience and pricing. Superior Construction Services, Inc. will not charge premium time for weekend and overtime work, and they will only charge for actual hours worked (no minimum hours).

A&E Inspection Services	\$13,720 (Extra fees for Weekend/Overtime)
Superior Construction Services	\$13,720 (No extra fees for Weekend/Overtime)

BUDGET IMPLICATIONS: Fund 13 Cafeteria Fund Expenditure: \$13,720 (Estimated)

RECOMMENDATION: That the Board approve the agreement with Superior Construction Services, Inc. to perform construction inspection services for walk-in freezer and refrigerator at the District warehouse.

ACTION: On motion of Board Member _____ and _____, the Board approved the agreement, as presented.

B-6



1042 N Mountain Ave
Suite 147
Upland CA 91786
909 266-4144
909 922-0212

Scott Saddlemire

909 266-4144
909 922-0212 Fax

March 27, 2012

Owen Chang
Colton Joint Unified School District
909 580-6640

Thank you for the opportunity to provide the Inspection Services for the upcoming walk in freezer project at the Colton District Office. We look forward to being able to provide this service to the Colton Joint Unified School District.

Superior Construction Services will provide duly certified construction inspection service.

Qualifications. The inspectors employed by or contracted with Superior Construction Services shall at all times maintain proper qualifications to perform the duties as an Inspector of Record (I.O.R.) of public school construction projects.

Duties. The Inspector's duties shall include, but not limited to:

- 1) SCS will provide on-site inspection and must have actual personal knowledge that the requirements of the approved plans and specifications are being completely executed. Continuous inspection means complete inspection every part of the work, but does not mean the Inspector must remain on site when the work being performed does not require inspection.
- 2) SCS shall keep the District and Architect informed to the progress of the work.
- 3) SCS shall notify the Contractor, in writing with copies to the District and Architect of any deviation from the approved plans and

specifications, which are not immediately corrected by the Contractor when brought to his or her attention.

Term. The term for this Agreement shall commence on or about May 2012, and shall continue until project is satisfactorily completed, estimated to be August 2012.

Compensation. Compensation will be based on schedule for the duration of the project. Monthly invoices will be provided to the district on the first of every month for the prior month.

Inspector of Record will be billed at \$65.00 per hour. Special Welding Inspector will be billed at \$70 per hour. Only actual hours worked will be billed. No Premium time for weekends or overtime.

Estimated 12 hours a week for 14 Weeks @\$65.00 per hour. Estimated **\$10,920.00**

Estimate 40 hours for CWI Field Welding Inspector @ \$70.00 per hour. Estimated **\$2,800.**

Total Estimated Fee: **\$13,720.**

We are looking forward to hearing from you. If you have any questions, please feel free to contact me anytime.

Scott Saddlemire
President

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

ACTION ITEM

TO: **Board of Education**

PRESENTED BY: Jaime R. Ayala, Assistant Superintendent, Business Services Division

SUBJECT: **Approval for an Eighteen Month Lease Extension with Mobile Modular Management Corporation for Interim Portable Classrooms at Bloomington High School (16 Classrooms and 1 Restroom)**

GOAL: Facilities / Support Services

STRATEGIC PLAN: Strategy #4 – Facilities

BACKGROUND: Sixteen classrooms and one restroom were previously placed at Bloomington High School to accommodate the displaced students during the construction of the New Math & Science Building.

Staff began the process of eliminating portables at Bloomington High School. However, the lease agreement for the interim housing has expired as of June 30, 2011. Staff recommends extending the lease agreement for the period of July 1, 2011 to December 31, 2012 during the portable removal process.

The breakdown of the interim housing cost is in the attached backup documentation.

BUDGET IMPLICATIONS: Bond Fund 21 - Measure G Expenditure: \$97,506

RECOMMENDATION: That the Board approve an eighteen month lease extension with Mobile Modular Management Corporation for interim portable classrooms at Bloomington High School (16 classrooms and 1 restroom).

ACTION: On motion of Board Member _____ and _____, the Board approved the lease extension, as presented.

B-7



Mobile Modular Management Corporation

5700 Las Positas Road, Livermore, CA 94551

Ph (925) 606-9000 Fax (925) 453-3201

www.MobileModularRents.com

Contract Addendum

Date: 3/9/2012

Customer : Colton Joint USD
Billing Address: 1212 Valencia Dr
City/State/Zip: Colton Ca 92324

Attn: Becky Joiner
Phone : 580-6641
Fax:
E-mail: becky_joiner@cjusd.net

Project Name : Bloomington HS
Site Address : 10750 Laurel Ave
City/State/Zip: Blomington

Ca 92316

This will serve as an addendum to the contract agreement entered into between **Colton Joint USD** (Lessee) and MOBILE MODULAR MANAGEMENT CORPORATION (Lessor).

ALL OTHER TERMS AND CONDITIONS TO REMAIN THE SAME.

Please sign and return an acknowledgement copy to our office as soon as possible. Thank you.

Renewal Information

Contract No.	Original Term	Original Start Rent Date	Building ID	Item Description	Addendum Start Date	Addendum Stop Date	Term	Rental Rate
220000717	18	06/28/10	30555	Classroom, 24x40 DSA (Item1002)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	30849	Classroom, 24x40 DSA (Item1002)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	33687	Restroom, 12x40 DSA (Item1005)	7/1/2011	12/31/2012	18	\$1,177.00
220000717	18	06/28/10	38936	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	38945	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	38961	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	38966	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	38970	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	38998	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	38999	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	39281	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	39383	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	39392	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	39400	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	39406	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	39654	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00
220000717	18	06/28/10	39660	Classroom, 24x40 DSA (Item1001)	7/1/2011	12/31/2012	18	\$265.00

. Rental rates do not include any applicable taxes. Return delivery and preparing equipment for return will be quoted at time of return.

. This contract agreement defines a month as 30 calendar days. Bill Frequency for this contract is Monthly

Additional Contract Addendum Notes:

Mobile Modular Management Corporation

Colton Joint USD

Printed Name

Printed Name

Title

Title

Signature

Signature

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

ACTION ITEM

TO: Board of Education

PRESENTED BY: Jaime R. Ayala, Assistant Superintendent, Business Services Division

SUBJECT: Approval to File a Notice of Completion for First Fire Systems, Inc., Bid #09-04 for Fire Alarm and Low Voltage upgrades at Jurupa Vista, Reche Canyon, and Wilson Elementary Schools, and Bloomington Middle School

GOAL: Facilities / Support Services

STRATEGIC PLAN: Strategy #4 – Facilities

BACKGROUND: The contractor has completed their work in accordance with the contract documents. District staff and consultants conducted walk-through inspections of the project. The project was found to be complete and in satisfactory condition. Final 10% contract retention will be released per the conditions of the contract documents.

**BUDGET
IMPLICATIONS:** Measure G Bond Fund 21 Expenditure: \$159,043.66

RECOMMENDATION: That the Board approve filing a Notice of Completion for First Fire Systems, Inc., Bid #09-04 for Fire Alarm and Low Voltage upgrades at Jurupa Vista, Reche Canyon, and Wilson Elementary Schools, and Bloomington Middle School.

ACTION: On motion of Board Member _____ and _____, the Board approved the recommendation, as presented.

B-8

NOTICE OF COMPLETION OF WORK

(Civil code 3093-Public Works)

To be recorded with the County Recorder
within 10 days after completion.

RECORDING REUESTED BY:

COLTON JOINT UNIFIED SCHOOL DISTRICT

WHEN RECORDED, RETURN TO:

Colton Joint Unified School District

1212 Valencia Drive

Colton, CA 92324

ATTN: Jaime R. Ayala

Assistant Superintendent, Business

NO recording fee. (For Recorders Use)

Exempt form fees per Government Code Section 27383

NOTICE OF COMPLETION OF WORK

NOTICE IS HEREBY GIVEN, that the Colton Joint Unified School District of San Bernardino County, California, as Owner of the property hereinafter described, caused improvement to be made to said property, to wit: Bid #09-04, Fire Alarm and Low voltage upgrades at Jurupa Vista Elementary School, 15290 Village Dr. East, Fontana, California, A.P.N. 193-401-19 and 193-401-21, Reche Canyon Elementary School, 3101 Canyon Vista, Colton, California, A.P.N. 284-161-43, Wilson Elementary School, 750 S. 8th Street, Colton, California, A.P.N. 163-211-01, and Bloomington Middle School, 18829 Orange, Bloomington, California, A.P.N. 253-231-05 thru 07 and 253-232-01 thru 07, the Contract for the doing of which was heretofore entered into on the 15th day of March, 2010, which was made with First Fire Systems, Inc., Contractor, that said improvements have been completed pursuant to said Contract and in accordance with plans and specifications prepared by Frick, Frick & Jette Architects, Inc. and accepted on the 5th day of April, 2012, by the Governing Board of said District; that title of said property vests in the Colton Joint Unified School District of San Bernardino County, California, that the surety for the above named Contractor is the Ullico Casualty Company, that the property hereinafter referred to and on which said improvements were made.

By: _____
Jaime R. Ayala, Assistance Superintendent, Business
Colton Joint Unified School District

**STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO**

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 2012, by Jaime R. Ayala, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

(seal)

Signature _____

BOARD AGENDA

REGULAR MEETING
April 5, 2012

ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Approval of Prequalified Inspector of Record Firms for Various Modernization Projects
- GOAL:** Facilities / Support Services
- STRATEGIC PLAN:** Strategy #4 – Facilities
- BACKGROUND:** As part of the Request for Proposal process completed on February 21, 2012, four firms have prequalified to provide inspection services. The following firms submitted proposals and met all qualifications:
- A&E Inspection Services
 - Chavez & Associates, Inc.
 - Ron Rose DSA Inspections
 - Superior Constructions Services, Inc.
- Based upon the completeness and thoroughness of the proposals, the selection criteria outlined in the RFP and a comprehensive review, staff recommends qualifying all four firms to be included for use on the District's future modernization projects.
- BUDGET IMPLICATIONS:** Bond Fund 21 – Measure G Expenditure: To be negotiated on a per project basis
- RECOMMENDATION:** That the Board approve prequalified Inspector of Record firms for various modernization projects.
- ACTION:** On motion of Board Member _____ and _____, the Board approved the prequalified Inspector of Record firms, as presented.

B-9

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Adoption of Resolution No. 12-40 to Determine and Find the Terrace View Elementary School Parking Lot and Bus Drop Off Project Substantially Complex and to Increase the Statutory Minimum Retention Amounts
- GOAL:** Facilities / Support Services
- STRATEGIC PLAN:** Strategy #4 – Facilities
- BACKGROUND:** Senate Bill (SB) 293 was recently signed into law with an effective date of January 1, 2012. SB 293 enacts a new statute in Public Contract Code 7201, which specifies that public agencies cannot withhold more than 5% of the value of work done as retention unless, prior to bidding the project, the Board of Education determines that the project is substantially complex and as such, requires a higher retention amount.
- Prior to this legislation, the District withheld the final retention payment of 10% of the value of work done from all public works contracts for 35 days after the Notice of Completion is recorded with the County Recorder.
- Staff recommends finding the Terrace View Elementary School Parking Lot and Bus Drop Off project substantially complex since it involves the reconfiguration of the existing parking lot and bus drop off, the coordination of significant amounts of staff and parent traffic, and the coordination of non-school traffic in and through the area.
- BUDGET IMPLICATIONS:** No Impact to Bond Fund 21 – Measure G
- RECOMMENDATION:** That the Board adopt Resolution No. 12-40 to determine and find the Terrace View Elementary School Parking Lot and Bus Drop Off project substantially complex and to increase the statutory minimum retention amounts.
- ACTION:** On motion of Board Member _____ and _____, the Board adopted the resolution, as presented.

B-10

**Colton Joint Unified School District
Resolution No. 12-40**

To Determine and Find the Terrace View Elementary School Parking Lot and Bus Drop Off Project Substantially Complex and To Increase the Statutory Minimum Retention Amounts

WHEREAS, the Colton Joint Unified School District (District) intends to complete the Terrace View Elementary School and Bus Drop Off (Project) through California Public Contract Code Section 20110-20118.4;

WHEREAS, Public Contract Code 7201(b)(1) states that retention proceeds withheld from any payment by a public entity to the original contractor shall not exceed five percent of the payment and total retention proceeds withheld from any payment by a public entity to the original contractor shall not exceed five percent of the contract price;

WHEREAS, Public Contract Code 7201(b)(4) states that the retention proceeds withheld from any payment by a school district may exceed five percent on specific projects where the Board of Education (Board) approves a finding during a properly noticed and normally scheduled board meeting and prior to bid that the projects are substantially complex and therefore, require a higher retention amount, and the school district includes such findings and the actual retention amount in the bid documents;

WHEREAS, the Board of the District hereby determines and finds that the Project is substantially complex and requires a higher retention amount than five percent based on the specific facts set forth in this Resolution; and

WHEREAS, the Board of the District hereby determines and finds that since the Project is substantially complex, retention proceeds and total retention proceeds to be withheld from the original contractor shall not exceed ten percent.

NOW THEREFORE, BE IT RESOLVED:

Section 1. The above recitals are true and correct.

Section 2. In accordance with Public Contract Code 7201, the Board of the District hereby determines and finds that the Project is substantially complex based on the following facts:

- a. The Project will be constructed on an occupied school campus and within a confined construction area. Additional measures must be taken due to site constraints to ensure the safety of school staff, students, and construction personnel. These measures include, but are not limited to, the proper phasing and re-sequencing of work to minimize impact to the school site, construction of overhead safety barriers to protect the general public on adjacent foot paths, and limited hours for hauling and material deliveries.

- b. The Project also involves the reconfiguration of the existing parking lot and bus drop off, coordination of significant amounts of staff and parent traffic, and coordination of non-school traffic in and through the area.
- c. The project is approved by the Division of the State Architect (DSA). Per DSA's requirements.

Section 3. As the project is determined and found to be substantially complex, the Board of the District hereby approves that the retention proceeds and total retention proceeds to be withheld from the original contractor shall not exceed ten percent.

Section 4. The Request for Proposals seeking lease leaseback contractors for the Project will include this Resolution and will state that the retention and total retention proceeds to be withheld from the original contractor shall not exceed ten percent.

Section 5. That this Resolution shall be effective as of the date of its adoption.

APPROVED, PASSED, AND ADOPTED by the Board of Education of the Colton Joint Unified School District this 5th day of April 2012, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

I, Jerry Almendarez, Secretary of the Colton Joint Unified School District Board of Education, do hereby certify that the foregoing is a full, true and correct copy of a resolution passed and adopted by said Board at a regularly scheduled and conducted meeting held on said date, which resolution is on file in office of said Board.

Jerry Almendarez
Secretary of the
Board of Education

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** **Approval of Preconstruction Services Agreement with Balfour Beatty Construction for Modernizations at Crestmore, Grant, Lewis and Lincoln Elementary Schools as Part of the Qualified School Construction Bonds (QSCB) Funding Program**
- GOAL:** Facilities / Support Services
- STRATEGIC PLAN:** Strategy #4 – Facilities
- BACKGROUND:** As part of a Request for Qualifications process completed on April 23, 2010, nine firms were prequalified to provide services under a lease-leaseback agreement. Belfour Beatty Construction is one of the nine firms on that prequalified list. Balfour Beatty was competitive in multiple rounds subsequent to RFPs and interviews for capital improvement projects including Bloomington Math and Science and Joe Baca Middle School.
- Based upon the completeness and thoroughness of the proposals, the competitive prequalification review process, and a comprehensive review, staff recommends Balfour Beatty Construction to provide preconstruction services for the lease leaseback delivery of the QSCB modernizations at Crestmore, Grant, Lewis and Elementary Schools.
- BUDGET IMPLICATIONS:** Bond Fund 21 – Measure G Expenditure: \$118,000
- RECOMMENDATION:** That the Board approve the Preconstruction Services Agreement with Balfour Beatty Construction for modernizations at Crestmore, Grant, Lewis and Lincoln Elementary Schools as part of the Qualified School Construction Bonds (QSCB) Funding Program.
- ACTION:** On motion of Board Member _____ and _____, the Board approved the agreement, as presented.

B-11

COLTON JOINT UNIFIED SCHOOL DISTRICT

**PROFESSIONAL SERVICES AGREEMENT
WITH BALFOUR BEATTY CONSTRUCTION, FOR
PRE-CONSTRUCTION SERVICES FOR CRESTMORE, GRANT, LEWIS AND
LINCOLN ELEMENTARY SCHOOL MODS PROJECTS**

1. PARTIES AND DATE.

This Agreement is made and entered into this fifth day of April, 2012 (“Effective Date”) by and between the Colton Joint Unified School District, a public school district organized under the laws of the State of California with its principal place of business at 1212 Valencia Dr., Colton, CA 92324 (“District”) and Barnhart-Balfour Beatty, Inc. dba Balfour Beatty Construction, with its principal place of business at 10620 Treena St., Suite 300, San Diego, CA 92131 (“Consultant”). District and Consultant are sometimes individually referred to as “Party” and collectively as “Parties.”

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional services required by the District on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing pre-construction services to public clients, is licensed in the State of California, and is familiar with the plans of District.

2.2 Project.

District desires to engage Consultant to render such services for the pre-construction work at Crestmore, Grant, Lewis, and Lincoln Elementary Schools, herein after referred to as the Project (“Project”) as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the District all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional pre-construction services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be for one (1) year from the Effective Date. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. District retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of District and shall at all times be under Consultant's exclusive direction and control. Consultant shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, District shall respond to Consultant's submittals in a timely manner. Upon request of District, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of District.

3.2.4 Substitution of Key Personnel. Consultant has represented to District that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of District; which approval shall not be unreasonably withheld. In the event that District and Consultant cannot agree as to the substitution of key personnel, District shall be entitled to terminate this Agreement. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the District, or who are determined by the District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the District. The key personnel for performance of this Agreement are as follows: **Chris Moseley, Vice President, Steven Gillman, Project Manager, Larry Caprio, Project Manager.**

3.2.5 District's Representative. The District hereby designates **Darryl Taylor, Director of Facilities**, or their designee(s), to act as its representative for the performance of this Agreement ("District's Representative"). District's Representative shall have the power to act on behalf of the District for all purposes under this Contract. Consultant shall not accept direction or orders from any person other than the District's Representative or his or her designee.

3.2.6 Consultant's Representative. Consultant hereby designates **Chris Moseley**, or his designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority

to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.7 Coordination of Services. Consultant agrees to work closely with District staff in the performance of Services and shall be available to District's staff, consultants and other staff at all reasonable times.

3.2.8 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by consultants in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the calling necessary to perform the Services. Consultant is a licensed general building contractor and all of its services are from the point of view of a building contractor. All services under the Pre-Construction Agreement are performed from a building contractor's point of view and are to be judged based on what a reasonable building contractor would have done. Consultant disclaims any design liability and is not a code checker, architect or design related professional. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the District, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the District to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the District, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.9 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Services. If the Consultant performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the District, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold District, its officials, directors, officers, employees and agents, excluding the project architect and/or engineer, free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure to comply with such laws, rules or regulations.

3.2.10 Insurance.

3.2.10.1 Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the District that it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to

the Consultant that the subcontractor has secured all insurance required under this section. Consultant shall indemnify and hold the District, its officials, directors, officers, employees and agents, excluding the project architect and/or engineer, free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure of subcontractor to secure insurance required by this section.

3.2.10.2 Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subcontractors. Consultant shall also require all of its subcontractors to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:

(A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); (2) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 0001, code 1 (any auto); and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

(B) Minimum Limits of Insurance. Consultant shall maintain limits no less than: (1) *General Liability*: \$1,000,000 per occurrence/\$2,000,000 aggregate for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with general aggregate limit is used, either the general aggregate limit shall apply separately to this Agreement/location or the general aggregate limit shall be twice the required occurrence limit; (2) *Automobile Liability*: \$1,000,000 per accident for bodily injury and property damage; and (3) *Workers' Compensation and Employer's Liability*: Workers' Compensation limits as required by the Labor Code of the State of California. Employer's Liability limits of \$1,000,000 per accident for bodily injury or disease.

3.2.10.3 Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms supplied or approved by the District to add the following provisions to the insurance policies:

(A) General Liability. The general liability policy shall be endorsed to state that: (1) the District, its directors, officials, officers, employees, agents (excluding the project Architect, Engineer and other members of the design team) and volunteers shall be covered as additional insured with respect to the Work or operations performed by or on behalf of the Consultant, including materials, parts or equipment furnished in connection with such work; and (2) the insurance coverage shall be primary insurance as respects the District, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(B) Automobile Liability. The automobile liability policy shall be endorsed to state that: (1) the District, its directors, officials, officers, employees,

agents and volunteers shall be covered as additional insureds with respect to the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Consultant or for which the Consultant is responsible; and (2) the insurance coverage shall be primary insurance as respects the District, its directors, officials, officers, employees, agents and volunteers, or if excess, shall stand in an unbroken chain of coverage excess of the Consultant's scheduled underlying coverage. Any insurance or self-insurance maintained by the District, its directors, officials, officers, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not be called upon to contribute with it in any way.

(C) Workers' Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the District, its directors, officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy which arise from work performed by the Consultant.

(D) All Coverages. Each insurance policy required by this Agreement shall be endorsed to state that: (A) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the District; and (B) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to the District, its directors, officials, officers, employees, agents and volunteers.

3.2.10.4 Separation of Insureds; No Special Limitations. All insurance required by this Section shall contain standard separation of insureds provisions. In addition, such insurance shall not contain any special limitations on the scope of protection afforded to the District, its directors, officials, officers, employees, agents and volunteers.

3.2.10.5 Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A: X, licensed to do business in California, and satisfactory to the District.

3.2.10.6 Verification of Coverage. Consultant shall furnish District with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to the District. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the District if requested. All certificates and endorsements must be received and approved by the District before work commences. The District reserves the right to require complete, certified copies of all required insurance policies, at any time.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of its employees appropriate to the nature of the work and the conditions under which the work is to be performed.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement of up to

ONE HUNDRED EIGHTEEN THOUSAND EIGHT HUNDRED DOLLARS (\$118,800).

3.3.2 Payment of Compensation. Consultant shall submit to District a monthly itemized statement which indicates services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. District shall, within 30 days of receiving such statement, review the statement and pay all approved charges thereon.

3.3.3 Reimbursement for Expenses. Consultant shall be reimbursed for any expenses authorized in advance in writing by District.

3.3.4 Extra Work. At any time during the term of this Agreement, District may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by District to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from District's Representative.

3.3.5 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq and 1770 et seq, as well as California Code of Regulations, Title 8, Section 16000 et seq ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. Since the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and since the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. District shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the District, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred through the use of sub consultants in carrying out the services under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of District during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of four (4) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. District may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated for all services performed pursuant to this Agreement up to the date of termination. Consultant may terminate this Agreement upon 10 days written notice to the District whenever (1) the entire Project has been suspended for 90 consecutive days through no fault or negligence of the Consultant and notice to resume the services under this Agreement or to terminate the agreement has not been received from the District within this time period; or (2) the District should fail to pay the Consultant any undisputed substantial sums due it in accordance with the terms of this Agreement and within the time limits prescribed. In the event of any such termination, the Consultant shall have no claims against the District except for work performed on the Project as of the date of termination.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, District may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, District may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective Parties at the following address, or at such other address as the respective Parties may provide in writing for this purpose:

Consultant:

Balfour Beatty Construction
10620 Treena St., Suite 300
San Diego, CA 92131
Attn: Eric G. Stenman, Regional CEO

District:

Colton Joint Unified School District
1212 Valencia Dr.
Colton, CA 92324
Attn: Darryl Taylor

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or Consultant's subconsultants or provided to Consultant by the District. District shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at District's sole risk.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification. Consultant shall defend, indemnify and hold the District, its officials, officers, employees, volunteers and agents, excluding project architect, engineer, other members of the design team or project inspector, free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner, arising out of, incident to and to the proportionate extent of any alleged acts, errors, omissions or willful misconduct of Consultant, its officials, officers, employees, agents, consultants and contractors arising out of or in connection with the performance of the Services, the Project or this Agreement.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the Parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both Parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in San Bernardino County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 District's Right to Employ Other Consultants. District reserves right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

3.5.12 Assignment or Transfer. Consultant shall not assign this Agreement or any without the prior written consent of the District.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any

Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subcontractors of Consultant, except as otherwise specified in this Agreement. All references to District include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.16 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of District's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.19 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.20 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.21 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of District. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

3.6.2 Project Bidding. In the interest of minimizing the expenditure of funds for the construction of the Project (to be constructed pursuant to subsequently executed Lease-Leaseback Contract Documents), the Consultant agrees to select appropriately State of California licensed subcontractors for each trade component of the Project in a manner that fosters competition. Consultant agrees that it will either solicit bids from subcontractors pursuant to the competitive bid procedures set forth in the Public Contract Code, including the specific provisions of Public Contract Code section 20110 *et seq.*, or utilize an informal bidding process established by the Consultant which also incorporates competitive bid procedures. Consultant shall ensure a minimum of three (3) bids are received for each trade package. Consultant shall require all bidding subcontractors to make a good faith effort to contact and utilize DVBE contractors and suppliers in securing bids for performance of the Project in accordance with the provisions of Section 7(A)(1) below. The District reserves the right to oversee the bidding process. Consultant shall inform all bidders that the District will not be a party to any contracts for construction services executed by the Consultant and selected bidders. Consultant shall submit a listing of proposed subcontractors to the District for the District's review but no listed subcontractor shall be afforded the protections of Public Contract Code section 4100 *et seq.* In no case will the Consultant award any subcontracts until the District has concurred to the scope and price of the subcontracted services. In addition, Consultant shall provide the District with full documentation regarding the bids or competitive quotes received by Contractor. In no event shall such documentation be redacted or obliterated. In the event the Consultant does not comply with this provision, the District may terminate this Agreement.

Compliance with Disabled Veteran Business Enterprise (DVBE) contracting goals is required under the Construction Services Agreement. In accordance with Education Code section 17076.11 the District has a DVBE participation goal of 3% per year of the overall dollar amount of state funds allocated to the District pursuant to the Leroy F. Greene School Facilities Act of 1998, and expended each year by the District. The District is seeking DVBE participation for the project ultimately constructed under the Lease-Leaseback Contract Documents (when executed). Consultant must require all bidding subcontractors to make a good faith effort to contact and utilize DVBE contractors and suppliers in securing bids for performance of the Project. Information regarding certified DVBE firms can be obtained from the Office of Small Business Certification and Resources (OSBCR) at (916) 323-5478 or (916) 322-5060 as well as the OSBCR website at www.dgs.ca.gov/osbcr. Verification of DVBE status must be obtained from the OSBCR by receiving an approved certification letter and reference number from that office. Consultant is encouraged to retain documentation of its bidding subcontractors' good faith efforts, in the event such documentation is requested by the District. Good faith efforts are demonstrated by evidence of the following: a) Contact was made with the District regarding the identification of DVBEs; b) Contact was made with other state agencies and with local DVBE organizations to identify DVBEs; c) Advertising was published in trade papers and papers focusing on DVBEs; d) Invitations to bid were submitted to potential DVBE contractors; and e) Available DVBEs were considered.

COLTON JOINT UNIFIED
SCHOOL DISTRICT

Approved By:

Date:

BALFOUR BEATTY
CONSTRUCTION

Approved By:

Date:

Exhibit "A"
SCOPE OF SERVICES

Balfour Beatty
Construction

t.951.781.9058
f.951.781.6314
4200 Latham St.
Suite A
Riverside, CA 92501

March 6, 2012

Mr. Darryl Taylor
Director of Facilities Planning & Construction
COLTON JOINT UNIFIED SCHOOL DISTRICT
1212 Valencia Dr.
Colton, CA 92324

Re: Preconstruction Services Proposal
Crestmore, Grant, Lewis and Lincoln Elementary Modernizations

Dear Mr. Taylor:

On behalf of the entire Balfour Beatty Construction organization, thank you for this opportunity to submit our proposal for Preconstruction Services for the above mentioned projects. We are excited to be considered in your efforts of improving the future of schools within the Colton Joint Unified School District.

Should you have any questions regarding our proposal or wish to discuss any part of it in detail, please do not hesitate to call. Again, thank you for your consideration.

Sincerely,

Balfour Beatty Construction



Chris Moseley
Vice President

enclosures

Preconstruction Services Proposal

Presented to:
COLTON JOINT UNIFIED SCHOOL DISTRICT
for
Crestmore, Grant, Lewis and Lincoln Elementary Modernizations

March 6, 2012

PROPOSAL:

Balfour Beatty Construction proposes to perform the following scope of services at a lump sum cost of one-hundred eighteen-thousand, eight-hundred dollars (\$118,800.00).

SCOPE OF SERVICES:

For the Crestmore, Grant, Lewis and Lincoln Elementary Modernizations, provide the following:

Perform plan and specification constructability reviews, provide value-engineering reviews and recommendations and other reviews as necessary to verify that the drawings and specifications are clear and reasonably accurate to minimize the need for changes during the construction phase of the project, including but not limited to the following:

1. Review of Design Documents.
 - a. Review Project design documents to:
 - i. Provide recommendations on site use and improvements, selection of materials, building systems and equipment;
 - ii. Provide recommendations on relative feasibility of construction methods, availability of materials and labor, time requirements for procurement, installation and construction of the Project and subparts thereof if requested, and factors relating to cost including, but not limited to, construction costs of alternate designs of materials, preliminary budgets and possible economics that could be achieved through alternate methods or substitutions;
 - b. Prepare value-engineering reports for District and Architect review and approval that:
 - i. Details areas of cost saving (e.g. construction processes/procedures, specified materials and equipment, and equipment or other aspects of the design documents that can be modified to reduce costs and/or the time for achieving final completion of the Project and/or to extend life-cycle and/or to reduce maintenance/operations costs, without diminution in the quality of materials/equipment/workmanship, scope or intended purposes of the Project);
 - ii. Provides detailed estimate for proposed value-engineering items;
 - iii. Defines methodology or approaches that maximize value; and
 - iv. Identifies design choices that can be more economically delivered.
 - c. Prepare detailed interdisciplinary constructability review that:
 - i. Ensures construction documents are well coordinated;
 - ii. Identifies to the extent known, construction deficiencies and areas of concern;
 - iii. Back-checks design drawings for inclusion of modifications;
 - iv. Provides the District with written confirmation that:
 - (1) Requirements noted in the design documents prepared for the Project are consistent with and conform to the District's Project requirements.

Colton Joint Unified School District
Preconstruction Services Proposal
Page 1 of 3

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- (2) Various components have been coordinated and are consistent with each other so as to minimize conflicts within or between components of the design documents.
- d. Confirm Modifications to Design Drawings. If the District accepts the value-engineering and/or constructability review comments, review the design documents modified by the value-engineering and/or constructability review, to confirm that the value-engineering and/or constructability review comments are properly incorporated into the final design documents.
2. Estimate of Project Costs.
- a. Detailed Estimates. Prepare for the District's approval detailed estimates of Project cost developed by using estimating techniques which anticipate the various elements of the Project at the following stages of design:
- 90% construction documents (DSA submittal)
 - 100% construction documents
- b. Update of Estimates. Update and refine estimate periodically as the Architect prepares the final construction design documents. Advise the District and the Architect if it appears that the total construction costs may exceed the Project budget established by the District and make recommendations for corrective action. Provide input to the District and Architect relative to value of construction, means and methods for construction, duration of construction of various building methods and constructability.
3. Construction Schedule and Phasing Plan.
- a. Investigate, recommend and prepare a schedule for the District's purchase of materials and equipment requiring long lead time procurement, and coordinate the schedule with the early preparation of portions of the Contract Documents by the Architect.
4. Bidder Outreach & Bidding Services.
- Prepare bid packages and coordinate receipt of subcontractor bids
 - In conjunction with Architect, review and edit front end bid documents to comply and coordinate with Lease/Leaseback contract documents.
5. Guaranteed Maximum Price.
- Prepare proposed Guaranteed Maximum Price for completion of all work associated with Projects for District review and acceptance.
6. Other Duties.
- Attend regularly scheduled Project Planning Meeting(s).
 - Attend other meetings (Board meetings, workshops, COC meetings, etc.) as required.
7. Exclusions
- Costs of reproduction or distribution of plans, specifications or addenda.
 - Costs of office trailer, dumpsters, temporary facilities during preconstruction services
 - Cost for public advertisement

COST SCHEDULE OF SERVICES

1 CRESTMORE ELEMENTARY- TOTAL 7 BUILDINGS AND SITE MODERNIZATION

DESCRIPTION	TOTAL
ESTIMATING SERVICES	\$ 12,000.00
PROJECT SCHEDULE	\$ 8,000.00
CONSTRUCTABILITY REVIEW	\$ 11,600.00
ADVERTISE AND BIDDING	\$ 4,400.00
TOTAL	\$ 36,000.00

2 GRANT ELEMENTARY SCHOOL- TOTAL 7 BUILDINGS AND SITE MODERNIZATION

DESCRIPTION	TOTAL
ESTIMATING SERVICES	\$ 9,200.00
PROJECT SCHEDULE	\$ 6,000.00
CONSTRUCTABILITY REVIEW	\$ 8,400.00
ADVERTISE AND BIDDING	\$ 4,200.00
TOTAL	\$ 27,800.00

3 ABRAHAM LINCOLN ELEMENTARY SCHOOL- TOTAL 7 BUILDINGS AND SITE MODERNIZATION

DESCRIPTION	TOTAL
ESTIMATING SERVICES	\$ 9,200.00
PROJECT SCHEDULE	\$ 6,600.00
CONSTRUCTABILITY REVIEW	\$ 8,800.00
ADVERTISE AND BIDDING	\$ 4,200.00
TOTAL	\$ 28,800.00

4 LEWIS ELEMENTARY SCHOOL- TOTAL 5 BUILDINGS AND SITE MODERNIZATION

DESCRIPTION	TOTAL
ESTIMATING SERVICES	\$ 8,000.00
PROJECT SCHEDULE	\$ 6,000.00
CONSTRUCTABILITY REVIEW	\$ 8,000.00
ADVERTISE AND BIDDING	\$ 4,200.00
TOTAL	\$ 26,200.00

TOTAL PRECON SERVICES \$ 118,800.00

BOARD AGENDA

REGULAR MEETING
April 5, 2012

ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Adoption of Resolution No. 12-37 of the Colton Joint Unified School District Governing Board Authorizing the Borrowing of Funds for Fiscal Year 2012-13 and the Issuance and Sale of One or More Series of 2012-13 Tax and Revenue Anticipation Notes Thereafter and Participation in the California School Cash Reserve Program and Requesting the Board of Supervisors of the County to Issue and Sell Said Series of Notes
- GOAL:** Budget Planning
- STRATEGIC PLAN:** Strategy #1 – Communication
- BACKGROUND:** With State deferrals of Revenue Limit apportionments set at an unprecedented level, many school districts throughout the state have been experiencing a growing cash flow problem.
- Tax Revenue Anticipation Notes (“TRANs”) are short term financings designed to assist with cash flow shortages. Under the requirements of State law, California school districts are obligated to issue TRANs through the county in which they are located. Resolution No. 12-37 makes a request to the County to issue the TRANs on behalf of the District, and, pursuant to State law, for fiscal year 2012-13. The Resolution contains the terms and conditions for the issuance, sale, and delivery of the TRANs in an amount not to exceed \$40,000,000.
- BUDGET IMPLICATIONS:** None at this time.
- RECOMMENDATION:** That the Board adopt the Resolution No. 12-37 authorizing the borrowing of funds for fiscal year 2012-13 and the issuance and sale of one or more series of 2012-13 Tax and Revenue Anticipation Notes thereafter and participation in the California School Cash Reserve Program and requesting the Board of Supervisors of the County to issue and sell said series of notes.
- ACTION:** On motion of Board Member _____ and _____, the Board adopted the resolution as presented.

B-12

THIS RESOLUTION MUST BE DISCUSSED, CONSIDERED AND DELIBERATED BY THE GOVERNING BOARD AS A SEPARATE ITEM OF BUSINESS ON THE GOVERNING BOARD'S AGENDA IN ACCORDANCE WITH CALIFORNIA GOVERNMENT CODE SECTION 53635.7.

DISTRICT RESOLUTION

NAME OF DISTRICT: COLTON JOINT UNIFIED SCHOOL DISTRICT*

LOCATED IN: COUNTY OF SAN BERNARDINO

MAXIMUM AMOUNT OF BORROWING: \$40,000,000

RESOLUTION OF THE GOVERNING BOARD AUTHORIZING THE BORROWING OF FUNDS FOR FISCAL YEAR 2012-2013 AND THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF 2012-2013 TAX AND REVENUE ANTICIPATION NOTES THEREFOR AND PARTICIPATION IN THE CALIFORNIA SCHOOL CASH RESERVE PROGRAM AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY TO ISSUE AND SELL SAID SERIES OF NOTES

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

WHEREAS, the governing board (the "Board") has determined that, in order to satisfy certain obligations and requirements of the school district, community college district or county board of education specified above (the "District"), a public body corporate and politic located in the County designated above (the "County"), it is desirable that a sum (the "Principal Amount"), not to exceed the Maximum Amount of Borrowing designated above, be borrowed for such purpose during its fiscal year ending June 30, 2013 ("Fiscal Year 2012-2013") by the issuance of its 2012-2013 Tax and Revenue Anticipation Notes (the first series of which shall be referred to herein as the "Series A Notes" and any subsequent series of which shall be referred to herein as "Additional Notes," and collectively with the Series A Notes, the "Notes"), in one or more series (each a "Series"), therefor in anticipation of the receipt by or accrual to the District during Fiscal Year 2012-2013 of taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for such fiscal year for the

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

general fund and, if so indicated in a Pricing Confirmation (as defined in Section 4 hereof), capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District; and

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

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

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

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

WHEREAS, it appears, and this Board hereby finds and determines, that the Principal Amount, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for Fiscal Year 2012-2013 which will be received by or which will accrue to the District during such fiscal year for the general fund and, if so indicated in a Pricing Confirmation, capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District and which will be available for the payment of the principal of each Series of Notes and the interest thereon; and

WHEREAS, no money has heretofore been borrowed by or on behalf of the District through the issuance of tax anticipation notes or temporary notes in anticipation of the receipt of, or payable from or secured by, taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for Fiscal Year 2012-2013 which will be received by or will accrue to the District during such fiscal year for the general fund and, if so indicated in a Pricing Confirmation, capital fund and/or special

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

revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District; and

WHEREAS, pursuant to Section 53856 of the Act, certain taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys which will be received by or accrue to the District during Fiscal Year 2012-2013 are authorized to be pledged for the payment of the principal of each Series of Notes (as applicable) and the interest thereon (as hereinafter provided); and

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

WHEREAS, due to uncertainties existing in the financial markets, the Program has been designed with alternative structures, each of which the District desires to approve; and

WHEREAS, under the first structure (the "Certificate Structure"), the District would issue one or more Series of Notes, each Series of Notes to be marketed with some or all of the notes issued simultaneously by other Issuers participating in the Program, and Piper Jaffray & Co., as underwriter for the Program (the "Underwriter"), would form one or more pools of notes or series of certificates (the "Certificates") of participation (the "Series of Certificates") distinguished by (i) whether and what type(s) of Credit Instrument (as hereinafter defined) secures notes comprising each Series of Certificates, and (ii) possibly other features, all of which the District hereby authorizes the Underwriter to determine; and

WHEREAS, the Certificate Structure requires the Issuers participating in any particular Series of Certificates to deposit their applicable series of tax and revenue anticipation notes with U.S. Bank National Association, as trustee (the "Trustee"), pursuant to a trust agreement between such Issuers and the Trustee (the trust agreement applicable to each Series of Certificates, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein collectively as, the "Trust Agreement"), and requires the Trustee, pursuant to the Trust Agreement, to execute and deliver the Certificates evidencing and representing proportionate undivided interests in the payments of principal of and interest on the tax and revenue anticipation notes issued by the Issuers comprising such Series of Certificates; and

WHEREAS, if the Certificate Structure is implemented, the District desires to have the Trustee execute and deliver a Series of Certificates which evidences and represents interests of the owners thereof in each Series of Notes issued by the District and the notes issued simultaneously by other Issuers participating in such Series of Certificates; and

WHEREAS, as additional security for the owners of each Series of Certificates, all or a portion of the payments by all of the Issuers of their respective series of notes comprising such Series of Certificates may or may not be secured by an irrevocable letter (or letters) of credit or policy (or policies) of insurance or other credit instrument (or instruments) (collectively, the "Credit Instrument") issued by the credit provider (or credit providers) (collectively, the "Credit

Provider”) designated in the applicable Trust Agreement, as finally executed, pursuant to a credit agreement (or agreements) or commitment letter (or letters) (such credit agreement (or agreements) or commitment letter (or letters), if any, in the forms presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein collectively as, the “Credit Agreement”) identified in the applicable Trust Agreement, as finally executed, between, in the case of an irrevocable letter (or letters) of credit or policy (or policies) of insurance or other credit instrument (or instruments), the Issuers and the corresponding Credit Provider; and

WHEREAS, pursuant to the Certificate Structure, the Underwriter will submit an offer to purchase each Series of Notes issued by the District and the notes issued by other Issuers participating in the same Series of Certificates all as evidenced and represented by such Series of Certificates (which offer will specify, as designated in the Pricing Confirmation applicable to the sale of such Series of Notes to be sold by the District, the principal amount, interest rate and Credit Instrument (if any)), and has submitted a form of certificate purchase agreement (such certificate purchase agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as, the “Certificate Purchase Agreement”) to the Board; and

WHEREAS, pursuant to the Certificate Structure each participating Issuer will be responsible for its share of (i) the fees of the Trustee and the costs of issuing the applicable Series of Certificates, (ii) if applicable, the fees of the Credit Provider(s), and (iii) if applicable, the Issuer’s allocable share of all Predefault Obligations and the Issuer’s Reimbursement Obligations, if any (each as defined in the Trust Agreement); and

WHEREAS, the Certificate Structure requires that each participating Issuer approve the Trust Agreement, the alternative Credit Instruments and Credit Agreements, if any, and the Certificate Purchase Agreement in substantially the forms presented to the Board, with the final type of Credit Instrument and corresponding Credit Agreement determined in the Pricing Confirmation applicable to the sale of each Series of Notes to be sold by the District; and

WHEREAS, under the second structure (the “Bond Pool Structure”), participating Issuers would be required to sell each series of their tax and revenue anticipation notes to the California School Cash Reserve Program Authority (the “Authority”) pursuant to note purchase agreements (such note purchase agreements, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as, the “Note Purchase Agreements”), each between such individual Issuer and the Authority, and dated as of the date of the Pricing Confirmation applicable to the sale of the individual Issuer’s series of notes to be sold, a form of which has been submitted to the Board; and

WHEREAS, the Authority, pursuant to advice of the Underwriter, will form one or more pools of notes of each participating Issuer (the “Pooled Notes”) and assign each respective series of notes to a particular pool (the “Pool”) and sell a series of senior bonds (each a “Series of Senior Bonds”) and, if desirable, a corresponding series of subordinate bonds (each a “Series of Subordinate Bonds” and collectively with a Series of Senior Bonds, a “Series of Pool Bonds”) secured by each Pool pursuant to an indenture and/or a supplement thereto (the original indenture

and each supplement thereto applicable to a Series of Pool Bonds to which the Note shall be assigned is hereinafter collectively referred to as the "Indenture") between the Authority and the Trustee, each Series of Pool Bonds distinguished by (i) whether or what type(s) of Credit Instrument(s) secure(s) such Series of Pool Bonds, (ii) the principal amounts or portions of principal amounts of the notes of such respective series assigned to the Pool, or (iii) other factors, and the District hereby acknowledges and approves the discretion of the Authority, acting upon the advice of the Underwriter, to assign the District's Notes of such respective Series to such Pool and such Indenture as the Authority may determine; and

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

WHEREAS, as additional security for the owners of each Series of Pool Bonds, all or a portion of the payments by all of the Issuers of the respective series of notes assigned to such Series of Pool Bonds may or may not be secured (by virtue or in form of the Series of Pool Bonds, as indicated in the Pricing Confirmation applicable to such Series of Pool Bonds, being secured in whole or in part) by one or more Credit Instruments issued by one or more Credit Providers designated in the applicable Indenture, as finally executed, pursuant to a Credit Agreement, if any, identified in the applicable Indenture, as finally executed, between, in the case of an irrevocable letter (or letters) of credit or policy (or policies) of insurance or other credit instrument (or instruments), the Issuers and the corresponding Credit Provider; and

WHEREAS, pursuant to the Bond Pool Structure each Issuer, whose series of notes is assigned to a Pool as security for a Series of Pool Bonds, will be responsible for its share of (i) the fees of the Trustee and the costs of issuing the applicable Series of Pool Bonds, (ii), if applicable, the fees of the Credit Provider(s), and (iii) if applicable, the Issuer's allocable share of all Predefault Obligations and the Issuer's Reimbursement Obligations, if any (each as defined in the Indenture) applicable to such Series of Pool Bonds; and

WHEREAS, the Bond Pool Structure requires that each participating Issuer approve the Indenture, the alternative Credit Instruments and Credit Agreements, if any, and the Note Purchase Agreement in substantially the forms presented to the Board, with the final type of Credit Instrument and corresponding Credit Agreement, if any, to be determined in the Pricing Confirmation applicable to the sale of each Series of Notes to be sold by the District; and

WHEREAS, pursuant to the Bond Pool Structure, the Underwriter will submit an offer to the Authority to purchase, in the case of each Pool of notes, the Series of Pool Bonds which will be secured by the Indenture to which such Pool will be assigned; and

WHEREAS, all or portions of the net proceeds of each Series of Notes issued by the District, may be invested in one or more Permitted Investments (as defined in the Trust

Agreement or the Indenture, as applicable), including under one or more investment agreements with one or more investment providers (if any), the initial investment of which is to be determined in the Pricing Confirmation related to such Series of Notes; and

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

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

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

Section 2. Issuance of Notes.

(A) Initial Issuance of Notes. This Board hereby determines to borrow, and hereby requests the Board of Supervisors of the County to borrow for the District, in anticipation of the receipt by or accrual to the District during Fiscal Year 2012-2013 of taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for such fiscal year for the general fund and, if so indicated in the applicable Pricing Confirmation, the capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation)* of the District, and not pursuant to any common plan of financing of the District, by the issuance by the Board of Supervisors of the County, in the name of the District, of Notes under Sections 53850 *et seq.* of the Act, designated generally as the District's "2012-2013 [Subordinate]** Tax and Revenue Anticipation Notes, Series ___" in one or more of the following Series, in order of priority of payment as described herein:

(1) the Series A Notes, being the initial Series of Notes issued under this Resolution, together with one or more Series of Additional Notes issued in accordance with the provisions of Section 2(B) hereof and payable on a parity with the Series A Notes (collectively, the "Senior Notes"); and

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

Each such Series of Notes shall be issued in the form of one registered note at the principal amount thereof (the "Series Principal Amount") as set forth in the applicable Pricing Confirmation and all such Series Principal Amounts aggregating to the Principal Amount set forth in such Pricing Confirmations, in each case, to bear a series designation, to be dated the date of its respective delivery to the respective initial purchaser thereof, to mature (without option of prior redemption) not more than thirteen (13) months thereafter on a date indicated on

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

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

the face thereof and determined in the Pricing Confirmation applicable to such Series of Notes (collectively, the "Maturity Date"), and to bear interest, payable at the applicable maturity (and, if the maturity is longer than twelve (12) months, an additional interest payment shall be payable within twelve (12) months of the issue date, as determined in the applicable Pricing Confirmation) and computed upon the basis of a 360-day year consisting of twelve 30-day months, at a rate not to exceed twelve percent (12%) per annum as determined in the Pricing Confirmation applicable to such Series of Notes and indicated on the face of such Series of Notes (collectively, the "Note Rate").

With respect to the Certificate Structure, if a Series of Notes as evidenced and represented by the corresponding Series of Certificates is secured in whole or in part by a Credit Instrument and is not paid at maturity or is paid (in whole or in part) by a draw under, payment by or claim upon a Credit Instrument which draw, payment or claim is not fully reimbursed on such date, such Series of Notes shall become a Defaulted Note (as defined in the Trust Agreement), and the unpaid portion thereof with respect to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been fully made shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate (as defined in the Trust Agreement). If a Series of Notes as evidenced and represented by the corresponding Series of Certificates is unsecured in whole or in part and is not fully paid at the Maturity Date, the unpaid portion thereof (or the portion thereof to which no Credit Instrument applies which is unpaid) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate.

With respect to the Bond Pool Structure, if a Series of Pool Bonds issued in connection with a Series of Notes is secured in whole or in part by a Credit Instrument or such Credit Instrument secures the Series of Notes in whole or in part and all principal of and interest on such Series of Notes is not paid in full at maturity or payment of principal of and interest on such Series of Notes is paid (in whole or in part) by a draw under, payment by or claim upon a Credit Instrument which draw, payment or claim is not fully reimbursed on such date, such Series of Notes shall become a Defaulted Note (as defined in the Indenture), and the unpaid portion thereof with respect to which a Credit Instrument applies for which reimbursement on a draw, payment or claim has not been fully made shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate (as defined in the Indenture). If a Series of Notes or the Series of Pool Bonds issued in connection therewith is not so secured in whole or in part and such Series of Notes is not fully paid at the Maturity Date, the unpaid portion thereof (or the portion thereof to which no Credit Instrument applies which is unpaid) shall be deemed outstanding and shall continue to bear interest thereafter until paid at the Default Rate.

In each case set forth in the preceding two paragraphs, the obligation of the District with respect to such Defaulted Note or unpaid Series of Notes shall not be a debt or liability of the District prohibited by Article XVI, Section 18 of the California Constitution and the District shall not be liable thereon except to the extent of the income and revenue provided for Fiscal Year 2012-2013 within the meaning of Article XVI, Section 18 of the California Constitution, as provided in Section 8 hereof.

Both the principal of and interest on each Series of Notes shall be payable in lawful money of the United States of America, but only upon surrender thereof, at the corporate trust

office of U.S. Bank National Association in Los Angeles, California, or as otherwise indicated in the Trust Agreement or the Indenture, as applicable. The Principal Amount may, prior to the issuance of any Series of Notes, be reduced from the Maximum Amount of Borrowing specified above, in the discretion of the Underwriter upon consultation with the Authorized Officer. The Principal Amount shall, prior to the issuance of the last Series of Notes, be reduced from the Maximum Amount of Borrowing specified above if and to the extent necessary to obtain an approving legal opinion of Orrick, Herrington & Sutcliffe LLP ("Bond Counsel") as to the legality thereof or, if applicable, the exclusion from gross income for federal tax purposes of interest thereon (or on any Series of Pool Bonds related thereto). The Principal Amount shall, prior to the issuance of the last Series of Notes, also be reduced from the Maximum Amount of Borrowing specified above, and other conditions shall be met by the District prior to the issuance of each Series of Notes, if and to the extent necessary to obtain from the Credit Provider that issues the Credit Instrument securing the corresponding Series of Certificates evidencing and representing such Series of Notes or the related Series of Pool Bonds to which such Series of Notes is assigned its agreement to issue the Credit Instrument securing such Series of Certificates or Series of Pool Bonds, as the case may be. Notwithstanding anything to the contrary contained herein, if applicable, the approval of the corresponding Credit Provider of the issuance of such Series of Notes and the decision of the Credit Provider to deliver the Credit Instrument shall be in the sole discretion of the Credit Provider, and nothing herein shall be construed to require the Credit Provider to issue a Credit Instrument or to approve the issuance of such Series of Notes.

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

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

(1) The District shall not have issued any tax and revenue anticipation notes relating to the 2012-2013 fiscal year except (a) in connection with the Program under this Resolution, or (b) notes secured by a pledge of its Unrestricted Revenues (as defined in Section 8) that is subordinate in all respects to the pledge of its Unrestricted Revenues hereunder; the District shall be in compliance with all agreements and covenants contained herein; and no Event of Default shall have occurred and be continuing with respect to any such outstanding previously issued notes or Series of Notes.

(2) The aggregate Principal Amount of Notes issued and at any time outstanding hereunder shall not exceed any limit imposed by law, by this Resolution or

by any resolution of the Board amending or supplementing this Resolution (each a "Supplemental Resolution").

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

(4) The District may issue a Series of Additional Notes that are Senior Notes payable on a parity with all other Series of Senior Notes of the District or that are Subordinate Notes payable on a parity with one or more Series of outstanding Subordinate Notes, only if it obtains (a) the consent of each Credit Provider relating to each previously issued Series of Notes that will be on a parity with such Series of Additional Notes, and (b) evidence that no rating then in effect with respect to any outstanding Series of Certificates or Series of Bonds, as applicable, from a Rating Agency will be withdrawn, reduced, or suspended solely as a result of the issuance of such Series of Additional Notes (a "Rating Confirmation"). Except as provided in Section 8, the District may issue one or more Series of Additional Notes that are subordinate to all previously issued Series of Notes of the District without Credit Provider consent or a Rating Confirmation. The District may issue tax and revenue anticipation notes other than in connection with the Program under this Resolution only if such notes are secured by a pledge of its Unrestricted Revenues that is subordinate in all respects to the pledge of its Unrestricted Revenues hereunder.

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

(a) An Opinion of Counsel to the District to the effect that (A) such Additional Notes constitute the valid and binding obligations of the District, (B) such Additional Notes are special obligations of the District and are payable from the moneys pledged to the payment thereof in this Resolution, and (C) the applicable Supplemental Resolution, if any, has been duly adopted by the District.

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

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

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

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

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

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

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

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

Section 3. Form of Notes. Each Series of the Notes shall be issued in fully registered form without coupons and shall be substantially in the form and substance set forth in Exhibit A, attached hereto and by reference incorporated herein, the blanks in said form to be filled in with appropriate words and figures.

Section 4. Sale of Notes; Delegation. Any one of the President or Chairperson of the Board, the Superintendent, the Assistant Superintendent for Business, the Assistant Superintendent for Administrative Services, the business manager, director of business or fiscal services or chief financial/business officer of the District, as the case may be, or, in the absence of said officer, his or her duly appointed assistant (each an "Authorized Officer"), is hereby authorized and directed to negotiate, with the Underwriter (if the Certificate Structure is implemented) or the Authority (if the Bond Pool Structure is implemented), an interest rate or rates on each Series of the Notes to the stated maturity or maturities thereof, which shall not, in any individual case, exceed twelve percent (12%) per annum (per Series of Notes), and the purchase price to be paid by the Underwriter or the Authority, as applicable, for the respective Series of the Notes, which purchase price shall be at a discount which when added to the

District's share of the costs of issuance shall not be more than the greater of (a) one percent (1%) of (i) the Principal Amount of the Note, if only one Series of Notes is issued or (ii) the Series Principal Amount of each individual Series of Notes, if more than one series is issued, or (b) two thousand five hundred dollars (\$2,500). If such interest rate and price and other terms of the sale of the Series of Notes set out in the Pricing Confirmation applicable to such Series of Notes are acceptable to said Authorized Officer, said Authorized Officer is hereby further authorized and directed to execute and deliver the pricing confirmation supplement applicable to such Series of Notes to be delivered by the Underwriter (on behalf of itself, if the Certificate Structure is implemented and on behalf of the Authority, if the Bond Pool Structure is implemented) to the District on a date within five (5) days, or such longer period of time as agreed by the Underwriter or the Authority, as applicable, of said negotiation of interest rates and purchase price during the period from May 1, 2012 (or the date of adoption of this Resolution if after May 1, 2012) through June 15, 2013 (the "Pricing Confirmation"), substantially in the form presented to this meeting as Schedule I to the Certificate Purchase Agreement or the Note Purchase Agreement, as applicable, with such changes therein as said Authorized Officer shall require or approve, and such other documents or certificates required to be executed and delivered thereunder or to consummate the transactions contemplated hereby or thereby, for and in the name and on behalf of the District, such approval by this Board and such officer to be conclusively evidenced by such execution and delivery. In the event more than one Series of Notes are issued, a separate Pricing Confirmation shall be executed and delivered corresponding to each Series of Notes. Any Authorized Officer is hereby further authorized to execute and deliver, prior to the execution and delivery of the Pricing Confirmation applicable to a Series of Notes, the Certificate Purchase Agreement or the Note Purchase Agreement applicable to such Series of Notes, substantially in the forms presented to this meeting, which forms are hereby approved, with such changes therein as said officer shall require or approve, such approval to be conclusively evidenced by such execution and delivery; provided, however, that any such Certificate Purchase Agreement or Note Purchase Agreement shall not be effective and binding on the District until the execution and delivery of the corresponding Pricing Confirmation. Delivery of a Pricing Confirmation by fax or telecopy of an executed copy shall be deemed effective execution and delivery for all purposes. If requested by said Authorized Officer at his or her option, any duly authorized deputy or assistant of such Authorized Officer may approve said interest rate or rates and price by execution of the Certificate Purchase Agreement or the Note Purchase Agreement(s), as applicable, and/or the corresponding Pricing Confirmation(s).

Section 5. Program Approval. The District hereby delegates to the Authority the authority to select which structure (*i.e.*, the Certificate Structure or the Bond Pool Structure) shall be implemented, with the Authorized Officer of the District accepting and approving such selection by execution of the applicable Pricing Confirmation.

(A) Certificate Structure. If the Certificate Structure is implemented, each Series of Notes of the District shall be combined with notes of other Issuers into a Series of Certificates as set forth in general terms in the Pricing Confirmation (which need not include specific information about such other notes or Issuers) applicable to such Series of Notes, and shall be marketed and sold simultaneously with such other notes of that Series with such credit support (if any) referred to in the Pricing Confirmation, and shall be evidenced and represented by the Certificates which shall evidence and represent proportionate, undivided interests in such Series of Notes in the proportion that the face amount of such Series of Notes bears to the total

aggregate face amount of such Series of Notes and the notes issued by other Issuers which the Series of Certificates represent. Such Certificates may be delivered in book-entry form.

The District hereby delegates to the Authority the authority to select the Credit Instrument(s), Credit Provider(s) and Credit Agreement(s), if any, for each Series of Certificates which evidences and represents interests of the owners thereof in the related Series of Notes of the District and the notes issued by other Issuers evidenced and represented by such Series of Certificates, all of which shall be identified in, and approved by the Authorized Officer of the District executing, the Pricing Confirmation for such Series of Notes, the Trust Agreement and the Credit Agreement(s) (if any), for and in the name and on behalf of the District, such approval of such officer to be conclusively evidenced by the execution of the Pricing Confirmation, the Trust Agreement and the Credit Agreement(s) (if any).

The form of Trust Agreement, alternative general types of Credit Instruments and forms of Credit Agreements, if any, presented to this meeting are hereby approved, and each Authorized Officer is hereby authorized and directed to execute and deliver the Trust Agreement and the Credit Agreement(s), if applicable, which shall be identified in the Pricing Confirmation for the related Series of Notes, in substantially one or more of said forms (a substantially final form of Credit Agreement to be delivered to such Authorized Officer concurrent with the Pricing Confirmation), with such changes therein as said officer shall require or approve, such approval of this Board and such officer to be conclusively evidenced by the execution of the Trust Agreement, Credit Agreement(s) and Pricing Confirmation, respectively.

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

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

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

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

If the Certificate Structure is implemented, any Authorized Officer is hereby authorized to execute and deliver any Information Return for Tax-Exempt Governmental Obligations, Form 8038-G of the Internal Revenue Service ("Form 8038-G"), in connection with the issuance of a Tax-Exempt (as defined in Section 7) Series of Notes and the related Series of Certificates. To the extent permitted by law, the Authority, the Trustee, the Underwriter and Bond Counsel are each hereby authorized to execute and deliver any Form 8038-G for and on behalf of the District in connection with the issuance of a Tax-Exempt Series of Notes and the related Series of Certificates, as directed by an Authorized Officer of the District.

(B) Bond Pool Structure. If the Bond Pool Structure is implemented, the Pricing Confirmation for a Series of Notes may, but shall not be required to, specify the Series of Pool Bonds to which such Series of Notes will be assigned (but need not include information about other series of notes assigned to the same pool or their Issuers).

The District hereby delegates to the Authority the authority to select the Credit Instrument(s), Credit Provider(s) and Credit Agreement(s), if any, for each Series of Senior Bonds and corresponding Series of Subordinate Bonds, if any, to which each Series of Notes issued by the District will be assigned, all of which shall be identified in, and approved by the Authorized Officer of the District executing, the Pricing Confirmation for such Series of Notes and the Credit Agreement(s) (if any), for and in the name and on behalf of the District, such approval of such officer to be conclusively evidenced by the execution of the Pricing Confirmation and the Credit Agreement(s) (if any).

The alternative general types of Credit Instruments and the forms of Credit Agreements, if any, presented to this meeting are hereby approved, and each Authorized Officer is hereby authorized and directed to execute and deliver a Credit Agreement(s), if any, which shall be identified in the Pricing Confirmation for the related Series of Notes, in substantially one or more of said forms (a substantially final form of Credit Agreement to be delivered to such Authorized Officer concurrent with the Pricing Confirmation), with such changes therein as said officer shall require or approve, such approval of this Board and such officer to be conclusively evidenced by the execution of the Credit Agreement and Pricing Confirmation, respectively.

The form of Indenture presented to this meeting is hereby acknowledged and approved, and it is acknowledged that the Authority will execute and deliver the Indenture and one or more Supplemental Indentures, which shall be identified in the Pricing Confirmation applicable to the Series of Notes to be issued, in substantially one or more of said forms with such changes therein as the Authorized Officer who executes such Pricing Confirmation shall require or approve (substantially final forms of the Indenture and the Supplemental Indenture (if applicable) to be delivered to the Authorized Officer concurrently with the Pricing Confirmation applicable to the Series of Notes to be issued), such approval of such Authorized Officer and this Board to be conclusively evidenced by the execution of the Pricing Confirmation applicable to such Series of Notes. It is acknowledged that the Authority is authorized and requested to issue one or more Series of Pool Bonds (consisting of a Series of Senior Bonds and, if desirable, a corresponding Series of Subordinate Bonds) pursuant to and as provided in the Indenture as finally executed and, if applicable, each Supplemental Indenture as finally executed.

Each Authorized Officer is hereby authorized and directed to provide the Underwriter with such information relating to the District as the Underwriter shall reasonably request for inclusion in the Preliminary Official Statement(s) and Official Statement(s) of the Authority relating to a Series of Pool Bonds. If, at any time prior to the execution of a Pricing Confirmation, any event occurs as a result of which the information contained in the corresponding Preliminary Official Statement or other offering document relating to the District might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Underwriter.

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

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

(C) Appointment of Professionals. Piper Jaffray & Co. (and/or such other firm or firms as shall be selected by the Authority as designated in the applicable Pricing Confirmation and approved and accepted by an Authorized Officer by the execution of such Pricing Confirmation) is hereby appointed and/or approved as underwriter for the Program, the law firm of Orrick, Herrington & Sutcliffe LLP (and/or such other firm or firms as shall be selected by the Authority as designated in the applicable Pricing Confirmation and approved and accepted by an Authorized Officer by the execution of such Pricing Confirmation) is hereby appointed and/or approved as bond counsel for the Program, and the law firm of Kutak Rock LLP (and/or such other firm or firms as shall be selected by the Authority as designated in the applicable Pricing Confirmation and approved and accepted by an Authorized Officer by the execution of such Pricing Confirmation) is hereby appointed and/or approved as special counsel to the District in connection with the Program.

Section 6. No Joint Obligation.

(A) Certificate Structure. If the Certificate Structure is implemented, each Series of Notes of the District shall be marketed and sold simultaneously with the notes of other Issuers and shall be aggregated and combined with such notes of other Issuers participating in the Program into a Series of Certificates evidencing and representing an interest in several, and not joint, obligations of each Issuer. The obligation of the District to owners of a Series of Certificates is a several and not a joint obligation and is strictly limited to the District's repayment obligation under this Resolution, the resolution of the County providing for the issuance of the Note, if applicable, and the applicable Series of Notes as evidenced and represented by such Series of Certificates. Owners of Certificates, to the extent of their interest in a Series of Notes, shall be treated as owners of such Series of Notes and shall be entitled to all the rights and security thereof; including the right to enforce the obligations and covenants contained in this Resolution and such Series of Notes. The District hereby recognizes the right of the owners of a Series of Certificates acting directly or through the Trustee to enforce the obligations and covenants contained in the Series of Notes evidenced and represented thereby, this Resolution and the Trust Agreement. The District shall be directly obligated to each owner of a Series of Certificates for the principal and interest payments on the Series of Notes evidenced and represented by such Certificates without any right of counterclaim or offset arising out of any act or failure to act on the part of the Trustee.

(B) Bond Pool Structure. If the Bond Pool Structure is implemented, each Series of Notes will be issued in conjunction with a series of notes of one or more other Issuers and will be assigned to a Pool in order to secure a corresponding Series of Pool Bonds. In all cases, the obligation of the District to make payments on or in respect to each Series of its Notes is a several and not a joint obligation and is strictly limited to the District's repayment obligation under this Resolution, the resolution of the County providing for the issuance of the Note, if applicable, and such Series of Notes.

Section 7. Disposition of Proceeds of Notes. The moneys received from the sale of each Series of Notes evidenced and represented by a Series of Certificates or each Series of Pool Bonds issued in connection with a Series of Notes, as the case may be, allocable to the District's share of the costs of issuance (which shall include any fees and expenses in connection with the related Credit Instrument(s) applicable to such Series of Notes or Series of Pool Bonds) shall be deposited in an account in the Costs of Issuance Fund established for such Series of Notes or such Series of Pool Bonds, as applicable, and held and invested by the Trustee under the Trust Agreement or the Indenture, as applicable, and expended as directed by the Underwriter (if the Certificate Structure is implemented) or the Authority (if the Bond Pool Structure is implemented) on Costs of Issuance as provided in the Trust Agreement or the Indenture, as applicable. The moneys allocable to each Series of Notes from the sale of the corresponding Series of Certificates or Pool Bonds, as applicable, net of the District's share of the costs of issuance, is hereby designated the "Deposit to Proceeds Subaccount" and shall be deposited in the District's Proceeds Subaccount attributed to such Series of Notes hereby authorized to be created pursuant to, and held and invested by the Trustee under, the Trust Agreement or the Indenture, as applicable, for the District and said moneys may be used and expended by the District for any purpose for which it is authorized to use and expend moneys, upon requisition from such Proceeds Subaccount as specified in the Trust Agreement or the Indenture, as

applicable. The Pricing Confirmation applicable to each Series of Notes shall set forth such amount of the Deposit to Proceeds Subaccount. Each Authorized Officer is hereby authorized to approve the amount of such Deposit to Proceeds Subaccount. Subject to Section 8 hereof, the District hereby covenants and agrees to replenish amounts on deposit in each Proceeds Subaccount attributed to a Series of its Note to the extent practicable from any source of available funds up to an amount equal to the unreplenished withdrawals from such Proceeds Subaccount.

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

For Notes issued in calendar 2012, in the event either (A) the Series Principal Amount of any Tax-Exempt Series of Notes, together with the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2012, will, at the time of the issuance of such Tax-Exempt Series of the Notes (as indicated in the certificate of the District executed as of the date of issuance of such Tax-Exempt Series of Notes (each "District Certificate")) exceed fifteen million dollars (\$15,000,000), or (B) the Series Principal Amount of any Tax-Exempt Series of Notes, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2012, will, at the time of the issuance of such Tax-Exempt Series of Notes (as indicated in the related District Certificate), exceed five million dollars (\$5,000,000), the second following paragraph will apply. In such case, the District shall be deemed a "Safe Harbor Issuer" with respect to such Tax-Exempt Series of Notes.

For Notes issued in calendar year 2013, in the event either (A) the Series Principal Amount of any Tax-Exempt Series of Notes, together with the aggregate amount of all tax-exempt obligations (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2013, will, at the time of the issuance of such Tax-Exempt Series of the Notes (as indicated in the certificate of the District executed as of the date of issuance of such Tax-Exempt Series of Notes (each "District Certificate")) exceed fifteen million dollars (\$15,000,000), or (B) the Series Principal Amount of any Tax-Exempt Series of Notes, together with the aggregate amount of all tax-exempt obligations not used to finance school construction (including any tax-exempt leases, but excluding private activity bonds), issued and reasonably expected to be issued by the District (and all subordinate entities of the District) during calendar year 2013, will, at the time of the issuance of such Tax-Exempt Series of Notes (as indicated in the related District Certificate), exceed five million dollars (\$5,000,000), the following paragraph will apply. In such case, the District shall be deemed a "Safe Harbor Issuer" with respect to such Tax-Exempt Series of Notes.

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

The term "Tax-Exempt" shall mean, with respect to interest on any obligations of a state or local government, that such interest is excluded from the gross income of the holders thereof for federal income tax purposes pursuant to Section 103 of the Code, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax or environmental tax under the Code. Each Series of Notes issued hereunder (or any Series of Pool Bonds related thereto) may be issued as a Tax-Exempt Series of Notes or such that the interest on such Series of Notes is not Tax-Exempt.

Section 8. Source of Payment.

(A) Pledge. The term "Unrestricted Revenues" shall mean the taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for Fiscal Year 2012-2013 which will be received by or will accrue to the District during such fiscal year for the general fund and, if so indicated in a Pricing

Confirmation, capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Pricing Confirmation) of the District and which are lawfully available for the payment of current expenses and other obligations of the District. As security for the payment of the principal of and interest on all Series of Notes issued hereunder, subject to the payment priority provisions of Section 17 hereof and this Section 8, the District hereby pledges the first Unrestricted Revenues to be received by the District in the periods specified in each Pricing Confirmation as Repayment Periods (each individual period a "Repayment Period" and collectively "Repayment Periods"), in an amount equal to the percentages of the principal and interest due with respect to each Series of Notes at maturity for the corresponding Repayment Period specified in such Pricing Confirmations (the "Pledged Revenues").

(B) Lien and Charge. As provided in Section 53856 of the Act, all Series of Notes issued hereunder and the interest thereon, subject to the payment priority provisions of Section 17 hereof and this Section 8, shall be a first lien and charge against, and shall be payable from the first moneys received by the District from, the Pledged Revenues.

(C) General Obligation. As provided in Section 53857 of the Act, notwithstanding the provisions of Section 53856 of the Act and of subsection (B) of this Section, all Series of Notes issued hereunder shall be general obligations of the District and, in the event that on the tenth Business Day (as defined in the Trust Agreement or the Indenture, as applicable) of each such Repayment Period (or such other day of each Repayment Period designated in the Pricing Confirmation applicable to a Series of Notes) the District has not received sufficient Unrestricted Revenues to permit the deposit into each Payment Account of the full amount of Pledged Revenues to be deposited therein from said Unrestricted Revenues in such Repayment Period, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of all Series of Notes and the interest thereon, as and when such other moneys are received or are otherwise legally available, in the following order of priority: first, to satisfy pro-rata any deficiencies attributable to any Series of Senior Notes; second, to satisfy pro-rata any deficiencies attributable to any Series of Subordinate Notes (except for any Series of Subordinate Notes described in the next clause); and thereafter, to satisfy any deficiencies attributable to any other Series of Subordinate Notes that shall have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, in such order of priority.

(D) Payment Accounts. In order to effect, in part, the pledge provided for in subsection (A) of this Section, the District agrees to the establishment and maintenance as a special fund of the District of a separate Payment Account for each Series of Notes issued hereunder (each a "Payment Account") by the Trustee under the Trust Agreement or the Indenture, as applicable, and the Trustee is hereby appointed as the responsible agent to maintain such fund until the payment of the principal of the corresponding Series of Notes and the interest thereon, and the District hereby covenants and agrees to cause to be deposited directly in each Payment Account (and shall request specific amounts from the District's funds on deposit with the County Treasurer for such purpose) a pro-rata share (as provided below) of the first Unrestricted Revenues received in each Repayment Period specified in the Pricing Confirmation(s) and any Unrestricted Revenues received thereafter until the amount on deposit in each Payment Account, taking into consideration anticipated investment earnings thereon to be received by the Maturity Date applicable to the respective Series of Notes (as set forth in a

certificate from the Underwriter to the Trustee), is equal in the respective Repayment Periods identified in the Pricing Confirmation applicable to such Series of Notes to the percentages of the principal of and interest due with respect to such Series of Notes at maturity specified in the Pricing Confirmation applicable to such Series of Notes; provided that such deposits shall be made in the following order of priority: first, pro-rata to the Payment Account(s) attributable to any applicable Series of Senior Notes; second, pro-rata to the Payment Account(s) attributable to any applicable Series of Subordinate Notes (except for any Series of Subordinate Notes described in the next clause); and thereafter, to the Payment Account(s) attributable to any other applicable Series of Subordinate Notes that shall have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, in such order of priority.

Subject to the payment priority provisions of Section 17 hereof and this Section 8, any moneys placed in the Payment Account attributed to a Series of Notes shall be for the benefit of (i) the owners of the applicable Series of Certificates if the Certificate Structure is implemented and the holders of the Series of Pool Bonds issued in connection with the Pool of which such Series of Notes is a part if the Bond Pool Structure is implemented, and (ii) (to the extent provided in the Trust Agreement or the Indenture, as applicable) the Credit Provider(s), if any. Subject to the payment priority provisions of Section 17 hereof and this Section 8, the moneys in the Payment Account attributed to the Series of Notes shall be applied only for the purposes for which the Payment Account is created until the principal of such Series of Notes and all interest thereon are paid or until provision has been made for the payment of the principal of such Series of Notes at maturity of such Series of Notes with interest to maturity (in accordance with the requirements for defeasance of the related Series of Certificates or Series of Bonds, as applicable, as set forth in the Trust Agreement or the Indenture, as applicable) and, if applicable (to the extent provided in the Trust Agreement or the Indenture, as applicable, and, if applicable, the corresponding Credit Agreement), the payment of all Predefault Obligations and Reimbursement Obligations owing to the corresponding Credit Provider.

(E) Determination of Repayment Periods. With respect to each Series of Notes, the length of any individual Repayment Period determined in the related Pricing Confirmation shall not exceed the greater of three (3) consecutive calendar months or ninety (90) days and the number of Repayment Periods determined in the related Pricing Confirmation shall not exceed six (6); provided, however, that (1) the first Repayment Period of any Series of Subordinate Notes shall not occur prior to the end of the last Repayment Period of any outstanding Series of Notes of a higher priority without the consent of each Credit Provider for such outstanding Notes; and (2) if the first Repayment Period of any Series of Subordinate Notes overlaps the last Repayment Period of any outstanding Series of Notes of a higher priority, no deposits shall be made in the Payment Account of such Subordinate Notes until all required amounts shall have been deposited into the Payment Account(s) of all outstanding Series of Notes of a higher priority without the consent of each Credit Provider for such outstanding Notes. Any Authorized Officer is hereby authorized to approve the determination of the Repayment Periods and percentages of the principal and interest due with respect to each Series of Notes at maturity required to be on deposit in the related Payment Account in each Repayment Period, all as specified in the Pricing Confirmation applicable to such Series of Notes, by executing and delivering the Pricing Confirmation applicable to such Series of Notes, such execution and delivery to be conclusive evidence of approval by this Board and such Authorized Officer.

(F) Application of Moneys in Payment Accounts. On any interest payment date (if different from the Maturity Date) and on the Maturity Date of a Series of Notes, the moneys in the Payment Account attributed to such Series of Notes shall be transferred by the Trustee, to the extent necessary, to pay, in the case of an interest payment date, the interest, and in the case of the Maturity Date, the principal of and interest with respect to such Series of Notes or to reimburse the Credit Provider(s) for payments made under or pursuant to the Credit Instrument(s), subject to the payment priority provisions of Section 17 hereof and this Section 8. In the event that moneys in the Payment Account attributed to any Series of Notes are insufficient to pay the principal of and/or interest with respect to such Series of Notes in full on an interest payment date and/or the Maturity Date, moneys in such Payment Account together with moneys in the Payment Accounts of all other outstanding Series of Notes issued by the District shall be applied in the following priority:

- (1) with respect to all Series of Senior Notes:
 - a. first, to pay interest with respect to all Series of Senior Notes pro-rata;
 - b. second, (if on the Maturity Date) to pay principal of all Series of Senior Notes pro-rata;
 - c. third, to reimburse each Credit Provider for payment, if any, of interest with respect to all Series of Senior Notes pro-rata (or on such other basis as set for in the Trust Agreement or the Indenture, as applicable);
 - d. fourth, to reimburse each Credit Provider for payment, if any, of principal with respect to all Series of Senior Notes pro-rata (or on such other basis as set for in the Trust Agreement or the Indenture, as applicable);
 - e. fifth, to pay pro-rata (or on such other basis as set for in the Trust Agreement or the Indenture, as applicable) any Reimbursement Obligations of the District and any of the District's pro rata share of Predefault Obligations owing to each Credit Provider relating to all Series of Senior Notes, as applicable;
- (2) then, with respect to all Series of Subordinate Notes (except for any Series of Subordinate Notes described in paragraph (3) below), to make the pro-rata payments corresponding to each such Series of Subordinate Notes equivalent to the payments described above in paragraphs (1)(a) through (e), in such order;
- (3) then, with respect to all other Series of Subordinate Notes that have been further subordinated to previously issued Series of Subordinate Notes in the applicable Pricing Confirmation, to make the pro-rata payments corresponding to each such Series of Subordinate Notes equivalent to the payments described above in paragraphs (1)(a) through (e), in such order; and
- (4) lastly, to pay any other Costs of Issuance not previously disbursed.

Any moneys remaining in or accruing to the Payment Account attributed to each such Series of Notes after the principal of all the Series of Notes and the interest thereon and any Predefault Obligations and Reimbursement Obligations, if applicable, and obligation, if any, to pay any rebate amounts in accordance with the provisions of the Trust Agreement or the Indenture, as applicable, have been paid, or provision for such payment has been made, if any, shall be transferred by the Trustee to the District, subject to any other disposition required by the Trust Agreement, the Indenture or the related Credit Agreement(s), as applicable.

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

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

(H) Investment of Moneys in Proceeds Subaccounts and Payment Accounts. Moneys in the Proceeds Subaccount attributed to each Series of Notes and the Payment Account attributed to such Series of Notes shall be invested by the Trustee pursuant to the Trust Agreement or the Indenture, as applicable, in an investment agreement or agreements and/or other Permitted Investments as described in and under the terms of the Trust Agreement or the Indenture, as applicable, and as designated in the Pricing Confirmation applicable to such Series of Notes. The type of initial investments to be applicable to the proceeds of the Series of Notes shall be determined by the District as designated in the Pricing Confirmation applicable to such Series of Notes. In the event the District designates an investment agreement or investment agreements as the investments, the District hereby appoints the bidding agent designated in the Pricing Confirmation (the "Bidding Agent") as its designee as a party authorized to solicit bids on or negotiate the terms of the investment agreement or investment agreements and hereby authorizes and directs the Trustee to invest such funds pursuant to such investment agreement or investment agreements (which (i) shall be with a provider or providers, or with a provider or providers whose obligations are guaranteed or insured by a financial entity, the senior debt or

investment contracts or obligations under its investment contracts of which are rated in one of the two highest long-term rating categories by the rating agency or agencies then rating the applicable Series of Certificates or Series of Pool Bonds (each, a "Rating Agency"), or whose commercial paper rating is in the highest rating category (with regard to any modifiers) of each such Rating Agencies, or (ii) shall be fully collateralized by investments listed in subsection (1) of the definition of Permitted Investments set forth in the Trust Agreement or the Indenture, as applicable, as required by such Rating Agencies to be rated in one of the two highest rating categories, and shall be acceptable to the corresponding Credit Provider, if any, and the particulars of which pertaining to interest rate or rates and investment provider or providers will be set forth in the Pricing Confirmation applicable to such Series of Notes) and authorizes the Trustee to enter into such investment agreement or agreements on behalf of the District. The Bidding Agent, on behalf of itself and any investment broker retained by it, is authorized to accept a fee from the investment provider in an amount not in excess of 0.2% of the amount reasonably expected, as of the date of acquisition of the investment contract, to be invested under the investment contract over its term. Each Authorized Officer is hereby authorized and directed to execute and deliver such side letter or letters as are reasonably required by an investment agreement provider, acknowledging such investment and making reasonable representations and covenants with respect thereto. The District's funds in the Proceeds Subaccount attributed to each Series of Notes and the Payment Account attributed to such Series of Notes shall be accounted for separately. Any such investment by the Trustee shall be for the account and risk of the District, and the District shall not be deemed to be relieved of any of its obligations with respect to any Series of Notes, the Predefault Obligations or Reimbursement Obligations, if any, by reason of such investment of the moneys in its Proceeds Subaccount applicable to such Series of Notes or the Payment Account applicable to such Series of Notes.

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

Section 9. Execution of Note. Any one of the Treasurer of the County, or, in the absence of said officer, his or her duly appointed assistant, the Chairperson of the Board of Supervisors of the County or the Auditor (or comparable financial officer) of the County shall be authorized to execute each Note of any Series issued hereunder by manual or facsimile signature and the Clerk of the Board of Supervisors of the County or any Deputy Clerk shall be authorized to countersign each such Note by manual or facsimile signature and to affix the seal of the County to each such Note either manually or by facsimile impression thereof. In the event the Board of Supervisors of the County fails or refuses to authorize issuance of the Series of Notes as referenced in Section 2 hereof, any one of the President or Chairperson of the governing board of the District or any other member of such board shall be authorized to execute the Note by manual or facsimile signature and the Secretary or Clerk of the governing board of the District, the Superintendent of the District, the Assistant Superintendent for Business, the Assistant Superintendent for Administrative Services, the business manager, director of business or fiscal services or chief financial/business officer of the District, as the case may be, or any duly appointed assistant thereto, shall be authorized to countersign each such Note by manual or

facsimile signature. Said officers of the County or the District, as applicable, are hereby authorized to cause the blank spaces of each such Note to be filled in as may be appropriate pursuant to the applicable Pricing Confirmation. Said officers are hereby authorized and directed to cause the Trustee, as registrar and authenticating agent, to authenticate and accept delivery of each such Note pursuant to the terms and conditions of the corresponding Certificate Purchase Agreement or Note Purchase Agreement, as applicable, this Resolution and the Trust Agreement or Indenture, as applicable. In case any officer whose signature shall appear on any Series of Notes shall cease to be such officer before the delivery of such Series of Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Each Series of the Notes shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Trustee and showing the date of authentication. Each Series of the Notes shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature, and such certificate of authentication upon any such Series of Notes shall be conclusive evidence that such has been authenticated and delivered under this Resolution. The certificate of authentication on a Series of Notes shall be deemed to have been executed by the Trustee if signed by an authorized officer of the Trustee. The Notes need not bear the seal of the District, if any.

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

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

(C) Any Note of a Series may, in accordance with its terms, be transferred upon the books required to be kept by the Trustee, pursuant to the provisions hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such

Note for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in form approved by the Trustee.

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

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

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

Section 11. Covenants Regarding Transfer of Funds. It is hereby covenanted and warranted by the District that it will not request the County Treasurer to make temporary transfers of funds in the custody of the County Treasurer to meet any obligations of the District during Fiscal Year 2012-2013 pursuant to Article XVI, Section 6 of the Constitution of the State of California; provided, however, that the District may request the County Treasurer to make such temporary transfers of funds if all amounts required to be deposited into the Payment

Account(s) of all outstanding Series of Notes (regardless of when due and payable) shall have been deposited into such Payment Account(s).

Section 12. Representations and Covenants.

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

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

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

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

(E) The District has (or will have prior to the issuance of the first Series of Notes) duly, regularly and properly adopted a budget for Fiscal Year 2012-2013 setting forth expected revenues and expenditures and has (or will have prior to the issuance of the first Series of Notes) complied with all statutory and regulatory requirements with respect to the adoption of such budget. The District hereby covenants that it will (i) duly, regularly and properly prepare and adopt its revised or final budget for Fiscal Year 2012-2013, (ii) provide to the Trustee, the Credit Provider(s), if any, and the Underwriter, promptly upon adoption, copies of such revised or final budget and of any subsequent revisions, modifications or amendments thereto and (iii) comply with all applicable law pertaining to its budget.

(F) The County has experienced an *ad valorem* property tax collection rate of not less than eighty-five percent (85%) of the average aggregate amount of *ad valorem* property taxes levied within the District in each of the five fiscal years from Fiscal Year 2006-2007 through

Fiscal Year 2010-2011, and the District, as of the date of adoption of this Resolution and on the date of issuance of each Series of Notes, reasonably expects the County to have collected and to collect at least eighty-five percent (85%) of such amount for Fiscal Years 2011-2012 and 2012-2013, respectively.

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

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

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

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

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

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

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

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

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

(P) As of the date of adoption of this Resolution, based on the most recent report prepared by the Superintendent of Public Instruction of the State of California, the District does not have a negative certification (or except as disclosed in writing to the Underwriter and the Credit Provider(s), if any, a qualified certification) applicable to the fiscal year ending June 30, 2012 (the "Fiscal Year 2011-2012") within the meaning of Section 42133 of the California Education Code. The District covenants that it will immediately deliver a written notice to the Authority, the Underwriter, the Credit Provider(s), if any, and Bond Counsel if it (or, in the case

of County Boards of Education, the County Superintendent of Schools) files with the County Superintendent of Schools, the County Board of Education or the State Superintendent of Public Instruction or receives from the County Superintendent of Schools or the State Superintendent of Public Instruction a qualified or negative certification applicable to Fiscal Year 2011-2012 or Fiscal Year 2012-2013 prior to the respective Closing Date referenced in each Pricing Confirmation or the Maturity Date of each Series of Notes.

(Q) The District will maintain a positive general fund balance in Fiscal Year 2012-2013.

(R) The District will maintain an investment policy consistent with the policy set forth in Section 8(H) hereof.

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

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

(B) In the event the District is deemed a Safe Harbor Issuer (as defined in Section 7) with respect to a Tax-Exempt Series of Notes (or any Tax-Exempt Series of Pool Bonds related thereto), this subsection (B) shall apply. The District covenants that it shall make all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of each such Tax-Exempt Series of Notes (or such Tax-Exempt Series of Pool Bonds related thereto) due to the United States Treasury, shall segregate and set aside from lawfully available sources the amount such calculations may indicate may be required to be paid to the United States Treasury, and shall otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with the instructions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel referred to in Section 7 hereof to assure compliance with the Rebate Requirements. If the balance in the Proceeds Subaccount attributed to cash flow borrowing and treated for federal tax purposes as proceeds of the Tax-Exempt Series of Notes (or any Tax-Exempt Series of Pool Bonds related thereto) is not low enough to qualify amounts in the Proceeds Subaccount attributed to cash flow borrowing for an exception

to the Rebate Requirements on at least one date within the six-month period following the date of issuance of the Tax-Exempt Series of Notes (or Tax-Exempt Series of Pool Bonds related thereto) (calculated in accordance with Section 7), the District will reasonably and prudently calculate the amount, if any, of investment profits which must be rebated to the United States and will immediately set aside, from revenues attributable to the Fiscal Year 2012-2013 or, to the extent not available from such revenues, from any other moneys lawfully available, the amount of any such rebate in the Rebate Fund referred to in this Section 13(B). In addition, in such event, the District shall establish and maintain with the Trustee a fund (with separate subaccounts therein for each such Tax-Exempt Series of Notes (or such Tax-Exempt Series of Pool Bonds related thereto) if more than one series is issued) separate from any other fund established and maintained hereunder and under the Indenture or Trust Agreement, as applicable, designated as the "2012-2013 Tax and Revenue Anticipation Note Rebate Fund" or such other name as the Trust Agreement or the Indenture, as applicable, may designate. There shall be deposited in such Rebate Fund such amounts as are required to be deposited therein in accordance with the written instructions from Bond Counsel pursuant to Section 7 hereof.

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

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

Section 14. Events of Default and Remedies.

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

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

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

(C) Any warranty, representation or other statement by or on behalf of the District contained in this Resolution or the Certificate Purchase Agreement(s) or the Note

Purchase Agreement(s), as applicable (including the Pricing Confirmation(s)), or the Credit Agreement(s) or in any requisition or any Financial Report or Deficiency Report delivered by the District or in any instrument furnished in compliance with or in reference to this Resolution or the Certificate Purchase Agreement(s) or the Note Purchase Agreement(s), as applicable, or the Credit Agreement(s) or in connection with any Series of the Notes, is false or misleading in any material respect;

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

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

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

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

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

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

(1) Without declaring any Series of Notes to be immediately due and payable, require the District to pay to the Trustee, for deposit into the applicable Payment Account(s) of the District under the Trust Agreement or the Indenture, as applicable, an amount equal to all of the principal of all Series of Notes and interest thereon to the respective final maturity(ies) of such Series of Notes, plus all other amounts due

hereunder, and upon notice to the District the same shall become immediately due and payable by the District without further notice or demand; and

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

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

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

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

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

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

Section 16. Sale of Notes. If the Certificate Structure is implemented, each Series of Notes as evidenced and represented by the applicable Series of Certificates shall be sold to the Underwriter, in accordance with the terms of the Certificate Purchase Agreement applicable to such Series of Notes, in each case as hereinbefore approved. If the Bond Pool Structure is implemented, each Series of Notes shall be sold to the Authority in accordance with the terms of the Note Purchase Agreement applicable to such Series of Notes, in each case as hereinbefore approved.

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

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

The subordination provisions of this Section have been entered into for the benefit of the holders of the Series of Senior Notes and any Credit Provider(s) that issues a Credit Instrument with respect to such Series of Senior Notes and, notwithstanding any provision of this Resolution, may not be supplemented, amended or otherwise modified without the written consent of all such holders and Credit Provider(s).

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

In no event may any holder of all or any part of the Series of Subordinate Notes, or the corresponding Credit Provider(s), exercise any right or remedy available to it on account of any

Event of Default on the Series of Subordinate Notes, (1) at any time at which payments with respect thereto may not be made by the District on account of the terms of this Section, or (2) prior to the expiration of forty-five (45) days after the holders of the Series of Subordinate Notes, or the corresponding Credit Provider(s), shall have given notice to the District and to the holders of the Series of Senior Notes and the corresponding Credit Provider(s), of their intention to take such action.

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

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

Section 18. Continuing Disclosure Undertaking. The provisions of this Section 18 shall be applicable only if the Certificate Structure is implemented.

(A) The District covenants, for the sole benefit of the owners of each Series of Certificates which evidence and represent the applicable Series of Notes (and, to the extent specified in this Section 18, the beneficial owners thereof), that the District shall:

(1) Provide in a timely manner not later than ten business days after the occurrence of the event, through the Trustee acting as dissemination agent (the "Dissemination Agent"), to the Municipal Securities Rulemaking Board, notice of any of the following events with respect to an outstanding Series of Notes of the District:

- a. Principal and interest payment delinquencies on such Series of Notes and the related Series of Certificates;
- b. Unscheduled draws on debt service reserves reflecting financial difficulties;
- c. Unscheduled draws on credit enhancements reflecting financial difficulties;
- d. Substitution of credit or liquidity providers, or their failure to perform;

- e. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- f. Tender offers;
- g. Defeasances;
- h. Rating changes; or
- i. Bankruptcy, insolvency, receivership or similar event of the obligated person.

For the purposes of the event identified in subsection i., the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(2) Provide in a timely manner not later than ten business days after the occurrence of the event, through the Dissemination Agent, to the Municipal Securities Rulemaking Board, notice of any of the following events with respect to an outstanding Series of Notes of the District, if material:

- a. Unless described in subsection (A)(1)e., adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of such Series of Notes and the related Series of Certificates or other material events affecting the tax status of such Series of Notes and the related Series of Certificates;
- b. Modifications to rights of owners and beneficial owners of the Series of Certificates which evidence and represent such Series of Notes;
- c. Optional, contingent or unscheduled bond calls;
- d. Release, substitution or sale of property securing repayment of such Series of Notes;
- e. Non-payment related defaults;
- f. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District,

other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

- g. Appointment of a successor or additional Trustee or the change of name of a Trustee.

Whenever the District obtains knowledge of the occurrence of an event described in subsection (A)(2) of this Section, the District shall determine if such event would be material under applicable federal securities laws. The Authority and the Dissemination Agent shall have no responsibility for such determination and shall be entitled to conclusively rely upon the District's determination.

If the District learns of the occurrence of an event described in subsection (A)(1) of this Section, or determines that the occurrence of an event described in subsection (A)(2) of this Section would be material under applicable federal securities laws, the District shall within ten business days of occurrence, through the Dissemination Agent, file a notice of such occurrence with the Municipal Securities Rulemaking Board. The District shall promptly provide the Authority and the Dissemination Agent with a notice of such occurrence which the Dissemination Agent agrees to file with the Municipal Securities Rulemaking Board.

All documents provided to the Municipal Securities Rulemaking Board shall be provided in an electronic format, as prescribed by the Municipal Securities Rulemaking Board, and shall be accompanied by identifying information, as prescribed by the Municipal Securities Rulemaking Board.

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

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

(D) The District's obligations under this Section shall terminate upon the legal defeasance, prior redemption or payment in full of its Note. If such termination occurs prior to the final maturity of the related Series of Certificates, the District shall give notice of such termination in the same manner as for a listed event under subsection (A)(1) of this Section.

(E) The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Section. In no event shall the Dissemination Agent be responsible for preparing any notice or report or for filing any notice or

report which it has not received in a timely manner and in a format suitable for reporting. Nothing in this Section shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Section or any other means of communication, or including any other notice of occurrence of a listed event under subsection (A)(1) or (A)(2) of this Section (each, a "Listed Event"), in addition to that which is required by this Section. If the District chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Section, the District shall have no obligation under this Section to update such information or include it in any future notice of occurrence of a Listed Event.

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

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

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

(3) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the owners or beneficial owners of the related Certificates. In the event of any amendment or waiver of a provision of this Section, notice of such change shall be given in the same manner as for an event listed under subsection (A)(1) of this Section, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver; provided, however, the District shall be responsible for preparing such narrative explanation.

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

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

Section 19. Approval of Actions. The aforementioned officers of the County or the District, as applicable, are hereby authorized and directed to execute each Series of Notes and to cause the Trustee to authenticate and accept delivery of each Series of Notes pursuant to the terms and conditions of the applicable Certificate Purchase Agreement and Trust Agreement or the applicable Note Purchase Agreement and the Indenture, as applicable. All actions heretofore taken by the officers and agents of the County, the District or this Board with respect to the sale and issuance of the Notes and participation in the Program are hereby approved, confirmed and ratified and the officers and agents of the County and the officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions and execute any and all certificates, requisitions, agreements, notices, consents, and other documents, including tax certificates, letters of representations to the securities depository, investment contracts (or side letters or agreements thereto), other or additional municipal insurance policies or credit enhancements or credit agreements or insurance commitment letters, if any, and closing certificates, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of each Series of Notes, execution or issuance and delivery of the corresponding Series of Certificates or Series of Pool Bonds, as applicable, and investment of the proceeds thereof, in accordance with, and related transactions contemplated by, this Resolution. The officers of the District referred to above in Section 4 hereof, and the officers of the County referred to above in Section 9 hereof, are hereby designated as "Authorized District Representatives" under the Trust Agreement or the Indenture, as applicable.

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

Section 20. Proceedings Constitute Contract. The provisions of each Series of Notes and of this Resolution shall constitute a contract between the District and the registered owner of such Series of Notes, the registered owners of the Series of Certificates or Bonds to which such Series of Notes is assigned, and the corresponding Credit Provider(s), if any, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, and shall be irrevocable.

Section 21. Limited Liability. Notwithstanding anything to the contrary contained herein or in any Series of Notes or in any other document mentioned herein or related to any Series of Notes or to any Series of Certificates or Series of Pool Bonds to which such Series of Notes may be assigned, the District shall not have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby except to the extent payable from moneys available therefor as set forth in Section 8 hereof, and the County is not liable for payment of any Note or any other obligation of the District hereunder.

Section 22. Severability. In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 23. Submittal of Resolution to County. The Secretary or Clerk of the Board of the District is hereby directed to submit one certified copy each of this Resolution to the Clerk of the Board of Supervisors of the County, to the Treasurer of the County and to the County Superintendent of Schools.

EXHIBIT A
FORM OF NOTE

R-1

\$ _____

_____ DISTRICT/ _____ BOARD OF EDUCATION
COUNTY OF _____, CALIFORNIA
2012-2013 [SUBORDINATE]* TAX AND REVENUE ANTICIPATION NOTE, SERIES ____

Date of
Original Issue

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

SERIES PRINCIPAL AMOUNT: _____ DOLLARS

Interest Rate		Maturity Date		
_____ %		_____, 20__		
First Repayment Period	Second Repayment Period	Third Repayment Period	Fourth Repayment Period	Fifth Repayment Period
_____% of the total of [principal] [interest] [principal and interest] due at maturity	_____% of the total of [principal] [interest] [principal and interest] due at maturity	_____% of the total of [principal] [interest] [principal and interest] due at maturity	_____% of the total of [principal] [interest] [principal and interest] due at maturity	100% of the total of principal and interest due at maturity**

FOR VALUE RECEIVED, the District/Board of Education designated above (the "District"), located in the County designated above (the "County"), acknowledges itself indebted to and promises to pay on the maturity date specified above to the registered owner identified above, or registered assigns, the principal amount specified above, together with interest thereon from the date hereof until the principal amount shall have been paid, payable [on _____ 1, 20__ and] on the maturity date specified above in lawful money of the United States of America, at the rate of interest specified above (the "Note Rate"). Principal of and interest on this Note are payable in such coin or currency of the United States as at the time of payment is legal tender for payment of private and public debts, such principal and interest to be paid upon surrender hereof at the principal corporate trust office of U.S. Bank National Association in Los Angeles, California, or its successor in trust (the "Trustee"). Interest shall be calculated on the basis of a 360-day year, consisting of twelve 30-day months, in like lawful money from the date hereof until the maturity date specified above and, if funds are not provided for payment at the maturity, thereafter on the basis of a 360-day year for actual days elapsed until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable only to the registered owner hereof upon surrender of this Note as the same shall fall due; provided, however, no interest shall be payable for any period after maturity during which the holder hereof fails to properly present this Note for payment. If the District fails to pay interest on this Note on any interest payment date or to pay the principal of or interest on this Note on the

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

** Length and number of Repayment Periods and percentages and amount of principal of Note shall be determined in Pricing Confirmation (as defined in the Resolution).

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

[It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of a resolution of the governing board of the District duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees. Pursuant to and as more particularly provided in the Resolution, additional notes may be issued by the District secured by a lien on a parity with the lien securing this Note.]*

[It is hereby certified, recited and declared that this Note (the "Note") represents an authorized issue of the Note in the aggregate principal amount authorized, executed and delivered pursuant to and by authority of certain resolutions of the governing boards of the District and the County duly passed and adopted heretofore, under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5 of the California Government Code (collectively, the "Resolution"), to all of the provisions and limitations of which the owner of this Note, by acceptance hereof, assents and agrees. Pursuant to and as more particularly provided in the Resolution, additional notes may be issued by the District secured by a lien on a parity with the lien securing this Note.]**

The term "Unrestricted Revenues" means the taxes, income, revenue, cash receipts and other moneys provided for Fiscal Year 2012-2013 which will be received by or will accrue to the District during such fiscal year for the general fund [and capital fund and/or special revenue fund] of the District and which are lawfully available for the payment of current expenses and other obligations of the District. As security for the payment of the principal of and interest on the Note, subject to the payment priority provisions contained in the Resolution, the District has pledged the first Unrestricted Revenues of the District received in the Repayment Periods set forth on the face hereof in an amount equal to the corresponding percentages of principal of, and [in the final Repayment Period,] interest due on, the Note at maturity set forth on the face hereof (such pledged amounts being hereinafter called the "Pledged Revenues"). As provided in Section 53856 of the California Government Code, subject to the payment priority provisions contained in the Resolution, the Note and the interest thereon shall be a first lien and charge against, and shall be payable from the first moneys received by the District from, the Pledged Revenues. As provided in Section 53857 of the California Government Code, notwithstanding the provisions of Section 53856 of the California Government Code and the foregoing, the Note shall be a general obligation of the District and, in the event that on [the tenth business day of each such Repayment Period], the District has not received sufficient Unrestricted Revenues to permit the deposit into the payment account established for the Note of the full amount of Pledged

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

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

Revenues to be deposited therein from said Unrestricted Revenues in such Repayment Period as provided in the Resolution, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of the Note and the interest thereon, as and when such other moneys are received or are otherwise legally available, as set forth in the Resolution and subject to the payment priority provisions contained therein. The full faith and credit of the District is not pledged to the payment of the principal of or interest on this Note. The County is not liable for payment of this Note.

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

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

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

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

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

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

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

[COUNTY OF _____]*
[DISTRICT/ _____]
BOARD OF EDUCATION]**

By _____
Title:

[(SEAL)]

Countersigned

By _____

Title:

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

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is the Note mentioned in the within-mentioned Resolution authenticated on the following date:

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

BY _____
AUTHORIZED OFFICER

ASSIGNMENT

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

Dated: _____

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

Signature Guaranteed:

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

BOARD AGENDA

REGULAR MEETING
April 5, 2012

ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** **Adoption of Resolution No. 12-41 as Related to the Refinancing of the 2001 Certificates of Participation Approving An Amended and Restated Site Lease, An Amended and Restated Lease Agreement, Escrow Instructions and A Termination Agreement; Approving A Private Placement with The Bank Of Nevada; Making Certain Determinations Relating Thereto; And Authorizing Certain Other Actions In Connection Therewith**
- GOAL:** Facilities / Support Services
- STRATEGIC PLAN:** Strategy #4 – Facilities
- BACKGROUND:** The \$15 million Colton JUSD Certificates of Participation (COP'S) were issued in 2001. Debt service is currently about \$795,000 per year. This debt is being paid out of the District's General Fund. When the first series of General Obligation bonds were issued the following year, 2002, \$5 million of the COP debt was prepaid. Currently, \$5,845,000 of the principal amount of the COPs are outstanding. The Board directed staff to determine if the debt could be restructured to:
- Lower the interest cost which is currently about 4.9%
 - Lower the payment due on June 1, 2012 to provide additional cash flow to the General Fund.
 - Provide level debt service over the life of the loan.
- RESULTS:** CM de Crinis, the District's financial advisor implemented a competitive process to contact 22 financial institutions, soliciting bids to refinance the District debt. This solicitation would place the debt directly with a bank rather than a public sale of securities as the District has done with its General Obligation Bonds and with the current COP's. This private placement is possible for a number of reasons:
- Currently taxable and tax exempt interest rates are very low.
 - The amount of this loan is less than \$10 million
 - Banks are looking for credit worthy borrowers for larger loans.
- Of the 22 lenders solicited, 20 either did not respond or were not interested due to school district finances in general or technical issues related to tax exempt municipal debt. The best bid of the 2 responders was a rate of 2.75% which was received from Western Alliance Bancorp. The legal documents are in their nearly final form and we are waiting for the title report to finalize the transaction. The County Office of Education is reviewing the transaction and we are waiting for

their approval. We estimate the closing of the transaction on or about April 12. The current year debt service will be about \$230,000 lower due to the refinance and the annual debt service costs will be about \$137,000 lower through 2020. In addition to the lower debt service, the District will no longer be required to file annual reports, as is required for securities sold to the public, and COP trustee costs will be eliminated.

BUDGET

IMPLICATIONS:

General Fund Debt Service Impact to be decreased approximately \$230,000 in the current year and by approximately \$137,000 annually thereafter through 2020.

RECOMMENDATION:

That the Board approve Resolution No. 12-41 as Related to the Refinancing of the 2001 Certificates of Participation Approving An Amended and Restated Site Lease, An Amended and Restated Lease Agreement, Escrow Instructions and A Termination Agreement; Approving A Private Placement with The Bank Of Nevada; Making Certain Determinations Relating Thereto; And Authorizing Certain Other Actions In Connection Therewith

ACTION:

On motion of Board Member _____ and _____, the Board approved the resolution as presented.

RESOLUTION NO. 12-41

RESOLUTION OF THE COLTON JOINT UNIFIED SCHOOL DISTRICT APPROVING AN AMENDED AND RESTATED SITE LEASE, AN AMENDED AND RESTATED LEASE AGREEMENT, ESCROW INSTRUCTIONS AND A TERMINATION AGREEMENT; APPROVING A PRIVATE PLACEMENT WITH THE BANK OF NEVADA; MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Colton Joint Unified School District (the "District") is a joint unified school district duly organized and validly existing under the laws of the State of California; and

WHEREAS, the District and the Colton Joint Unified School District Facilities Corporation (the "Corporation") have previously financed the acquisition, construction and improvement of public capital improvements for the District (the "Project") from the proceeds of those certain Certificates of Participation (Colton Joint Unified School District) Series 2001, executed and delivered in the aggregate original principal amount of \$15,000,000 (the "2001 Certificates"); and

WHEREAS, in connection with the execution and delivery of the 2001 Certificates, the District has previously leased certain real property (the "Site") to the Corporation under a Site Lease, dated as of June 1, 2001, (the "2001 Site Lease") and the Corporation has previously leased the Site to the District under a Lease Agreement, dated as of June 1, 2001 (the "2001 Lease Agreement"); and

WHEREAS, the District has determined that it is in its financial interests at this time to refinance its obligations with respect to the 2001 Certificates, and in order to provide funds for that purpose the District desires to authorize the execution and delivery of, among other things, an Amended and Restated Lease Agreement, dated as of April 1, 2012 (the "Lease Agreement"), between the District and the Corporation; and

WHEREAS, the Corporation and the District have agreed to amend and restate the 2001 Lease Agreement and the 2001 Site Lease for the purpose of incorporating the terms and provisions relating to the Certificates; and

WHEREAS, there have been presented at this meeting forms of an Amended and Restated Site Lease, an Amended and Restated Lease Agreement, Escrow Instructions and a Termination Agreement.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED BY THE COLTON JOINT UNIFIED SCHOOL DISTRICT AS FOLLOWS:

SECTION 1. Approval of Site Lease. The form of Amended and Restated Site Lease, currently dated as of April 1, 2012 (the "Site Lease"), between the District and the

Corporation, as presented to the District at this meeting, is hereby approved. The Chair of the Board of Trustees, the Superintendent, the Assistant Superintendent of Business and the District Secretary or any other officers duly designated by the District (the "Officers") are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Site Lease, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of counsel to the District and Nossaman LLP ("Special Counsel"), such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 2. Approval of Lease Agreement. The form of Amended and Restated Lease Agreement, currently dated as of April 1, 2012 (the "Lease Agreement"), between the District and the Corporation, as presented to the District at this meeting, along with the Memorandum of Lease, is hereby approved. The Officers are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Lease Agreement, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of counsel to the District and Special Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 3. Approval of Escrow Instructions. The proposed form of the Escrow Instructions currently dated as of April 1, 2012 (the "Escrow Instructions"), among the Corporation, the Trustee and the District, as presented to the District at this meeting, is hereby approved. The Officers are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Escrow Instructions, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of counsel to the District and Special Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 4. Approval of Private Placement. The District hereby approves the assignment of the Lease Payments by the Corporation to the Bank of Nevada, a Nevada corporation, by a private placement pursuant to and in accordance with an assignment agreement; provided, however, that the maturity does not exceed 10 years, the interest rate does not exceed 2.75%, and the principal amount does not exceed \$5,400,000.

SECTION 5. Approval of Termination Agreement. The proposed form of the Termination Agreement currently dated as of April 1, 2012 (the "Termination Agreement"), among the Corporation, the trustee for the 2001 Certificates and the District, as presented to the District at this meeting, is hereby approved. The Officers are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Termination Agreement, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of counsel to the District and Special Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 6. Other Acts. The Officers and staff of the District are hereby authorized and directed, jointly and severally, to do any and all things, to execute and deliver any and all documents, which in consultation with District Counsel and Special Counsel, they may

deem necessary or advisable in order to effectuate the purposes of this Resolution, and any and all such actions previously taken by such Officers or staff members are hereby ratified and confirmed.

SECTION 7. Effective Date. This Resolution shall take effect upon adoption.

PASSED, APPROVED AND ADOPTED this 5th day of April, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

**COLTON JOINT UNIFIED SCHOOL
DISTRICT**

Chair

ATTESTED:

District Secretary

I hereby certify that the above Resolution No. 12-41 was duly introduced, read and adopted by the District at a _____ meeting held on April 5, 2012.

District Secretary

WHEN RECORDED, RETURN TO:

Jeff A. Stava, Esq.
Nossaman LLP
18101 Von Karman Ave., Suite 1800
Irvine, California 92612

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

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum of Lease") is made and entered into as of April 1, 2012, by and between the Colton Joint Unified School District Financing Corporation, a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California (the "Corporation"), and the Colton Joint Unified School District, a school district duly organized and validly existing under the Constitution and laws of the State of California (the "District"). The Corporation and the District hereby agree as follows:

1. The Lease. The District hereby continues to lease from the Corporation, and the Corporation hereby continues to lease to the District, certain real property described in paragraph 2 hereof, and the improvements situated upon said real property, upon the terms and conditions, and for the term, more fully set forth in the Amended and Restated Lease Agreement, dated as of April 1, 2012, between the Corporation and the District (the "Lease Agreement"), all of the provisions of which are hereby incorporated into this Memorandum of Lease by reference.

2. Leased Premises; Term. The real property leased by the Corporation to the District is located in the County of San Bernardino, State of California, consisting of the land described more fully in Exhibit A attached to this Memorandum of Lease, together with all improvements situated thereon as provided in the Lease Agreement. The Lease Agreement is for a term commencing on _____, 2012, and ending on June 1, 2021, unless such term is extended or previously terminated as provided in the Lease Agreement.

3. Provisions Binding on Successors and Assigns. Subject to the provisions of the Lease Agreement relating to assignment and subletting, the Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the District and their respective successors and assigns.

4. **Purpose of Memorandum of Lease.** This Memorandum of Lease is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease Agreement.

5. **Assignment; No Merger of Title.** The parties hereto acknowledge that certain of the Corporation's rights and obligations under the Lease Agreement have been assigned to Bank of Nevada (the "Bank") pursuant to that Assignment Agreement, dated as of April 1, 2012, between the Corporation and the Bank.

6. **Counterparts.** This Memorandum of Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

7. **State Law.** This Memorandum of Lease shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the District has caused this Memorandum of Lease to be executed in its corporate name by its duly Authorized Officer; and the Corporation has caused this Memorandum of Lease to be executed and attested in its name by its duly Authorized Officer, as of the date hereof.

**COLTON JOINT UNIFIED SCHOOL
DISTRICT FINANCING CORPORATION, as
Lessor**

By: _____
Authorized Officer

**COLTON JOINT UNIFIED SCHOOL
DISTRICT, as Lessee**

By: _____
Assistant Superintendent, Business

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

EXHIBIT A
LEGAL DESCRIPTION

The land referred to in this Memorandum of Lease is situated in the County of San Bernardino, State of California, and is described as follows:

Parcel A: Block 84 together with those portions of G Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel B: Blocks 85, Fractional Blocks 86 and 87 and Block 88 together with those portions of G Street, H Street, First Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel C: Block 89 together with those portions of G Street, H Street and Second Street vacated which would pass by operation of law with a conveyance of said land.

Parcel D: Block 114 except the South 20 feet, together with those portions of H Street, I Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel E: Block 115 except the South 20 feet, together with those portions of H Street, and Second Street, vacated which would pass by operation of law with a conveyance of said land.

Parcel F: Fractional Block 116 except the South 20 feet, also except any portion thereof located within Rancho Avenue 66 feet wide, together with those portions of H Street, I Street and First Street, vacated, which would pass by operation of law with a conveyance of said land.

All according to the Map of the Town of Colton, County of San Bernardino, State of California as per map recorded in Book 9 page 37 of Maps, records of said county.

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Memorandum of Lease, dated as of April 1, 2012, from the Colton Joint Unified School District Financing Corporation (the "Corporation") as lessor, to the Colton Joint Unified School District (the "District"), as lessee, is hereby accepted by the undersigned officer on behalf of the District, pursuant to authority conferred by resolution of the District Board of Directors adopted on April 5, 2012, and the District consents to recordation thereof by its duly authorized officer.

Dated: April 1, 2012

**COLTON JOINT UNIFIED SCHOOL
DISTRICT, as Lessee**

By: _____ + _____
Assistant Superintendent, Business

ESCROW INSTRUCTIONS

from the

COLTON JOINT UNIFIED SCHOOL DISTRICT

to

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent

Dated for reference purposes as of April 1, 2012

ESCROW INSTRUCTIONS

These Escrow Instructions, dated for reference purposes as of April 1, 2012 (the "Instructions"), are given by the Colton Joint Unified School District (the "District"), to U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, as escrow agent hereunder (the "Escrow Agent") and as trustee (the "Trustee") pursuant to a trust agreement, dated as of June 1, 2001 (the "Trust Agreement"), among the District, the Colton Joint Unified School District Facilities Corporation (the "Corporation") and the Trustee. The Trust Agreement was executed in connection with the execution and delivery of those certain Certificates of Participation (Colton Joint Unified School District) Series 2001, executed and delivered in the aggregate original principal amount of \$15,000,000, of which \$5,845,000 remains outstanding (the "Certificates"). The District and the Corporation have executed that certain Amended and Restated Lease Agreement, dated as of April 1, 2012 (the "2012 Lease Agreement"), in connection with the prepayment of the 2001 Certificates.

RECITALS

A. Pursuant to the Trust Agreement, the District authorized the execution and delivery of the Certificates. Payment of principal of and interest with respect to the Certificates is secured by certain lease payments (the "Lease Payments") paid by the District, and certain other funds made available as provided in the Trust Agreement.

B. The Trust Agreement provides that the District may secure payment of the Certificates prior to their due dates if there shall have been deposited with the Escrow Agent money in an amount which shall be sufficient to pay when due the Certificates until the maturity or prepayment date of the Certificates.

C. Pursuant to the 2012 Lease Agreement, \$5,192,023.75 is being transferred to the Escrow Agent to be applied for the purpose of providing funds which will be sufficient, together with certain other available funds relating to the Certificates, to provide for the termination of the pledge of and lien created by the Trust Agreement.

I. Instructions to the Escrow Agent.

The District hereby directs and instructs the Escrow Agent as follows:

1.1 Escrow Fund. The Escrow Agent shall establish and hold in trust, separate and apart from other funds and accounts, a special account designated the "Escrow Fund." The Escrow Agent shall administer such account as provided in these Instructions. Amounts in the Escrow Fund are irrevocably pledged and shall be applied solely for the purposes set forth in these Instructions. The Escrow Fund shall be maintained by the Escrow Agent until all of the Certificates have been paid in accordance with their terms and these Instructions.

1.2 Deposits to the Escrow Fund; Transfer of Funds. The Escrow Agent shall deposit into the Escrow Fund proceeds of the 2012 Lease Agreement transferred to it by the

Corporation, at the direction of the District, in the amount of \$5,192,023.75, and shall transfer to the Escrow Fund the other amounts set forth in Schedule B hereto.

The Escrow Agent shall hold the amounts deposited into the Escrow Fund uninvested.

1.3 Payments with Respect to the Certificates.

A. The Escrow Agent shall transfer from the Escrow Fund, in immediately available funds, to the Trustee for deposit in the Prepayment Fund created by the Trust Agreement, on June 1, 2012, an amount sufficient to pay the principal and accrued interest with respect to all Certificates maturing on or after June 1, 2012. The District hereby irrevocably designates the Certificates maturing after June 1, 2012 for prepayment on June 1, 2012, and hereby irrevocably instructs the Trustee to give the mailed notice of prepayment as required by the Trust Agreement and the notice of defeasance as provided in Section 1.6 hereof.

B. Transfers from the Escrow Fund shall be made only from the amounts on deposit in the Escrow Fund.

1.4 Release of Pledge. By its acceptance of these Instructions, the District acknowledges that the provisions of Section 14.1 of the Trust Agreement have been satisfied. Upon receipt of an opinion of Nossaman LLP, addressed to the Escrow Agent to the effect that upon making the deposits into the Escrow Fund the lien and pledge of the Trust Agreement, as it applies to the Certificates, was defeased, and the lien upon the Lease Payments is terminated in accordance with the terms of the Trust Agreement (the "Defeasance Opinion"), the Escrow Agent hereby acknowledges and confirms that as to the Certificates the lien established by the Trust Agreement is discharged and the pledge and lien upon the Lease Payments is terminated in accordance with the terms of the Trust Agreement.

1.5 Excess Funds to District. From and after June 1, 2012, any remaining moneys on deposit in the Escrow Fund established and held pursuant to these Instructions, except for amounts held by the Escrow Agent to pay the registered owners of Certificates, after the payment of all amounts owed to the Escrow Agent under Section V hereof, shall, after payment of all fees and expenses of the Escrow Agent, be remitted by the Escrow Agent to the District without further claim therefor.

1.6 Notice of Defeasance. Upon the delivery of the Defeasance Opinion, the Escrow Agent shall mail a notice of defeasance of the Certificates to the owners thereof, which notice of defeasance shall be substantially in the form attached hereto as Schedule C.

II. Irrevocability.

These Instructions shall be irrevocable and may not be amended or modified unless for the purpose of (A) curing any ambiguity or omission relating to these Instructions or of curing, correcting or supplementing any defective provision contained herein; (B) adding to or supplementing the rights of the owners of the Certificates; or (C) severing any portion of these Instructions deemed to be illegal and the Escrow Agent first shall have received an unqualified

opinion from nationally recognized bond counsel to the effect that such amendment or modification is in compliance with the requirements of this Section II and would not, in and of itself, (a) cause the Certificates or the 2012 Lease Agreement to become arbitrage bonds within the meaning of Section 148 of the Code and the regulations thereunder in effect at the time of such proposed amendment or modification or (b) adversely affect the conclusions expressed in the Defeasance Opinion.

Except as otherwise provided herein, the owners of the Certificates shall have an express lien on all funds and amounts on deposit in the Escrow Fund with the Escrow Agent in accordance with these Instructions until used and applied in accordance herewith.

III. Liability.

The liability of the Escrow Agent and the Trustee for the payment of moneys as hereinabove set forth respecting the payment of the principal of and interest with respect to, and the prepayment of, the Certificates shall be limited solely to the moneys on deposit with the Escrow Agent in the Escrow Fund pursuant to these Instructions and available for such purposes. No provision of these Instructions shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

IV. [Reserved].

V. Fees.

The District shall pay to the Escrow Agent its fees for its services hereunder and reimburse the Escrow Agent for its reasonable expenses incurred hereunder. The Escrow Agent shall not have any lien whatsoever upon any of the moneys in the Escrow Fund, or otherwise deposited in accordance with these Instructions, for the payment of fees and expenses for services rendered by it hereunder.

The District covenants and agrees to indemnify and save the Escrow Agent and its officers, directors, agents and employees, harmless against any and all claims, losses, expenses (including reasonable attorney fees and disbursements) and liabilities which it may incur arising out of or in the exercise and performance of its duties hereunder, but excluding any and all claims, losses, expenses and liabilities which are due to the negligence or willful misconduct of the Escrow Agent, its officers, directors, or employees. The obligations of the District under this Section V shall survive the removal or resignation of the Escrow Agent and payment of the Certificates and the discharge of the Trust Agreement as it relates thereto.

VI. Defeasance.

Upon deposit of the amounts set forth in Section 1.2 hereof, all obligations of the District under the Trust Agreement and all security provided by the Trust Agreement for the Certificates shall cease and terminate, excepting only the obligations of the District to pay, or cause to be paid, principal of and premium, if any, and interest with respect to the Certificates from the deposit made by the District pursuant to Section 1.2 hereof, and the District's obligation

to indemnify the Trustee pursuant to the Trust Agreement. In the event of a deficiency in the funds and amounts in the Escrow Fund for purposes of paying the debt service on the Certificates, the District shall make up such deficiency immediately upon receipt of written notice from the Escrow Agent.

VII. Termination.

These Instructions shall, except as set forth in Section V hereof, terminate and be of no further force and effect when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made, and all payments with respect to the Certificates shall have been effected.

VIII. Invalidity; Applicable Law.

If any one or more of the provisions of these Instructions should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed and construed to be severable from the remaining provisions herein contained and shall in no way affect the validity of the remaining provisions of these Instructions. These Instructions shall be construed and governed in accordance with the laws of the State of California.

IX. Binding Effect; Successors.

These instructions shall be binding upon and shall inure to the benefit of the parties hereto and the owners of the Certificates and their respective successors and assigns. The assignee of the 2012 Lease Agreement shall have no lien whatsoever on moneys representing principal of or interest on the investments held by the Escrow Agent in accordance with these Instructions. Whenever in these Instructions any party is named or referred to, such reference shall be deemed to include such party's successors or assigns, and all instructions contained in these Instructions to, by or on behalf of any party hereto shall bind and inure to the benefit of such party's successors and assigns whether so expressed or not.

X. Counterparts.

These Instructions may be executed, approved and acknowledged in several counterparts, all or any one of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

XI. Duties of the Escrow Agent; Protection.

The Escrow Agent shall perform only such duties as are specifically set forth in these Instructions.

The protections afforded the Trustee in Article IX of the Trust Agreement shall apply to the Escrow Agent and such Section is incorporated herein by reference to apply to the Escrow Agent.

IN WITNESS WHEREOF, the District has issued these Instructions, and the Escrow Agent and the Trustee have acknowledged and accepted these Instructions.

COLTON JOINT UNIFIED SCHOOL DISTRICT

By: _____
Assistant Superintendent, Business

ACCEPTED:

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent and Trustee

By: _____
Authorized Officer

**SCHEDULE A
[RESERVED]**

SCHEDULE B
DESCRIPTION OF TRANSFERRED INVESTMENTS

- A. Transfer to Escrow Fund: \$5,987,048.75;
 - (i) From 2012 Lease Agreement: \$5,192,023.75; and
 - (ii) From the Certificates Reserve Fund: \$795,025.00.

**SCHEDULE C
NOTICE OF DEFEASANCE**

**Notice of Owners of Outstanding Colton Joint Unified School District Certificates of
Participation (Colton Joint Unified School District) Series 2001**

NOTICE IS HEREBY GIVEN that the Colton Joint Unified School District (the "District") has on _____, 2012, from a cash deposit of the District irrevocably set aside in an Escrow Fund created for such purpose and held by U.S. Bank National Association, as Escrow Agent (the "Escrow Agent"), pursuant to Escrow Instructions, dated as of April 1, 2012 (the "Escrow Instructions"), between the District and the Escrow Agent, moneys which shall be sufficient (a) to pay at maturity the principal amount due on the above referenced Certificates identified on Schedule I hereto (the "Certificates") and (b) to pay interest accrued but unpaid with respect to all such Certificates to such date. The moneys so deposited in the Escrow Fund are irrevocably pledged to the payment of principal price of and interest with respect to the Certificates. Said moneys are sufficient for the payment of all principal, premium, as applicable, and interest with respect to the Certificates.

Dated: _____, 2012

**U.S. BANK NATIONAL ASSOCIATION, as
Escrow Bank**

**SCHEDULE I
TO
SCHEDULE C**

PRIOR OBLIGATIONS TO BE PAID FROM THE ESCROW FUND

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP®</u>
2012	\$510,000	4.375%	19703AT1
2013	530,000	4.500	19703AU8
2014	555,000	4.625	19703AV6
2015	580,000	4.750	19703AW4
2016	610,000	4.900	19703AX2
2017	640,000	5.000	19703AY0
2018	670,000	5.000	19703AZ7
2019	705,000	5.100	19703BA1
2020	740,000	5.100	19703BB9
2021	305,000	5.125	19703BC7

AMENDED AND RESTATED LEASE AGREEMENT

by and between the

COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION
as Lessor

and the

COLTON JOINT UNIFIED SCHOOL DISTRICT,
as Lessee

Dated as of April 1, 2012

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS; RULES OF INTERPRETATION.....	2
Section 1.01. Definitions	2
Section 1.02. Interpretation.....	4
ARTICLE II COVENANTS, REPRESENTATIONS AND WARRANTIES.....	5
Section 2.01. Covenants, Representations and Warranties of the District	5
Section 2.02. Covenants, Representations and Warranties of the Corporation.....	8
ARTICLE III DEPOSIT AND APPLICATION OF FUNDS.....	9
Section 3.01. Deposit of and Application of Funds	9
Section 3.02. Restatement of 2001 Lease Agreement.....	9
ARTICLE IV LEASE OF PROPERTY; LEASE PAYMENTS SECTION	9
Section 4.01. Sublease of Property by the Corporation Back to the District	9
Section 4.02. Term.....	10
Section 4.03. Lease Payments.....	10
Section 4.04. Quiet Enjoyment.....	12
Section 4.05. Title	12
Section 4.06. Release of Excess Property	13
Section 4.07. Substitution of Property.....	14
ARTICLE V MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS.....	15
Section 5.01. Maintenance, Utilities, Taxes and Assessments	15
Section 5.02. Modification of Property	16
Section 5.03. Public Liability Insurance	16
Section 5.04. Casualty Insurance.....	16
Section 5.05. Rental Interruption Insurance	17
Section 5.06. Workers' Compensation Insurance.....	17
Section 5.07. Recordation Hereof; Title Insurance.....	17
Section 5.08. Insurance Net Proceeds; Form of Policies.....	17
Section 5.09. Installation of District's Personal Property	18
Section 5.10. Liens.....	18
Section 5.11. Advances.....	18
Section 5.12. District Consent to Assignment Agreement.....	18
ARTICLE VI EMINENT DOMAIN; USE OF NET PROCEEDS	19
Section 6.01. Eminent Domain	19
Section 6.02. Application of Net Proceeds	19
Section 6.03. Abatement of Lease Payments in the Event of Damage or Destruction.....	21
ARTICLE VII OTHER COVENANTS OF THE DISTRICT	21
Section 7.01. Disclaimer of Warranties.....	21
Section 7.02. Access to the Property; Grant and Conveyance of Right of Entry.....	21
Section 7.03. Release and Indemnification Covenants	22
Section 7.04. Assignment Agreement by the Corporation	22
Section 7.05. Assignment Agreement and Subleasing by the District.....	23
Section 7.06. Amendment of Lease Agreement.....	23
Section 7.07. Tax Covenants	23
Section 7.08. Financial Statements; Budgets.....	24

Section 7.09. Records and Accounts	24
Section 7.10. Observance of Laws and Regulations	24
Section 7.11. Notices	24
ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES	25
Section 8.01. Events of Default Defined	25
Section 8.02. Remedies on Default	25
Section 8.03. No Remedy Exclusive	27
Section 8.04. Agreement To Pay Attorneys’ Fees and Expenses	27
Section 8.05. No Additional Waiver Implied by One Waiver	27
Section 8.06. Bank To Exercise Rights	27
ARTICLE IX PREPAYMENT OF LEASE PAYMENTS	28
Section 9.01. Security Deposit	28
Section 9.02. Optional Prepayment	28
Section 9.03. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain	29
ARTICLE X MISCELLANEOUS	29
Section 10.01. Notices	29
Section 10.02. Binding Effect	30
Section 10.03. Severability	30
Section 10.04. Net-Net-Net Lease	30
Section 10.05. Further Assurances and Corrective Instruments	30
Section 10.06. Execution in Counterparts	30
Section 10.07. Applicable Law	30
Section 10.08. Captions	30
Section 10.09. Waiver of Personal Liability	30
EXHIBIT A DESCRIPTION OF THE PROPERTY	1
EXHIBIT B DESCRIPTION OF THE FACILITY	1
EXHIBIT B SCHEDULE OF LEASE PAYMENTS	1

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease Agreement"), dated as of April 1, 2012, is by and between the **COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION**, a nonprofit corporation organized and existing under the laws of the State of California, as lessor (the "Corporation"), and the **COLTON JOINT UNIFIED SCHOOL DISTRICT**, a school district organized and existing under the Constitution and laws of the State of California, as lessee (the "District").

WITNESSETH:

WHEREAS, the District and the Corporation have previously financed the acquisition, construction and improvement of public capital improvements (the "Project") from the proceeds of those certain Certificates of Participation (Colton Joint Unified School District) Series 2001, executed and delivered in the aggregate original principal amount of \$15,000,000 (the "2001 Certificates"); and

WHEREAS, in connection with the execution and delivery of the 2001 Certificates, the Corporation has previously leased certain real property which is described more fully in Appendix A attached hereto and by this reference incorporated herein (the "Property"), to the District under a Lease Agreement, dated as of June 1, 2001, which was recorded in the Office of the San Bernardino County Recorder on June 27, 2001 as document No. 2001-0-249316 (the "2001 Lease Agreement"); and

WHEREAS, in order to provide moneys to pay the costs of refinancing the 2001 Certificates, the Corporation and the District have agreed to amend and restate the 2001 Lease Agreement for the purpose of incorporating the terms and provisions relating to the refinancing of the 2001 Certificates; and

WHEREAS, upon delivery of the Lease Agreement, the Corporation is required to deliver to the District for deposit into the Escrow Fund (as defined herein), in addition to other moneys to be deposited therein, moneys for the refinancing of the 2001 Certificates. For the purpose of obtaining such moneys, the Corporation has assigned the lease payments made by the District under this Lease Agreement to Bank of Nevada, a Nevada corporation (the "Bank") under an Assignment Agreement, dated as of April 1, 2012, between the Corporation as assignor and the Bank as assignee, which has been recorded concurrently herewith. The proceeds of such assignment are anticipated to be sufficient to permit the Corporation to make the deposits required under this Lease Agreement and to permit the District to refund the 2001 Certificates; and

WHEREAS, the District is authorized under the Constitution and the laws of the State of California to enter into this Lease Agreement for the purposes and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

Section 1.01. Definitions. All terms defined in this Section 1.01 have the meanings herein specified for all purposes of this Lease Agreement.

“Additional Payments” means the amounts specified as such in Section 4.03(b) of this Lease Agreement.

“Assignment Agreement” means the Assignment Agreement, dated as of April 1, 2012, between the Corporation, as assignor of its rights under the Site Lease and this Lease Agreement, and the Bank, as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

“Bank” means (a) initially, Bank of Nevada, a Nevada corporation, as assignee of all rights, title and interests of the Corporation hereunder; and (b) any other entity to whom the rights of the Corporation hereunder are assigned, including subsequent assignees of the Bank.

“Bond Counsel” means an attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

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

“Closing Date” means the date this Lease Agreement or a memorandum thereof is recorded in the office of the County Recorder of the County of San Bernardino.

“Corporation” means Colton Joint Unified School District Facilities Corporation, a nonprofit corporation, organized and existing under the laws of the State.

“District” means the Colton Joint Unified School District, California, a school district organized and existing under the Constitution and laws of the State.

“District Representative” means the Superintendent, the Assistant Superintendent of Business Services, or the designee of any such official, or any other person authorized by resolution delivered to the Corporation and the Bank to act on behalf of the District under or with respect to the Site Lease and this Lease Agreement.

“Escrow Agent” means U.S. Bank National Association, or any successor thereto pursuant to the Escrow Instructions.

“Escrow Fund” means the fund established by the Escrow Instructions.

“Escrow Instructions” means the escrow instructions from the Corporation to the Escrow Agent, dated as of April 1, 2012.

“Event of Default” means any of the events of default as defined in Section 8.01.

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

“Fiscal Year” means each 12-month period during the Term of this Lease Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other 12-month period selected by the District as its fiscal year period.

“Governmental Corporation” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“Lease Agreement” means this Lease Agreement, dated as of April 1, 2012, between the Corporation and the District.

“Lease Payment Date” means June 1, and December 1 in each year, commencing June 1, 2012, and continuing to and including the date on which the Lease Payments are paid in full.

“Lease Payments” means all payments required to be paid by the District under Section 4.04, including any prepayment thereof under Section 9.02 or 9.03.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District; (b) the ability of the District to carry out its business in the manner conducted as of the date of this Lease Agreement or to meet or perform its obligations under this Lease Agreement on a timely basis; (c) the validity or enforceability of this Lease Agreement; or (d) the exclusion of the interest component of the Lease Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Corporation, (a) if determined adversely to the District, may have a Material Adverse Effect; (b) seek to restrain or enjoin any of the transactions contemplated by this Lease Agreement; or (c) may adversely affect (i) the exclusion of the interest component of the Lease Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes; or (ii) the ability of the District to perform its obligations under this Lease Agreement.

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

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

“Property” means the real property and improvements thereon as more fully described in Exhibit A hereto, as may be substituted for by the District and the Corporation pursuant to Section 4.07.

“Rental Period” means each period during the Term of the Lease commencing on and including June 1 in each year and extending to and including the next succeeding May 31. The first Rental Period begins on the Closing Date and ends on May 31, 2012.

“Site Lease” means the Amended and Restated Site Lease, dated as of April 1, 2012, between the District, as lessor, and the Corporation, as lessee, together with any duly authorized and executed amendments thereto.

“State” means the State of California.

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

“Term of this Lease Agreement” or “Term” means the time during which this Lease Agreement is in effect, as provided in Section 4.02.

“2001 Certificates” means the \$15,000,000 Certificates of Participation (Colton Joint Unified School District) Series 2001, evidencing direct, undivided fractional interests of the owners thereof in lease payments to be made by the District as the rental for certain property pursuant to the 2001 Lease Agreement.

“2001 Lease Agreement” means that certain Lease Agreement, dated as of June 1, 2001, by and between the Corporation and the District.

“2001 Trustee” means U.S. Bank National Association, as Trustee with respect to the 2001 Certificates.

Section 1.02. Interpretation.

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

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

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

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.01. Covenants, Representations and Warranties of the District. The District makes the following covenants, representations and warranties to the Corporation as of the date of the execution and delivery of this Lease Agreement:

(a) **Due Organization and Existence.** The District is a public school district, duly organized and existing under and by virtue of the laws of the State, has full legal right, power and authority under the laws of the State to enter into the Site Lease and this Lease Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the District has duly authorized the execution and delivery by the District of the Site Lease and this Lease Agreement.

(b) **Due Execution.** The representative of the District executing the Site Lease and this Lease Agreement has been fully authorized to execute the same by a resolution duly adopted by the Board of Trustees of the District.

(c) **Valid, Binding and Enforceable Obligations.** The Site Lease and this Lease Agreement have been duly authorized, executed and delivered by the District and constitute the legal, valid and binding agreements of the District enforceable against the District in accordance with their respective terms.

(d) **No Conflicts.** The execution and delivery of the Site Lease and this Lease Agreement, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease or this Lease Agreement or the financial condition, assets, properties or operations of the District.

(e) **Consents and Approvals.** No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Site Lease and this Lease Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) **No Litigation.** There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Site Lease and this Lease Agreement or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement, or the financial condition, assets, properties or operations of the District.

(g) **Sufficient Funds.** The District reasonably believes that sufficient funds can be obtained to make all Lease Payments and all other amounts required to be paid pursuant to this Lease Agreement.

(h) **No Defaults.** The District has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Lease Agreement, or under any of its bonds, notes, or other debt obligations.

(i) **Fee Title.** The District is the owner in fee of title to the Property. No lien or encumbrance on the Property materially impairs the District's use of the Property for the purposes for which it is, or may reasonably be expected to be, held.

(j) **Use of the Property.** During the term of this Lease Agreement, the Property will be used by the District only for the purpose of performing one or more governmental or proprietary functions of the District consistent with the permissible scope of the District's authority.

(k) **Change in Financial Condition.** Except as otherwise provided in writing to the Bank, the District has experienced no material change in its financial condition since June 30, 2011.

(l) **Flooding Risk.** The Property is not located in a flood hazard area and has never been subject to material damage from flooding.

(n) **Value of Property.** The insured value of the Property, plus the estimated real property replacement cost, is not less than \$5,400,000.

(m) **Essential to District Operations.** The Property is essential to the District's efficient and economic operations and the lease thereof for use by the District is in the best interest of the District.

(n) **Financial Statements.** Except as otherwise provided in writing to the Bank, the statement of financial position of the District as of June 30, 2011, and the related statement of activities and statement of cash flows and changes in financial position for the year then ended and the auditors' reports with respect thereto, copies of which have heretofore been furnished to the Bank, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the District at such date and for such period, and were prepared in accordance with generally accepted accounting principles. Since the period of such statements, there has been no (i) change which would have a Material Adverse Effect, and (ii) no material increase in the indebtedness of the District.

(o) **No Material Adverse Change.** Since the most current date of the information, financial or otherwise, supplied by the District to the Bank:

(i) there has been no change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Effect;

(ii) the District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect; and

(iii) the District has not (A) incurred any material indebtedness, other than the Lease Payments, and trade accounts payable arising in the ordinary course of the District's business and not past due; or (B) guaranteed the indebtedness of any other person;

(p) **Accuracy of Information.** All information, reports and other papers and data furnished by the District to the Bank were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Bank a true and accurate knowledge of the subject matter and were provided in expectation of the Bank's reliance thereon in entering into the transactions contemplated by this Lease Agreement. No fact is known to the District which has had or, so far as the District can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Bank or in other such information, reports, papers and data or otherwise disclosed in writing to the Bank prior to the Closing Date. Any financial, budget and other projections furnished to the Bank by the District or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the District's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Bank in connection with the negotiation, preparation or execution of this Lease Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any

material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

Section 2.02. Covenants, Representations and Warranties of the Corporation. The Corporation makes the following covenants, representations and warranties to the District as of the date of the execution and delivery of this Lease Agreement:

(a) **Due Organization and Existence.** The Corporation is a nonprofit corporation duly organized and existing under the laws of the State, has full legal right, power and authority to enter into the Site Lease, this Lease Agreement and the Assignment Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the Corporation has duly authorized the execution and delivery by the Corporation of the Site Lease, this Lease Agreement and the Assignment Agreement.

(b) **Due Execution.** The representative of the Corporation executing the Site Lease, this Lease Agreement and the Assignment Agreement is fully authorized to execute the same under official action taken by the Board of Directors of the Corporation.

(c) **Valid, Binding and Enforceable Obligations.** The Site Lease, this Lease Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

(d) **No Conflicts.** The execution and delivery of the Site Lease, this Lease Agreement and the Assignment Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease Agreement and the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

(e) **Consents and Approvals.** No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Site Lease, this Lease Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) **No Litigation.** There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority

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

ARTICLE III

DEPOSIT AND APPLICATION OF FUNDS

Section 3.01. Deposit of and Application of Funds. On the Closing Date, the Corporation shall cause the amount of \$5,192,023.75 to be deposited with the Escrow Agent to be used to prepay the 2001 Certificates. Such amount shall be derived from amounts paid by the Bank under the Assignment Agreement. In addition, a portion of the amounts paid by the Bank under the Assignment Agreement (net of amounts retained by the Bank for its fees) shall be applied by the Bank to pay financing costs of the transaction in the amount of \$100,000.25.

Section 3.02. Restatement of 2001 Lease Agreement. This Lease Agreement constitutes an amendment and restatement in full of the 2001 Lease Agreement. From and after the Closing Date, the 2001 Lease Agreement, in the form heretofore executed and delivered by the District and the Corporation, will be of no further force and effect and will be deemed to be restated in full hereby. As a result of the prepayment of the 2001 Certificates, the 2001 Lease Agreement has been discharged and terminated in accordance with its terms. On the Closing Date, the District shall enter into an agreement terminating the 2001 Lease Agreement, and shall cause an executed copy of said agreement to be recorded in the office of the San Bernardino County Recorder.

ARTICLE IV

LEASE OF PROPERTY; LEASE PAYMENTS SECTION

Section 4.01. Sublease of Property by the Corporation Back to the District.

(a) The Corporation hereby subleases the Property to the District, and the District hereby subleases the Property from the Corporation, upon the terms and conditions set forth in this Lease Agreement.

(b) The leasing of the Property by the District to the Corporation pursuant to the Site Lease shall not affect or result in a merger of the District's subleasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Site Lease.

Section 4.02. Term. The Term of this Lease Agreement commences on the date of recordation of this Lease Agreement or a memorandum hereof and ends on June 1, 2021, or the date on which all of the Lease Payments have been paid in full. If on June 1, 2021, the Lease Payments payable hereunder shall have been abated at any time and for any reason and not otherwise paid from rental interruption insurance or other sources, or the District shall have defaulted in its payment of Lease Payments hereunder or any Event of Default has occurred and continues without cure by the District, then the term of this Lease Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, as necessary to accommodate the final payment of all Lease Payments due hereunder, not to exceed 10 years. The provisions of this Section 4.02 are subject to the provisions of Section 6.01 relating to the taking in eminent domain of the Property or any portion thereof.

Section 4.03. Lease Payments.

(a) **Obligation To Pay.** Subject to the provisions of Sections 6.01 and 6.03 and the provisions of Article IX, the District agrees to pay to the Corporation, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the respective amounts specified in Exhibit B attached hereto (including any supplements thereto) and by this reference incorporated herein, to be due and payable in immediately available funds on each of the respective Lease Payment Dates specified in Exhibit B. The Lease Payments payable in any Rental Period with respect to the Property shall be for the use of the Property during such Rental Period. The interest components of the Lease Payments have been calculated based on an interest rate of 2.75% per annum, on the basis of a 360-day year of twelve 30-day months and the actual number of days elapsed. The District understands that the Bank will send an invoice to the District in advance of each Lease Payment Date.

(b) **Additional Payments.** In addition to the Lease Payments set forth herein, the District agrees to pay as Additional Payments all of the following:

(i) all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, *ad valorem* taxes, *ad valorem* and specific lien special assessments and gross receipts taxes, if any, levied upon the Property or upon any interest of the Corporation therein or in this Lease Agreement; provided, however, the District may, at the District's expense and in its name, in good faith contest any such taxes and assessments and, in the event of such contest, may permit such taxes and assessments to remain unpaid during the period of such contest and appeal therefrom unless the Corporation shall notify the District that, in the opinion of Bond Counsel, by nonpayment of any such items, the interest of the Corporation in the Property will be materially endangered or the Property, or any portion thereof, will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes and assessments or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation;

(ii) insurance premiums, if any, on all insurance required under the provisions of Article V hereof;

(iii) any other reasonable fees, costs or expenses incurred by the Corporation in connection with the execution, performance or enforcement of this Lease

Agreement or any of the transactions contemplated hereby or related to the Property, including, without limitation, any amounts which may become due; provided, however, the District shall not be responsible for any costs incurred by the Corporation associated with any assignment made by the Bank; and

(iv) any amounts required to be paid as rebate to the United States pursuant to the Tax Certificate.

Amounts constituting Additional Payments payable hereunder shall be paid by the District directly to the person or persons to whom such amounts shall be payable. The District shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Corporation to the District stating the amount of Additional Payments then due and payable and the purpose thereof.

(c) **Effect of Prepayment.** If the District prepays all Lease Payments in full under Section 9.02 or 9.03, the District's obligations under this Section will thereupon cease and terminate. If the District prepays the Lease Payments in part but not in whole under Section 9.03, the principal components of the remaining Lease Payments will be reduced on a pro rata basis; and the interest component of each remaining Lease Payment will be reduced on a pro rata basis.

(d) **Rate on Overdue Payments.** If the District fails to make any of the payments required in this Section 4.03, the payment in default will continue as an obligation of the District until the amount in default has been fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment at the rate of 12% per annum or any lesser maximum legal rate.

(e) **Fair Rental Value.** The Lease Payments coming due and payable during each Rental Period constitute the total rental for the Property for such Rental Period, and will be paid by the District in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Property during each Rental Period. The parties hereto have agreed and determined that the total Lease Payments due during each Rental Period are not in excess of the fair rental value of the Property during such Rental Periods. In making this determination, consideration has been given to the estimated fair market value of the Property, the estimated replacement cost of the Property, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the District and the general public.

(f) **Source of Payments; Budget and Appropriation.** The Lease Payments are payable from any source of legally available funds of the District, subject to the provisions of Sections 6.01, 6.03 and 9.01. The District covenants to take such action as may be necessary to include all Lease Payments in each of its annual budgets during the Term of this Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The covenants on the part of the District herein contained constitute duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District

to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the District.

(g) **Allocation of Lease Payments.** All Lease Payments received shall be applied first to the interest components of the Lease Payments due hereunder, then to the principal components of the Lease Payments due hereunder, but no such application of any payments that are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

(h) **No Offsets.** Notwithstanding any dispute between the Corporation, or Bank as the Corporation's assignee, and the District, the District shall make all Lease Payments when due without deduction or offset of any kind and shall not withhold any Lease Payments pending the final resolution of such dispute.

(i) **Assignment Agreement.** The District understands and agrees that all Lease Payments have been assigned by the Corporation to the Bank under the Assignment Agreement executed concurrently herewith, and the District hereby assents to such assignment. The Corporation hereby directs the District, and the District hereby agrees, to pay to the Bank (or to its assignees as directed pursuant to Section 7.04 hereof) all payments payable by the District under this Section 4.03 and all amounts payable by the District under Article IX. Lease Payments shall be paid to the Bank as follows:

Bank of Nevada
One East Washington Street Ste. 1400
Phoenix, AZ 85004
(602) 797-3634

[WIRE INSTRUCTIONS TO COME]
Reference: Colton Joint Unified School District

Section 4.04. Quiet Enjoyment. Throughout the Term of this Lease Agreement, the Corporation will provide the District with quiet use and enjoyment of the Property and the District will peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease Agreement. The Corporation will, at the request of the District and at the District's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation and the Bank have the right to inspect the Property as provided in Sections 5.12(c) and 7.02.

Section 4.05. Title. During the Term of this Lease Agreement, title to the Property shall remain with the District, and the Corporation will maintain a leasehold interest in the Property and any and all additions, replacements or modifications, except as provided below and except for those modifications which are added to the Property by the District and which may be removed without damaging the Property, including any items added to the Property by the District pursuant to Section 7.02 hereof. The Corporation shall not have any right, title or interest in the Property or in any additions, repairs, replacements or modifications thereto except as expressly provided in this Lease Agreement and the Site Lease. The sub-lease by the

Corporation to the District of the Property pursuant to this Lease Agreement shall not effect or result in a merger of the District's leasehold estate pursuant hereto and its fee estate.

The Corporation agrees to defend and eliminate any claims adverse to the District's title to the Property, and to save and hold the District harmless therefrom; provided that the Corporation's obligations under this sentence shall not extend to claims arising out of actions by the District or persons asserting claims under it; provided that the District shall reimburse the Corporation for any costs incurred by the Corporation in defending or eliminating such claims, including reasonable attorneys' fees.

Upon the termination of this Lease Agreement (other than under Section 8.02(b) hereof), all right, title and interest of the Corporation in and to the Property shall be transferred to and vested in the District. Upon the payment in full of all Lease Payments allocable to the Property, or upon the deposit by the District of security for such Lease Payments as provided in Section 9.01, all right, title and interest of the Corporation in and to the Property shall be transferred to and vested in the District. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the District to consummate any such transfer of title.

Section 4.06. Release of Excess Property. The District may, at any time and from time to time, release any portion of the Property (the "Released Property") from the Lease, with the prior written consent of the Bank, which consent shall be at the Bank's sole discretion, and upon satisfaction of all of the following requirements which are conditions precedent to such release:

(a) the District shall certify to the Corporation and the Bank that no Event of Default has occurred and is continuing, and no event giving rise to an abatement of Lease Payments under Section 6.03 has occurred or is continuing with respect to the Property to be remaining following release of the Released Property;

(b) the District shall file with the Corporation and the Bank, and cause to be recorded in the office of the San Bernardino County Recorder, an amendment to this Lease Agreement which deletes the Released Property from the description of the Property;

(c) the District shall file with the Corporation and the Bank a written certificate of the District stating the District's determination that the estimated value of the real property which will remain leased under this Lease Agreement following such release is at least equal to the original principal components of the Lease Payments and upon request of the Bank, the District shall provide to the Bank additional information and documents to evidence the value of the remaining portion of the Property;

(d) the District shall file with the Corporation and the Bank a written certificate of the District stating the District's determination that the estimated fair rental value, for each remaining Rental Period and in the aggregate, of the Property remaining after release of the Released Property is at least equal to the remaining Lease Payments for each remaining Rental Period and in the aggregate; and

(e) the District shall file with the Corporation and the Bank such other information, documents and instruments as the Corporation or the Bank shall reasonably request,

including (if requested by the Bank) an independent appraisal or evidence of the insurable value of the Property to be remaining following release of the Released Property, indicating that such value is in excess of the then unpaid principal component of the Lease Payments and such endorsements to the title policy delivered on the Closing Date.

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

Section 4.07. Substitution of Property. (a) In the event of damage or destruction of the Property due to earthquake or other uninsured casualty for which rental interruption insurance is not available or in the event that following the condemnation of all or a portion of the Property the fair rental value of the Property remaining after such condemnation is less than the remaining Lease Payments due under this Lease Agreement, the District shall substitute under the Site Lease and this Lease Agreement one or more parcels of unimpaired and unencumbered real property, the fair rental value of which, for each remaining Rental Period and in the aggregate, shall be at least equal to the remaining Lease Payments hereunder. If for any reason the District is unable to so substitute real property for the Property with a fair rental value at least equal to the remaining Lease Payments hereunder, the District shall use its best efforts to obtain other financing in an amount necessary to prepay the principal component of the Lease Payments not supported by the fair rental value of the substituted property, if any.

(b) The District has the option at any time and from time to time, to substitute other real property (the "Substitute Property") for the Property or any portion thereof (the "Former Property"), upon satisfaction of all of the following requirements which are hereby declared to be conditions precedent to such substitution:

- (a) No Event of Default has occurred and is continuing.
- (b) The District has filed with the Corporation and the Bank, and caused to be recorded in the office of the San Bernardino County Recorder sufficient memorialization of an amendment hereof which adds the legal description of the Substitute Property to Exhibit A and deletes therefrom the legal description of the Former Property.
- (c) The District has obtained a CLTA or ALTA policy of title insurance insuring the District's leasehold estate hereunder in the Substitute Property, subject only to Permitted Encumbrances, in an amount at least equal to the remaining Lease Payments.
- (d) The District has certified in writing to the Corporation and the Bank that the Substitute Property serves the public purposes of the District and constitutes property which the District is permitted to lease under the laws of the State of California, and has been determined to be essential to the

proper, efficient and economic operation of the District and to serve an essential governmental function of the District.

- (e) The Substitute Property does not cause the District to violate any of its covenants, representations and warranties made herein.
- (f) The District has filed with the Corporation and the Bank a written certificate of the District or other written evidence stating that (i) the value of the Property after such substitution is at least equal to the remaining Lease Payments, (ii) the fair rental of the Property after such substitution is at least equal to the Lease Payments thereafter coming due and payable, and (iii) the useful life of the Substitute Property at least extends to June 1, 2021.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of any substitution of property under this Section. The Corporation and the District will execute, deliver and cause to be recorded all documents required to discharge the Site Lease, this Lease Agreement and the Assignment Agreement of record against the Former Property and to cause the Substitute Property to become subject to all of the terms and conditions of the Site Lease, this Lease Agreement and the Assignment Agreement.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.01. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property are the sole responsibility of the District, and the District will pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Property, as hereinbefore more specifically set forth. The District waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the District under the terms of this Lease Agreement.

The District will pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the District affecting the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District is obligated

to pay only such installments as are required to be paid during the Term of this Lease Agreement as and when the same become due.

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

Section 5.02. Modification of Property. The District has the right, at its own expense, to make additions, modifications and improvements to the Property or any portion thereof. All additions, modifications and improvements to the Property will thereafter comprise part of the Property and become subject to the provisions of this Lease Agreement. Such additions, modifications and improvements may not in any way damage the Property, or cause the Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

Section 5.03. Public Liability Insurance. The District shall maintain or cause to be maintained throughout the Term of this Lease Agreement a standard comprehensive general liability insurance policy or policies in protection of the District, the Bank and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Such policy or policies must provide coverage with limits of at least \$1,000,000 per occurrence, \$3,000,000 in the aggregate, for bodily injury and property damage coverage, and excess liability umbrella coverage of at least \$3,000,000, and in all events in form and amount (including any deductibles) satisfactory to the Bank. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including, with Bank's prior written consent, a self insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 5.04. Casualty Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, casualty insurance against loss or damage to all buildings situated on the Property and owned by the District, in an amount at least equal to the greater of the replacement value of the insured buildings and the aggregate principal amount of the Lease Payments outstanding, with a lender's loss payable endorsement. Such insurance must, as nearly as practicable, cover loss or damage by all "special

form” perils. Such insurance shall be subject to a deductible of not to exceed \$250,000. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including, with the Bank’s prior written consent, a self insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the Net Proceeds of such insurance as provided in Section 6.02.

Section 5.05. Rental Interruption Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 5.04, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24-month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such rental interruption insurance shall not be self-insured by the District. The District will apply the Net Proceeds of such insurance towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

Section 5.06. Workers’ Compensation Insurance. If required by applicable California law, the District shall carry worker’s compensation insurance covering all employees on, in, near or about the Property and, upon request, shall furnish to the Corporation certificates evidencing such coverage throughout the Term of this Lease Agreement. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including a self insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance.

Section 5.07. Recordation Hereof; Title Insurance. On or before the Closing Date, the District shall, at its expense, (a) cause this Lease Agreement, the Site Lease and the Assignment Agreement, or a memorandum hereof or thereof in form and substance approved by Bond Counsel, to be recorded in the office of the San Bernardino County Recorder with respect to the Property; and (b) obtain a CLTA or ALTA title insurance policy insuring the Bank’s interests in the leasehold estate established under the Site Lease and hereunder in the Property, subject only to Permitted Encumbrances, in an amount equal to the original principal components of the Lease Payments. The District will apply the Net Proceeds of such insurance as provided in Section 6.02.

Section 5.08. Insurance Net Proceeds; Form of Policies. All insurance policies (or riders) required by this Article V and provided by third-party insurance carriers shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least 10 days before the cancellation or revision becomes effective. Each insurance policy or rider required by Sections 5.03, 5.04 and 5.05 and provided by third-party insurance carriers shall name the District and the Bank as insured parties and the Bank as loss

payee and shall include a lender's loss payable endorsement for the benefit of the Bank. In the case of coverage pursuant to Section 5.03, the Corporation and the Bank shall be added as an additional insureds. Prior to the Closing Date, the District will deposit with the Bank policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the District will furnish to the Bank evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V unless such insurance is no longer obtainable, in which event the District shall notify the Bank of such fact.

Section 5.09. Installation of District's Personal Property. The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the District, in which the Corporation has no interest, and may be modified or removed by the District at any time. The District must repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement prevents the District from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof; provided that no such lien or security interest may attach to any part of the Property.

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

Section 5.11. Advances. If the District fails to perform any of its obligations under this Article V, the Corporation may take such action as may be necessary to cure such failure, including the advancement of money, and the District shall be obligated to repay all such advances as additional rental hereunder, with interest at the rate set forth in Section 4.03(c).

Section 5.12. District Consent to Assignment Agreement. The Corporation's rights under this Lease Agreement (excluding the right to receive notices, the right to reimbursement of costs and to indemnification), including the right to receive and enforce payment of the Lease Payments, and the Site Lease, are being assigned to the Bank pursuant to the Assignment Agreement. The District hereby consents to such assignment and to any additional assignment of such rights by the Bank or its assignees. The District agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Bank or its assignees to protect their interests in the Property and in this Lease Agreement.

ARTICLE VI

EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.01. Eminent Domain. If all of the Property shall be taken permanently under the power of eminent domain or sold to a governmental entity threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (a) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary; and (b) there shall be a partial abatement of Lease Payments in an amount equal to the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the District and the Bank such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

Section 6.02. Application of Net Proceeds.

(a) From Insurance Award.

(i) Any Net Proceeds of insurance against damage to or destruction of any part of the Property collected by the District in the event of any such damage or destruction shall be deposited by the District promptly upon receipt thereof in a special fund with the Bank designated as the "Insurance and Condemnation Fund."

(ii) Within 90 days following the date of such deposit, the District shall determine and notify the Corporation and the Bank in writing of its determination either (A) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the District and the Net Proceeds, together with other moneys available therefor, are sufficient to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Section 9.03 hereof; or (B) that all or a portion of such Net Proceeds are to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property and the fair rental value of the Property following such repair, restoration, replacement, modification or improvement will at least equal the unpaid principal component of the Lease Payments.

(iii) In the event the District's determination is as set forth in Section 6.02(a)(ii)(A) above, such Net Proceeds shall be promptly applied to the prepayment of Lease Payments and other amounts pursuant to Section 9.3 of this Lease Agreement; provided, however, that in the event of damage or destruction of the Property in full, such Net Proceeds may be so applied only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments, all accrued and unpaid interest, and all other costs related to such prepayments pursuant to Section 9.03 of this Lease Agreement and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property; provided further, however, that in the event of damage or destruction of the Property in part, such Net Proceeds may be applied to the prepayment of Lease Payments only if the resulting Lease Payments following such prepayment

from Net Proceeds represent fair consideration for the remaining portions of the Property and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, evidenced by a certificate signed by a District Representative.

(iv) In the event the District's determination is as set forth in Section 6.02(a)(ii)(B) above, such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the District, and until the Property has been restored to its prior condition, the District shall not place any lien or encumbrance on the Property that is senior to this Lease Agreement without the prior written consent of the Bank, at its sole discretion.

(b) **From Eminent Domain Award.** If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited by the District in the Insurance and Condemnation Fund and shall be applied and disbursed as follows:

(i) If the District has given written notice to the Corporation and the Bank of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under this Lease Agreement; and (B) such proceeds are not needed for repair or rehabilitation of the Property, the District shall so certify to the Corporation and the Bank, and the District shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.03 of this Lease Agreement.

(ii) If the District has given written notice to the Corporation and the Bank of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under this Lease Agreement; and (B) such proceeds are needed for repair, rehabilitation or replacement of the Property, the District shall so certify to the Corporation and the Bank, and the District shall apply such amounts for such repair or rehabilitation.

(iii) If (A) less than all of the Property shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the District has given written notice to the Corporation and the Bank of its determination that such eminent domain proceedings have materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under the Lease Agreement; or (B) all of the Property shall have been taken in such eminent domain proceedings, then the District shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.03 of this Lease Agreement.

(iv) In making any determination under this Section 6.02(b), the District may, but shall not be required to, obtain at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Corporation and the Bank. Any such determination by the District shall be final.

(c) **From Title Insurance.** The Net Proceeds from a title insurance award shall be deposited by the District in the Insurance and Condemnation Fund and credited towards the prepayment of Lease Payments required to be paid pursuant to Section 9.03 of this Lease Agreement.

Section 6.03. Abatement of Lease Payments in the Event of Damage or Destruction. Lease Payments shall be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the District of the Property or any portion thereof to the extent to be agreed upon by the District and the Bank. The parties agree that the amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in Exhibit B, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed, based upon an appropriate method of valuation, in which event the Lease Payments shall be abated such that they represent said fair rental value. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as evidenced by a Certificate of a District Representative to the Corporation and the Bank. In the event of any such damage or destruction, this Lease Agreement shall continue in full force and effect and the District waives any right to terminate this Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section 6.03 to the extent that (a) the proceeds of rental interruption insurance; or (b) amounts in the Insurance and Condemnation Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.03, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

ARTICLE VII

OTHER COVENANTS OF THE DISTRICT

Section 7.01. Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF. THE DISTRICT ACKNOWLEDGES THAT THE DISTRICT LEASES THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event is the Corporation liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement for the existence, furnishing, functioning or use of the Property by the District.

Section 7.02. Access to the Property; Grant and Conveyance of Right of Entry. The District agrees that the Corporation, and the Corporation's successors or assigns, has the right at all reasonable times, following at least 48 hours' written notice provided to the District, to enter upon and to examine and inspect the Property or any part thereof. The District further agrees that the Corporation, and the Corporation's successors or assigns shall have such rights of access to the Property or any component thereof, following at least 48 hours' written notice provided to

the District, as may be reasonably necessary to cause the proper maintenance of the Property if the District fails to perform its obligations hereunder. Neither the Corporation nor any of its assigns has any obligation to cause such proper maintenance.

The District further grants, conveys and confirms to the Corporation, for the use, benefit and enjoyment of the Corporation, its successors in interest to the Property, including the Bank, and its sublessees, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public visiting the Property, a right of entry which shall be irrevocable for the Term of this Lease Agreement over, across and under the property of the District adjacent to the Property to and from the Property for the purpose of: (a) ingress, egress, passage or access to and from the Property by pedestrian or vehicular traffic; (b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and (c) other purposes and uses necessary or desirable for access to and from and for operation and maintenance of the Property.

Section 7.03. Release and Indemnification Covenants. The District hereby indemnifies the Corporation, the Bank and their respective directors, officers, agents, employees, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Property by the District or the District's employees, agents, contractors, invitees or licensees; (b) any breach or default on the part of the District in the performance of any of its obligations under this Lease Agreement; (c) any negligence or willful misconduct of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Property; (d) any intentional misconduct or negligence of any sublessee of the District with respect to the Property; (e) the acquisition, construction, improvement and equipping of the Property; (f) the clean-up of any Hazardous Substances or toxic wastes from the Property; or (g) any claim alleging violation of any Applicable Environmental Laws, or the authorization of payment of the costs thereof. No indemnification is made under this Section 7.03 or elsewhere in this Lease Agreement for willful misconduct or gross negligence under this Lease Agreement by the Corporation, the Bank, or their respective officers, agents, employees, successors or assigns. The indemnification hereunder shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease Agreement or the termination of the Term of this Lease Agreement for any reason. The District and the Corporation each agree to promptly give notice to each other and the Bank of any claim or liability hereby indemnified against following learning thereof.

Section 7.04. Assignment Agreement by the Corporation. The Corporation's rights, title and interests under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the District hereunder, have been assigned to the Bank. The District hereby consents to such assignment. Whenever in this Lease Agreement any reference is made to the Corporation, such reference shall be deemed to refer to the Bank (including its assignees).

The Bank may make additional assignments of its rights, title and interests herein, but no such assignment will be effective as against the District unless and until the Bank has filed with the District written notice thereof. The District shall pay all Lease Payments hereunder to the Bank, as provided in Section 4.03(h) hereof, or under the written direction of the assignee named

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

Section 7.05. Assignment Agreement and Subleasing by the District. This Lease Agreement may not be assigned, mortgaged, pledged or transferred by the District. The District may sublease the Property, or any portion thereof, with the prior written consent of the Bank, at the Bank's sole discretion, subject to all of the following conditions:

(a) This Lease Agreement and the obligation of the District to make Lease Payments hereunder shall remain obligations of the District, and any sublease shall be subject and subordinate to this Lease Agreement.

(b) The District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Bank a true and complete copy of such sublease.

(c) No such sublease by the District may cause the Property to be used for a purpose other than as may be authorized under the provisions of the laws of the State.

(d) The District shall furnish the Corporation and the Bank with a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State.

(e) Any such sublease shall be subject and subordinate in all respects to the Site Lease and this Lease Agreement.

Notwithstanding the foregoing, in connection with any sublease entered into for financing purposes, the principal component of the then remaining Lease Payments plus the principal component of the sublease payments shall not exceed the fair market value of the Property.

Section 7.06. Amendment of Lease Agreement. This Lease Agreement may be amended with the prior written consent of the Corporation and the Bank (at the Bank's sole discretion) provided such amendment does not, in the Bank's sole judgment, adversely affect the Bank.

Section 7.07. Tax Covenants. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Lease Payments to become includable in gross income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

(a) The District hereby covenants that it shall not make or permit any use of the proceeds of this Lease Agreement that may cause the Lease Agreement to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of the Lease Agreement will not be used so as to cause the proceeds on the Lease Agreement to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(c) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Lease Agreement to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

Section 7.08. Financial Statements; Budgets. Within 270 days following the end of each Fiscal Year of the District during the Term of this Lease Agreement, the District will provide the Corporation and the Bank with a copy of its audited financial statements for such Fiscal Year. Such audited financial statements shall include such information as is required by applicable Government Accounting Standards Board pronouncements and applicable State law. Within 30 days of the adoption thereof, the District will provide the Bank with a copy of its annual budget and First Interim Report and Second Interim Report. The District hereby agrees to provide the Bank with such other information as may be reasonably requested by the Bank.

Section 7.09. Records and Accounts. The District covenants and agrees that it shall keep proper books of record and accounts of its operations, in which complete and correct entries shall be made of all transactions relating to the District. Said books and records shall at all reasonable times be subject to the inspection of the Bank upon 72 hours’ prior notice.

Section 7.10. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the District, including the District’s right to exist and carry on business as a municipal corporation, to the end that such rights, privileges as a municipal corporation, shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 7.11. Notices. During the Term of this Lease Agreement, the District shall provide to the Bank:

(a) immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Lease Agreement, together with a detailed statement by a District representative of the steps being taken by the District to cure the effect of such Event of Default;

(b) prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Corporation; and

(c) with reasonable promptness, such other information respecting the District, and the operations, affairs and financial condition of the District as the Bank may from time to time reasonably request.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default Defined. Any one or more of the following events constitutes an Event of Default hereunder:

(a) failure by the District to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein;

(b) failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in Section 8.01(a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Bank. However, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30-day period, the Corporation and the Bank shall not unreasonably withhold their consent to an extension of such time (for a period not to exceed 60 days) if corrective action is instituted by the District within such 30-day period and diligently pursued until the default is corrected;

(c) the filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar federal or State acts now existing or which may hereafter be enacted;

(d) any statement, representation or warranty made by the District in or pursuant to this Lease Agreement or its execution, delivery or performance shall have been false, incorrect, misleading or breached in any material respect on the date when made;

(e) any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which the District is an obligor, if such default (i) arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by the Bank or any affiliate of the Bank, or (ii) arises under any obligation under which there is outstanding, owing or committed an aggregated amount in excess of \$250,000;

(f) any default by the District to observe any covenant, condition or agreement on its part to be observed or performed under the Site Lease; or

(g) any court of competent jurisdiction shall find or rule that this Lease Agreement or the Site Lease are not valid or not binding on the District.

Section 8.02. Remedies on Default. Whenever any Event of Default has happened and is continuing, the Corporation may exercise any and all remedies available under law or granted under this Lease Agreement; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or

otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the District is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted hereunder; provided, that no termination of this Lease Agreement shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Corporation may exercise any one or more of the following remedies:

(a) **Enforcement of Payments Without Termination.** If the Corporation does not elect to terminate this Lease Agreement in the manner hereinafter provided for in Section 8.02(b) hereof, the District agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-leasing of the Property, or, if the Corporation is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Corporation. The District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to enter upon and re-lease the Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place in San Bernardino County for the account of and at the expense of the District, and the District hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The District agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in Section 8.02(b) hereof. The District agrees to surrender and quit possession of the Property upon demand of the Corporation for the purpose of enabling the Property to be re-let under this paragraph. Any rental obtained by the Corporation in excess of the sum of Lease Payments plus costs and expenses incurred by the Corporation for its services in re-leasing the Property shall be paid to the District.

(b) **Termination of Lease.** If an Event of Default occurs and is continuing hereunder, the Corporation at its option may terminate this Lease Agreement and re-lease all or any portion of the Property, subject to the Site Lease. If the Corporation terminates this Lease Agreement at its option and in the manner hereinafter provided due to a default by the District (and notwithstanding any re-entry upon the Property by the Corporation in any manner whatsoever or the re-leasing of the Property), the District nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time

and in the same manner as is herein provided in the case of payment of Lease Payments and Additional Payments. Any surplus received by the Corporation from such re-leasing shall be applied by the Corporation to Lease Payments due under this Lease Agreement. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the District shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease Agreement. The District covenants and agrees that no surrender of the Property, or of the remainder of the Term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(c) **Proceedings at Law or in Equity.** If an Event of Default occurs and continues hereunder, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

(d) **Remedies Under the Site Lease.** If an Event of Default occurs and continues hereunder, the Corporation may exercise its rights under the Site Lease.

Section 8.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.04. Agreement To Pay Attorneys' Fees and Expenses. If either party to this Lease Agreement defaults under any of the provisions hereof and the non-defaulting party should employ attorneys (including in-house legal counsel) or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys (including allocable costs and expenses of in-house legal counsel, if any) and such other expenses so incurred by the non-defaulting party.

Section 8.05. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease Agreement is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.06. Bank To Exercise Rights. Such rights and remedies as are given to the Corporation under this Article VIII have been assigned by the Corporation to the Bank, to which

assignment the District hereby consents. Such rights and remedies shall be exercised solely by the Bank.

ARTICLE IX

PREPAYMENT OF LEASE PAYMENTS

Section 9.01. Security Deposit. Notwithstanding any other provision of this Lease Agreement, the District may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Bank or a fiduciary reasonably satisfactory to the Bank, in trust, an amount of cash, which shall be held in a segregated trust or escrow fund under a trust or escrow agreement that is in form and content acceptable to the Bank, which cash so held is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit B; or (b) invested in whole in non-callable Federal Securities maturing not later than the dates such funds will be required to make Lease Payments or any prepayment in an amount which is sufficient, in the opinion of an independent certified public accountant (which opinion must be in form and substance, and with such an accountant, acceptable to the Bank and addressed and delivered to the Bank), together with interest to accrue thereon and without reinvestment and together with any cash which is so deposited, to pay such Lease Payments when due under Section 4.03(a) or when due on any optional prepayment date under Section 9.02, as the District instructs at the time of said deposit; provided, however, that at or prior to the date on which any such security deposit is established, the District shall deliver to the Bank an opinion of Bond Counsel (in form and substance acceptable to the Bank) to the effect that any such security deposit will not adversely affect the excludability of the interest component of Lease Payments from gross income of the Bank for federal income tax purposes.

In the event of a security deposit under this Section with respect to all unpaid Lease Payments, (i) the Term of this Lease Agreement shall continue; (ii) all obligations of the District under this Lease Agreement, and all security provided by this Lease Agreement for said obligations, shall thereupon cease and terminate, excepting only (A) the obligation of the District to make, or cause to be made, all of the Lease Payments from such security deposit and, to the extent of any deficiency, as rent payable from other legally available funds of the District; and (B) the release and indemnification obligations of the District under Section 7.03(f) and (g); and (iii) under Section 4.05, the Corporation's leasehold interest in the Property will vest in the District on the date of said deposit automatically and without further action by the District or the Corporation. The District hereby grants a first priority security interest in and the lien on said security deposit and all proceeds thereof in favor of the Corporation and the Bank. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement and, notwithstanding anything to the contrary herein, Lease Payments therefrom shall not be subject to abatement under Section 6.03 hereof to the extent payable from the funds held by the Bank or the fiduciary as described in the first sentence of this Section 9.01.

Section 9.02. Optional Prepayment. From June 1, 2012 to May 31, 2017, the District may prepay, on any date, all or any portion of the Lease Payments, at a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together accrued interest to the

date fixed for prepayment plus a prepayment premium equal to two percent (2%) of the principal amount of the Lease Payments to be prepaid. On or after June 1, 2017, the District may, on any date, prepay all or any portion of the Lease Payments, at a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together accrued interest to the date fixed for prepayment, without premium.

Section 9.03. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The District shall be obligated to prepay the unpaid principal components of the Lease Payments in whole or in part on any date, together with any accrued and unpaid interest, and any other costs related to such prepayment, from and to the extent of any proceeds of insurance award or condemnation award with respect to the Property to be used for such purpose under Section 6.02. The District and the Corporation hereby agree that such proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the District's obligations under this Section 9.03.

ARTICLE X

MISCELLANEOUS

Section 10.01. Notices. Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first-class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication; (b) 48 hours after deposit in the United States of America first-class mail, postage prepaid; or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the District and the Bank may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

To the Corporation: Colton Joint Unified School District Facilities Corporation
c/o Colton Joint Unified School District
1212 Valencia Drive
Colton, CA 92324
Phone: (909) 580-6601
Attention: Assistant Superintendent of Business

To the District: Colton Joint Unified School District
1212 Valencia Drive
Colton, CA 92324
Phone: (909) 580-6601
Attention: Assistant Superintendent of Business

To the Bank: Bank of Nevada
One East Washington Street Ste. 1400
Phoenix, AZ 85004
Phone: (602) 797-3634
Attention: James B. Sult Jr.

Section 10.02. Binding Effect. This Lease Agreement inures to the benefit of and is binding upon the Corporation, the District and their respective successors and assigns.

Section 10.03. Severability. If any provision of this Lease Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 10.04. Net-Net-Net Lease. This Lease Agreement is a “net-net-net lease” and the District hereby agrees that the Lease Payments are an absolute net return to the Corporation, free and clear of any expenses, charges or setoffs whatsoever.

Section 10.05. Further Assurances and Corrective Instruments. The Corporation and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease Agreement.

Section 10.06. Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 10.07. Applicable Law. This Lease Agreement is governed by and construed in accordance with the laws of the State.

Section 10.08. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Lease Agreement.

Section 10.09. Waiver of Personal Liability. No member, officer, agent or employee of the District or the Corporation shall be individually or personally liable for the payment of Lease Payments or the principal of or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

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

**COLTON JOINT UNIFIED SCHOOL
DISTRICT, as Lessor**

By: _____
Assistant Superintendent, Business

**COLTON JOINT UNIFIED SCHOOL
DISTRICT FACILITIES CORPORATION, as
Lessee**

By: _____
Authorized Officer

EXHIBIT A

DESCRIPTION OF THE PROPERTY

The land referred to in this Amended and Restated Lease Agreement is situated in the County of San Bernardino, State of California, and is described as follows:

Parcel A: Block 84 together with those portions of G Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel B: Blocks 85, Fractional Blocks 86 and 87 and Block 88 together with those portions of G Street, H Street, First Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel C: Block 89 together with those portions of G Street, H Street and Second Street vacated which would pass by operation of law with a conveyance of said land.

Parcel D: Block 114 except the South 20 feet, together with those portions of H Street, I Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel E: Block 115 except the South 20 feet, together with those portions of H Street, and Second Street, vacated which would pass by operation of law with a conveyance of said land.

Parcel F: Fractional Block 116 except the South 20 feet, also except any portion thereof located within Rancho Avenue 66 feet wide, together with those portions of H Street, I Street and First Street, vacated, which would pass by operation of law with a conveyance of said land.

All according to the Map of the Town of Colton, County of San Bernardino, State of California as per map recorded in Book 9 page 37 of Maps, records of said county.

EXHIBIT B
SCHEDULE OF LEASE PAYMENTS

Pymt. No.	Lease Payment Date	Principal Component	Interest Component ¹	Total Lease Payment
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WHEN RECORDED, RETURN TO:
Nossaman LLP
18101 Von Karman Avenue, Suite 1800
Irvine, California 92612
Attention: Jeff A. Stava, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER
TAX PURSUANT TO SECTION 11928 OF THE CALIFORNIA REVENUE AND
TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES
PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

ASSIGNMENT AGREEMENT

by and between the

COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION

and

BANK OF NEVADA
as Bank

Dated as of April 1, 2012

RE: COLTON JOINT UNIFIED SCHOOL DISTRICT

ASSIGNMENT AGREEMENT

This Assignment Agreement, dated as of April 1, 2012 (hereinafter, the "Assignment Agreement"), by and between the COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION (herein called "Corporation"), a non-profit public benefit corporation duly organized and validly existing under the laws of the State of California and BANK OF NEVADA, a corporation duly organized and existing under and by virtue of the laws of the State of Nevada (herein called the "Bank");

WITNESSETH:

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

Section 1. Recitals.

(a) The Corporation and the Colton Joint Unified School District (the "District") have entered into an Amended and Restated Lease Agreement, dated as of April 1, 2012 (the "Lease Agreement"), whereby the Corporation has agreed to receive Lease Payments (as defined in the Lease Agreement) from the District, and the District has agreed to make Lease Payments to the Corporation for the lease of certain facilities (the "Property"), which Property is more particularly defined in the Lease Agreement, in the manner and on the terms set forth in the Lease Agreement.

(b) Upon execution and delivery of the Lease Agreement, the Corporation is required to deposit or cause to be deposited with the District certain sums of money to be credited, held and applied in accordance with Escrow Instructions between the District and the Escrow Agent (as defined in the Lease Agreement), dated as of April 1, 2012 (the "Escrow Instructions").

(c) Upon delivery of the Lease Agreement and the deposit of moneys by the Corporation with respect thereto, the District is obligated to pay certain Lease Payments to the Corporation. For the purpose of obtaining the moneys required to be deposited with the Escrow Agent, the Corporation is willing to assign and transfer its rights and interests under the Lease Agreement recorded concurrently herewith to the Bank, and in consideration of such assignment, the Bank is providing certain funds which are anticipated to be sufficient to provide the moneys required to be deposited by the Corporation pursuant to the Lease Agreement.

(d) Each of the parties has authority to enter into this Assignment Agreement, and has taken all actions necessary to authorize its officers to enter into it.

(e) The terms capitalized in this Assignment Agreement but not defined herein shall have the meanings given to them in the Lease Agreement.

Section 2. Assignment.

The Corporation, for good and valuable consideration received, does hereby irrevocably and absolutely sell, assign and transfer to the Bank all of its rights, title, benefit and interest in the Lease Agreement (except for the Corporation's rights to indemnification and payment or reimbursement of its reasonable costs and expenses), including, without limitation, its rights to receive Lease Payments and interest thereon from the District under the Lease Agreement, and the right to exercise such rights and remedies as are conferred on the Corporation by the Lease Agreement as may be necessary or convenient to enforce payment of such Lease Payments and interest thereon when due or otherwise to protect its interests in the event of a default by the District.

The Bank's right, title and interest in and to this Assignment Agreement, the Lease Agreement and the Lease Payments, its security interest in the, and all proceeds may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Bank, without the necessity of obtaining the consent of District; *provided*, such assignees or subassignees represent that (a) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment, (b) such purchaser understands that neither the Lease Agreement or this Assignment Agreement will be registered under the Securities Act of 1933, (c) such purchaser is not relying upon the District or any of its employees for advice as to the merits and risks of such investment, and such purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision; (d) such purchaser is either an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, or a qualified institutional buyer within the meaning of Rule 144A, and (e) it is the present intention of such purchaser to acquire such interest (i) for investment for its own account or (ii) for resale in a transaction exempt from registration under the Securities Act of 1933; *provided further* that the Bank will give reasonable notice to the District. In the event of any such assignment or subassignment, the District will not be required to make Lease Payments, to send notices or to otherwise deal with respect to matters arising under this Lease Agreement with or to more than one individual or entity.

Section 3. Acceptance.

The Bank hereby accepts the assignment of such of the Corporation's rights under the Site Lease and the Lease as are assigned pursuant to the terms of this Assignment Agreement, for the purpose of securing such Lease Payments. The Corporation hereby constitutes and irrevocably appoints Bank the true and lawful attorney of the Corporation to demand, receive and endorse payments and to give receipts, releases and satisfactions either in the name of Bank or in the name of the Corporation in the same manner and with the same effect as the Corporation could do if this Assignment of Lease and Site Lease had not been made. Within fifteen (15) days after receiving all Lease Payments under the Lease, Bank shall cause to be released to the District its vested interest in all property subject to the Lease and the Site Lease.

Section 4. Conditions.

A. This Assignment Agreement shall confer no rights and impose no duties upon the Bank beyond those expressly provided in the Lease Agreement.

B. The Bank has entered into this Assignment Agreement in reliance upon the representations and warranties of the District and the Corporation contained in the Lease Agreement and this Assignment Agreement and to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District and the Corporation of the obligations of the District and the Corporation pursuant to the Lease Agreement and this Assignment Agreement at or prior to the Closing Date. Accordingly, the obligation of Bank to execute this Assignment Agreement are subject to the fulfillment to the reasonable satisfaction of the Bank of the following conditions:

- (i) The representations and warranties of the District and Corporation contained in the Lease Agreement and this Assignment Agreement shall be true, complete and correct on the Closing Date.
- (ii) All representations, warranties and covenants made herein and in the Lease Agreement, and in certificates or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Bank notwithstanding any investigation heretofore or hereafter made by the Bank or on their behalf, and that all representations, warranties and covenants made by the District herein and in the Lease Agreement and all of the Bank's rights, hereunder and thereunder shall survive the execution and delivery of the Lease Agreement and this Assignment Agreement.
- (iii) On the Closing Date, the resolutions of the District and Corporation authorizing the Lease Agreement and this Assignment Agreement (the "Resolutions") shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.
- (iv) On the Closing Date, the District and the Corporation will have each adopted and there will be in full force and effect such resolutions as in the opinion of Bond Counsel and counsel to the Bank shall be necessary in connection with the transactions contemplated by the Lease Agreement and this Assignment Agreement, and all necessary action of the District and the Corporation relating to the execution of the Lease Agreement and this Assignment Agreement will have been taken, will be in full force and effect and will not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

C. At or prior to the Closing Date, the Bank will have received the following documents:

- (i) the approving opinions, dated the Closing Date and addressed to the Bank, of Bond Counsel or counsel to the District in form and content satisfactory to the Bank and its counsel, (a) addressing the tax-exempt status of the interest component of the Lease Payments, (b) the Lease Agreement and this Assignment Agreement, have each been duly authorized, executed and delivered by the District and the Corporation and are legal, valid and binding obligations of the District and the Corporation, enforceable in accordance with their terms subject to customary exceptions for bankruptcy and judicial discretion, and (c) the 2001 Certificates have been legally defeased.
- (ii) a certificate or certificates, dated the Closing Date and signed on behalf of the District by an District Representative, to the effect that (a) the representations and warranties contained in the Lease Agreement and this Assignment Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, and (b) the District has complied with all the agreements and covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to, and to the extent possible before, the Closing Date.
- (iii) executed copies of the Lease Agreement and this Assignment Agreement;
- (iv) a copy of the a CLTA or ALTA title insurance policy insuring the Bank's interests, as assignee of the Corporation, in the leasehold estate established under the Site Lease and the Property under the Lease Agreement;
- (v) certified copies of the Resolutions;
- (vi) any items required by the Resolutions as conditions for the execution and delivery of the Lease Agreement and this Assignment Agreement;
- (vii) a non-arbitrage certificate of the District, in form and substance satisfactory to Bond Counsel;
- (viii) the filing copy of the Information Return Form 8038-G for the Bonds; and
- (ix) such additional legal opinions, certificates, instruments and other documents as the Bank or its counsel may reasonably request to evidence the truth and accuracy, as of the date of this Assignment Agreement and as of the Closing Date, of the representations, warranties, agreements and covenants of the District contained herein and in the Lease Agreement and the due performance or satisfaction by the District at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the District.

Section 5. No Additional Rights or Duties.

This Assignment Agreement shall not confer any rights nor impose any duties, obligations or responsibilities upon the Bank beyond those expressly provided in the Lease Agreement. This Assignment Agreement shall not impose any duties, obligations or responsibilities upon the Corporation or the District beyond those expressly provided in the Lease Agreement or as otherwise set forth herein.

Section 6. Further Assurances.

The Corporation will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Assignment Agreement, and for the better assuring and confirming to the Bank the rights and benefits intended to be conveyed pursuant hereto.

Section 7. Execution in Counterparts.

This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 8. Amendment.

This Assignment Agreement may be amended by the parties hereto in writing.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
FACILITIES CORPORATION**

By: _____
Authorized Officer

BANK OF NEVADA

By: _____
Authorized Signatory

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

EXHIBIT A
DESCRIPTION OF THE PROPERTY

The land referred to in this Assignment Agreement is situated in the County of San Bernardino, State of California, and is described as follows:

Parcel A: Block 84 together with those portions of G Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel B: Blocks 85, Fractional Blocks 86 and 87 and Block 88 together with those portions of G Street, H Street, First Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel C: Block 89 together with those portions of G Street, H Street and Second Street vacated which would pass by operation of law with a conveyance of said land.

Parcel D: Block 114 except the South 20 feet, together with those portions of H Street, I Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel E: Block 115 except the South 20 feet, together with those portions of H Street, and Second Street, vacated which would pass by operation of law with a conveyance of said land.

Parcel F: Fractional Block 116 except the South 20 feet, also except any portion thereof located within Rancho Avenue 66 feet wide, together with those portions of H Street, I Street and First Street, vacated, which would pass by operation of law with a conveyance of said land.

All according to the Map of the Town of Colton, County of San Bernardino, State of California as per map recorded in Book 9 page 37 of Maps, records of said county.

AFTER RECORDATION PLEASE RETURN TO:
Nossaman LLP
18101 Von Karman Ave., Suite 1800
Irvine, California 92612
Attention: Jeff A. Stava, Esq.
THIS TRANSACTION IS EXEMPT FROM
CALIFORNIA DOCUMENTARY TRANSFER
TAX PURSUANT TO SECTION 11929 OF THE
CALIFORNIA REVENUE AND TAXATION CODE

AMENDED AND RESTATED SITE LEASE

by and between the

COLTON JOINT UNIFIED SCHOOL DISTRICT

and the

COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION

Dated as of April 1, 2012

AMENDED AND RESTATED SITE LEASE

This Amended and Restated Site Lease (the "Site Lease"), dated as of April 1, 2012, between the COLTON JOINT UNIFIED SCHOOL DISTRICT, a joint unified school district duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "District"), and the COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION, a non-profit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation");

WITNESSETH:

WHEREAS, the District and the Corporation have previously financed the acquisition, construction and improvement of public capital improvements (the "Project") from the proceeds of those certain Certificates of Participation (Colton Joint Unified School District) Series 2001, executed and delivered in the aggregate original principal amount of \$15,000,000 (the "2001 Certificates"); and

WHEREAS, In connection execution and delivery of the 2001 Certificates, the District has previously leased certain real property which is described more fully in Appendix A attached hereto and by this reference incorporated herein (the "Site"), to the Corporation under a Site Lease dated as of June 1, 2001, which was recorded in the Office of the San Bernardino County Recorder on June 27, 2001 as document No. 2001-0-249315 (the "2001 Site Lease"); and

WHEREAS, the District has determined that it is in its financial interests at this time to refinance its obligations with respect to the 2001 Certificates; and

WHEREAS, the Corporation and the District have agreed to amend and restate the 2001 Site Lease for the purpose of incorporating the terms and provisions relating to the refunding of the 2001 Certificates; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Site Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Site Lease;

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Lease Agreement (as defined below).

SECTION 2. Restatement of 2001 Site Lease. This Site Lease constitutes an amendment and restatement in full of the 2001 Site Lease. From and after the Closing Date, the 2001 Site Lease, in the form heretofore executed and delivered by the District and the Corporation, will be of no further force and effect and will be deemed to be restated in full hereby.

SECTION 2. Leased Premises. The District continues to and does hereby lease the Site to the Corporation upon the terms and conditions set forth in this Site Lease, without interruption by virtue of the amendment and restatement of the 2001 Site Lease. The Corporation shall lease the Site back to the District under the Amended and Restated Lease Agreement, dated as of April 1, 2012, between the Corporation as lessor and the District as lessee, which has been recorded concurrently herewith (the "Lease Agreement")

SECTION 3. Term. The term hereof shall commence on _____, 2012, and shall end on June 1, 2021; provided, that if the term of the Lease Agreement is extended beyond June 1, 2021, pursuant to the terms and provisions of the Lease Agreement, this Site Lease shall be extended to the day following the date of termination of the Lease Agreement, and if the Lease Agreement is terminated before June 1, 2021, this Site Lease shall be terminated on the day following the date of termination of the Lease Agreement. Notwithstanding the foregoing, if on the date of the termination of the Lease Agreement, the aggregate amount of Lease Payments payable under the Lease Agreement shall not have been paid, or provision shall not have been made for their payment, then the term of this Site Lease shall be extended until such Lease Payments shall be fully paid or provision made for such payment, to the extent permitted by law.

SECTION 4. Rental. The District acknowledges receipt from the Corporation as and for rental hereunder the sum of \$5,292,024 on or before the date of delivery of this Site Lease, as payment in full for rental of the Site, which amount shall be deposited as provided in the Lease Agreement. The District covenants that it is the owner in fee of the Site.

SECTION 5. Purpose. The Corporation shall use the Site solely for the purpose of leasing such Site to the District pursuant to the Lease Agreement; provided, that in the event of default by the District under the Lease Agreement, the Corporation may exercise the remedies provided in the Lease Agreement.

SECTION 6. Assignments and Subleases. Unless the District shall be in default under the Lease Agreement, the Corporation may not, without the prior written consent of the District, assign its rights hereunder (except pursuant to the Assignment Agreement).

SECTION 7. Right of Entry. Provided the District is not in default, the District reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination. The Corporation agrees, upon the termination hereof, to quit and surrender the Site in the same good order and condition as the same was in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements existing upon the Site at the time of the termination hereof shall remain thereon and title thereto shall vest in the District.

SECTION 9. Default. In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms hereof, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the District may exercise any and all remedies granted by law, except that no merger of the Site Lease and of the Lease Agreement shall be deemed to occur as a result thereof; provided, that the District shall have no power to terminate the Site Lease if such termination would affect or impair any assignment of the Lease Agreement then in effect between the Corporation and Bank of Nevada, a Nevada corporation (the "Bank").

SECTION 10. Quiet Enjoyment. The Corporation at all times during the term hereof shall peaceably and quietly have, hold and enjoy the Site.

SECTION 11. Waiver of Personal Liability. All liabilities hereunder on the part of the Corporation shall be solely corporate liabilities of the Corporation, and the District hereby releases each and every member, officer and employee of the Corporation of and from any personal or individual liability hereunder, and no member, officer or employee of the Corporation shall at any time or under any circumstances be individually or personally liable hereunder for anything done or omitted to be done by the Corporation hereunder. No member, officer, agent or employee of the District or the Corporation shall be individually or personally liable for any obligation hereunder; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 12. Taxes. The District covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site or the improvements thereon (including both land and improvements).

SECTION 13. Eminent Domain. The District hereby covenants and agrees, to the extent it may lawfully do so, for the term of the Lease Agreement the District will not exercise the power of condemnation with respect to the Site. The District further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the District should fail or refuse to abide by such covenant and condemns the Site, the appraised value of the Site shall not be less than the greater of (i) if the Lease Agreement is then subject to prepayment, the principal and interest components of the Lease Agreement through the date of its prepayment, or (ii) if the Lease Agreement is not then subject to prepayment, the amount necessary to defease the Lease Agreement to the first available prepayment date in accordance with its terms. In the event the whole or any portion of the Site is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount set forth above, and the amount of any

related unpaid Additional Rental due under the Lease Agreement, and the balance of the award, if any, shall be paid to the District.

SECTION 14. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, at the addresses indicated in the Lease Agreement, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 15. California Law. This Site Lease shall be governed by and construed and interpreted in accordance with the laws of the State of California.

SECTION 16. Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the Corporation, the District and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 17. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision hereof.

SECTION 18. Severability. If any agreement, condition, covenant, section or term hereof or any application hereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, all agreements, conditions, covenants or terms hereof and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 19. Execution in Counterparts. This Site Lease may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SECTION 20. Amendment. The Corporation and the District may at any time amend or modify any of the provisions of this Site Lease, but only (a) with the prior written consent of the Bank; or (b) without the consent of the Bank, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Corporation and the District may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not materially adversely affect the interests of the Bank;
- (ii) to amend any provision hereof relating to the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest with respect to the Lease Payments under the Code, in the opinion of Bond Counsel;

- (iii) to conform to any amendment of the Lease Agreement which is made thereto in accordance with the provisions thereof; or
- (iv) for the purpose of effectuating any substitution or release of property under the Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have executed and entered into the Site Lease by their officers thereunto duly authorized as of the day and year first above written.

**COLTON JOINT UNIFIED SCHOOL
DISTRICT, as Lessor**

By: _____
Assistant Superintendent, Business

**COLTON JOINT UNIFIED SCHOOL
DISTRICT FACILITIES CORPORATION, as
Lessee**

By: _____
Authorized Officer

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

EXHIBIT A-1
DESCRIPTION OF THE SITE

The land referred to in this Amended and Restated Site Lease is situated in the County of San Bernardino, State of California, and is described as follows:

Parcel A: Block 84 together with those portions of G Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel B: Blocks 85, Fractional Blocks 86 and 87 and Block 88 together with those portions of G Street, H Street, First Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel C: Block 89 together with those portions of G Street, H Street and Second Street vacated which would pass by operation of law with a conveyance of said land.

Parcel D: Block 114 except the South 20 feet, together with those portions of H Street, I Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel E: Block 115 except the South 20 feet, together with those portions of H Street, and Second Street, vacated which would pass by operation of law with a conveyance of said land.

Parcel F: Fractional Block 116 except the South 20 feet, also except any portion thereof located within Rancho Avenue 66 feet wide, together with those portions of H Street, I Street and First Street, vacated, which would pass by operation of law with a conveyance of said land.

All according to the Map of the Town of Colton, County of San Bernardino, State of California as per map recorded in Book 9 page 37 of Maps, records of said county.

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Amended and Restated Site Lease, dated as of April 1, 2012, from the Colton Joint Unified School District, as lessor (the "District"), to the Colton Joint Unified School District Facilities Corporation (the "Corporation"), as lessee, is hereby accepted by the undersigned officer on behalf of the Corporation, pursuant to authority conferred by the Board of Directors of the Corporation adopted on April 5, 2012, and the lessee consents to recordation thereof by its duly authorized officer.

Dated: April 1, 2012

**COLTON JOINT UNIFIED SCHOOL
DISTRICT FACILITIES CORPORATION, as
Lessee**

By: _____
Authorized Officer

WHEN RECORDED, RETURN TO:

Jeff A. Stava, Esq.
Nossaman LLP
18101 Von Karman Ave., Suite 1800
Irvine, California 92612

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

TERMINATION AGREEMENT

This TERMINATION AGREEMENT, dated as of April 1, 2012 is among the Colton Joint Unified School District (the "District"), U.S. Bank National Association, as trustee (the "Trustee"), and the Colton Joint Unified School District Facilities Corporation (the "Corporation"):

WITNESSETH:

WHEREAS, the District has previously executed a Site Lease, dated as of June 1, 2001 (the "Site Lease"), granting to the Corporation an interest in the real property described in Exhibit A hereto (the "Site"); and

WHEREAS, in connection with the financing of a Project for the District, the Corporation leased the Site, and certain improvements thereon, to the District pursuant to a lease agreement, dated as of June 1, 2001 (the "Lease Agreement"); and

WHEREAS, pursuant to that certain Assignment Agreement, dated as of June 1, 2001 (the "Assignment Agreement"), between the Corporation and the Trustee, the Corporation assigned to the Trustee, for the benefit of the owners of certain certificates of participation (the "Certificates"), certain of its rights under the Lease Agreement, including its right to receive Lease Payments (as defined therein) and its rights to enforce payment of such payments and otherwise to enforce its interests and rights under the Lease Agreement in the event of default by the District; and

WHEREAS, the Lease Agreement provided that District could purchase the Project prior to the termination date of the Lease Agreement, and the District complied with such requirements and the Certificates are no longer outstanding.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

Section 1. Termination of Site Lease. The Site Lease, recorded as Document No. 2001-0-249315 of the official records of the San Bernardino County Recorder on June 27, 2001, is terminated and is of no further force or effect.

Section 2. Termination of Lease Agreement. The Lease Agreement, recorded as Document No. 2001-0-249316 of the official records of the San Bernardino County Recorder on June 27, 2001, is terminated and is of no further force or effect.

Section 3. Termination of Assignment Agreement. The Assignment Agreement, recorded as Document No. 2001-0-249317 of the official records of the San Bernardino County Recorder on June 27, 2001, is terminated and is of no further force or effect.

Section 4. Counterparts. This Agreement may be executed, approved and acknowledged in several counterparts, all or any one of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

Section 5. Applicable Law. This Termination Agreement shall be governed by and construed in accordance with the laws of the State of California.

**COLTON JOINT UNIFIED SCHOOL
DISTRICT FACILITIES CORPORATION**

By: _____
Authorized Officer

**COLTON JOINT UNIFIED SCHOOL
DISTRICT**

By: _____
Assistant Superintendent, Business

**U.S. BANK NATIONAL ASSOCIATION, as
Trustee**

By: _____
Authorized Signatory

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land referred to in this Termination Agreement is situated in the County of San Bernardino, State of California, and is described as follows:

Parcel A: Block 84 together with those portions of G Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel B: Blocks 85, Fractional Blocks 86 and 87 and Block 88 together with those portions of G Street, H Street, First Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel C: Block 89 together with those portions of G Street, H Street and Second Street vacated which would pass by operation of law with a conveyance of said land.

Parcel D: Block 114 except the South 20 feet, together with those portions of H Street, I Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel E: Block 115 except the South 20 feet, together with those portions of H Street, and Second Street, vacated which would pass by operation of law with a conveyance of said land.

Parcel F: Fractional Block 116 except the South 20 feet, also except any portion thereof located within Rancho Avenue 66 feet wide, together with those portions of H Street, I Street and First Street, vacated, which would pass by operation of law with a conveyance of said land.

All according to the Map of the Town of Colton, County of San Bernardino, State of California as per map recorded in Book 9 page 37 of Maps, records of said county.

BOARD AGENDA

REGULAR MEETING
April 5, 2012

ACTION ITEM
Second Reading

- TO:** Board of Education
- PRESENTED BY:** Mike Snellings, Assistant Superintendent, Educational Services Division
- SUBJECT:** **Proposed Amendment of Board Policy and Administrative Regulations:**
AR 1250 Visitors/Outsiders on School Grounds (Revised)
AR 6173.1 Education for Foster Youth (Revised)
- GOAL:** Student Safety, Community Relations and Parent Involvement
- STRATEGIC PLAN:** Strategy #1 – Communication
- BACKGROUND:** The Administration is updating Board Policies and Administrative Regulations under the guidelines of the California School Boards' Association.
- The proposed Administrative Regulation 1250, *Visitors/Outsiders on School Grounds* and Administrative Regulation 6173.1, *Education for Foster Youth* was presented to the Board as a First Reading on March 15, 2012.
- BUDGET IMPLICATIONS:** No impact to the General Fund
- RECOMMENDATION:** That the Board adopt and amend the Board Policies and Administrative Regulation:
AR 1250 Visitors/Outsiders on School Grounds (Revised)
AR 6173.1 Education for Foster Youth (Revised)
- ACTION:** On motion of Board Member _____ and _____ the Board approve the proposed amendment of the Board Policies and Administrative Regulations as presented.

VISITORS/OUTSIDERS ON SCHOOL GROUNDS**BP 1250**

The Governing Board encourages parents/guardians and interested members of the community to visit the schools and view the educational program.

To ensure minimum interruption of the instructional program, the Superintendent or designee shall establish procedures which facilitate visits during the regular school days. Visits during school hours should be first arranged with the teacher and principal or designee. If a conference is desired, an appointment should be set with the teacher during non-instructional time.

To ensure the safety of students and staff and avoid potential disruptions, all visitors shall register immediately upon entering any school building or grounds when school is in session.

For the purposes of school safety and security, the principal or designee may design a visible means of identification for visitors to display while on school premises.

No electronic listening or recording device may be used by students or visitors in a classroom without the teacher and principal's permission.

(9/4/97)

11/20/08

Proposed 03/01/2012

VISITORS/OUTSIDERS ON SCHOOL GROUNDS**AR 1250**

The Superintendent or designee shall post at every entrance to each school and school grounds a notice setting forth visitor registration requirements, hours during which registration is required, the registration location, the route to take to that location, and the penalties for violation of registration requirements.

Registration Procedures

In order to register, visitors, upon request, must furnish the principal or designee with the following information: (*Penal Code 627.3*)

1. His/her name, address, and occupation
2. His/her age, if less than 21
3. His/her purpose for entering the school grounds
4. Proof of identity
5. Other information consistent with the provisions of the law

Denial of Registration

The principal or designee may refuse to register any visitor if he/she reasonably concludes that the visitor's presence or acts would disrupt the school, students, or employees; would result in damage to property; or would result in the distribution or use of a controlled substance. The principal or designee or school security officer may revoke a visitor's registration if he/she has a reasonable basis for concluding that the visitor's presence on school grounds would interfere or is interfering with the peaceful conduct of school activities or would disrupt or is disrupting the school, students or staff. (*Penal Code 627.4*)

The principal or designee may request that a visitor who has failed to register, or whose registration privileges have been denied or revoked, promptly leave school grounds. When a visitor is directed to leave, the principal or designee shall inform the outsider that if he/she reenters the school within seven days, he/she will be guilty of a misdemeanor subject to a fine and/or imprisonment.

Disruption of School Activities

Any person who comes into any school building, or upon any school grounds, or street, sidewalk, or public way adjacent thereto, without lawful business thereon, and whose presence or acts interfere with the peaceful conduct of the activities of a school or disrupt the school or its pupils or school activities, is guilty of a misdemeanor if he or she does any of the following:

1. Remains there after being asked by a school official or member of law enforcement.
2. Re-enters or comes upon that place within seven days of being asked to leave by a school official or member of law enforcement.
3. Has otherwise established a continued pattern of unauthorized entry.
4. Willfully, or knowingly creates a disruption with the intent to threaten the immediate physical safety of any pupil in preschool, kindergarten, or any of grades 1 to 8, inclusive, arriving at, attending, or leaving school. (*Penal Code 626.8*)

Appeal Procedure

Any person who is denied registration or whose registration is revoked may appeal to the Superintendent or principal, by submitting, within five days after the person's departure from school, a written request for a hearing. This request must state why he/she believes the denial or revocation was improper and must provide an address to which the hearing notice may be sent. Upon receipt of the request for a hearing, the Superintendent or designee shall promptly mail a notice of the hearing to the person requesting it. A hearing before the Superintendent or designee shall be held within seven days after receipt of the request.

VISITORS/OUTSIDERS ON SCHOOL GROUNDS, continued

AR 1250

Legal Reference

EDUCATION CODE

32210 Willful disturbance of public school or meeting

32211 Threatened disruption or interference with classes; misdemeanor

32212 Classroom interruptions

35160 Authority of governing boards

35292 Visits to schools (board members)

PENAL CODE

626-626.10 Schools

627-627.10 Access to school premises, especially:

627.1 Definition; 627.2 Necessity of registration by outsider

627.7 Misdemeanors; punishment

(9/4/97)

11/06/08

Proposed 03/01/2012

EDUCATION FOR FOSTER YOUTH

BP 6173.1

The Governing Board recognizes that foster youth may be at greater risk for poor academic performance due to their family circumstances, disruption of their educational program and emotional, social and other health needs. The district shall provide such students with full access to the district's educational program and other support services necessary to assist them in achieving state and district academic standards.

The Superintendent or designee shall ensure that placement decisions for foster youth are based on the students' best interests as defined in law and administrative regulation. To that end, he/she shall designate a staff person as a district liaison for foster youth to help facilitate the enrollment, placement and transfer of foster youth.

The Superintendent or designee and district liaison shall ensure that all appropriate staff receive training regarding the enrollment, placement and rights of foster youth.

The Board desires to provide foster youth with a safe, positive learning environment that is free from discrimination and harassment and promotes students' self-esteem and academic achievement. The Superintendent or designee shall develop strategies to build students' feelings of connectedness with the school, including, but not limited to, strategies that promote positive discipline and conflict resolution, the development of students' resiliency and interpersonal skills and the involvement of foster parents, group home administrators and/or other caretakers in school programs and activities.

To address the needs of foster youth and help ensure the maximum utilization of available funds, the Superintendent or designee shall collaborate with local agencies, including, but not limited to, the county placing agency, social services, probation officers, juvenile court officers, nonprofit organizations and advocates. The Superintendent or designee shall explore the feasibility of entering into agreements with these groups to coordinate services and protect the rights of foster youth.

REFERENCES

32228-32228.5 *Student safety and violence prevention*
42920-42925 *Foster children educational services*
48645-48646 *Juvenile court schools*
48850-48859 *Educational placement of students residing in licensed children's institutions*
49061 *Student records*
49069.5 *Foster care students, transfer of records*
49076 *Access to student records*
51225.3 *High school graduation*
56055 *Right of foster parents in special education*
60851 *High school exit examination*

05/13/2010

ADMINISTRATIVE REGULATION

EDUCATION FOR FOSTER YOUTH

AR 6173.1

Definitions

Foster youth means a child who has been subject to one of the following: *(EC 48853.5)*

1. Has been removed from his/her home pursuant to Welfare and Institutions Code 309 (temporary custody)
2. Is the subject of a petition filed under Welfare and Institutions Code 300 or 602 (jurisdiction of juvenile court)
3. Has been removed from his/her home and is the subject of a petition filed under Welfare and Institutions Code 300 or 602.

Person holding the right to make educational decisions means a responsible adult appointed by a court pursuant to Welfare and Institutions Code 361 or 727.

School of origin means the school that the foster youth attended when permanently housed or the school in which he/she was last enrolled. If the school the foster youth attended when permanently housed is different from the school in which he/she was last enrolled, or if there is some other school that the foster youth attended within the preceding 15 months and with which the youth is connected, the district liaison shall, in consultation with and with the agreement of the foster youth and the person holding the right to make educational decisions for the youth, determine, in the best interest of the foster youth, which school is the school of origin. *(EC 48853.5)*

Best interest means a placement that ensures that the youth is placed in the least restrictive educational program and has access to academic resources, services and extracurricular and enrichment activities that are available to district students. *(EC 48853)*

Foster Youth Liaison

The Superintendent designates the following position as the district liaison for foster youth *(EC 48853.5)*:

Coordinator, Child Welfare and Attendance
Office of Administrative Services
851 South Mount Vernon Avenue
Colton, CA 92324
(909) 580-6525

The district liaison for foster youth shall:

1. Develop protocols and procedures so that district staff is aware of the requirements for the proper enrollment, placement and transfer of foster youth.
2. Collaborate with the county placing agency, social services, probation officers, juvenile court officers, nonprofit organizations and advocates to help coordinate services for the district's foster youth.

ADMINISTRATIVE REGULATION

EDUCATION FOR FOSTER YOUTH, continued

AR 6173.1

3. Ensure the duties of the school level liaisons are fully and faithfully carried out.

In addition to the above, each school in the district shall designate a school level liaison who shall:

1. Ensure and facilitate the proper educational placement, enrollment in school and checkout from school of students in foster care (*EC 48853.5*)
2. Ensure proper transfer of credits, records and grades when students in foster care transfer from one school to another or from one district to another (*EC 48853.5; 48645.5*)
3. As necessary, make appropriate referrals to ensure that students in foster care receive necessary special education services and services under Section 504 of the federal Rehabilitation Act of 1973.
4. Ensure that students in foster care receive appropriate school-based services, such as supplemental instruction, counseling or after school services.

Enrollment

The district shall immediately enroll a foster child, even if he or she is unable to produce medical records, including, but not limited to, records or other proof of immunization history.

A foster youth placed in a licensed children's institution or foster home within the district shall attend programs operated by the district unless one of the following circumstances applies: (*EC48853*)

1. The student has an individualized education program requiring placement in a nonpublic, nonsectarian school or agency or in another local educational agency.
2. The parent/guardian or other person holding the right to make educational decisions for the student determines that it is in the best interest of the student to be placed in another educational program.
3. At the initial placement or any subsequent change of placement, the student is entitled to remain in his/her school of origin, as defined above for the remainder of the academic school year pursuant to Educational Code 48853.5.

The district liaison may, in consultation with and with the agreement of the foster youth and the person holding the right to make educational decisions for the youth, recommend that the youth's right to attend the school of origin be waived and he/she be enrolled in any school that students living in the attendance area in which the foster youth resides are eligible to attend. All decisions shall be made in accordance with the foster youth's best interest. (*EC 48853.5*)

Prior to making any recommendation to move a foster youth from his/her school of origin, the district liaison shall provide the youth and the person holding the right to make educational decisions for the youth with a written explanation of the basis for the recommendation and how this recommendation serves the youth's best interest. (*EC48853.5*)

ADMINISTRATIVE REGULATION

EDUCATION FOR FOSTER YOUTH, continued

AR 6173.1

The role of the district liaison shall be advisory with respect to placement decisions and determination of the school or origin. *(EC 48853.5)*

If the district liaison, in consultation with the foster youth and the person holding the right to make educational decisions for the foster youth, agrees that the best interests of the youth would be served by his/her transfer to a school other than the school of origin, the principal or designee of the new school shall immediately enroll the foster youth. The youth shall be immediately enrolled even if he/she has outstanding fees, fines, textbooks or other items or monies due to the school last attended or is unable to produce records, such as academic or medical records, proof of residency or clothing normally required for enrollment. *(EC 48853.5)*

Within two business days of enrollment, the school site liaison shall contact the school last attended by the student to obtain all academic and other records. Upon receiving a request from a new school, the school site liaison shall provide all records within two business days of receiving the request. *(EC 48853.5)*

If a person with the right to make educational decisions for a foster youth or the foster youth person disagrees with the district liaison's enrollment recommendation, he/she may appeal to the Superintendent. The Superintendent shall make a determination within 30 days of receipt of the appeal. Within 30 days of receipt of the Superintendent's decision, the parent/guardian or foster youth may appeal that decision to the Board. The Board shall consider the issue at its next regularly scheduled meeting. The Board's decision shall be final.

If any dispute arises regarding the request of a foster youth to remain in the school of origin, the youth has the right to remain in the school of origin pending resolution to the dispute. *(EC 48853.5)*

Applicability of Graduation Requirements

When a foster youth in grade 11 or 12 transfers into the district from another school district or transfers between high schools within the district, he/she shall be exempted from all coursework and other graduation requirements adopted by the Board that are in addition to the statewide coursework requirements specified in Education Code 51225.3, unless the district makes a finding that the student is reasonably able to complete the additional requirements in time to graduate from high school while he/she remains in foster care. This exemption does not apply to state graduation requirements for course completion or the high school exit examination. *(EC 51225.3; 60851)*

The Superintendent or designee shall notify any student who is granted an exemption and, as appropriate, the person holding the right to make educational decisions for the students if any of the requirements that are waived will affect the student's ability to gain admission to a postsecondary educational institution and shall provide information about transfer opportunities available through the California Community Colleges. *(EC 51125.3)*

Grades/Credits

Grades for a student in foster care shall not be lowered if the student is absent from school due to either of the following circumstances: *(EC 49069.5)*

ADMINISTRATIVE REGULATION

EDUCATION FOR FOSTER YOUTH, continued

AR 6173.1

1. A decision by a court or placement agency to change the student's placement, in which case the student's grades and credits shall be calculated as of the date the student left school.
2. A verified court appearance or related court-ordered activity.

Residency Eligibility for Extracurricular Activities

A foster youth who changes residences pursuant to a court order or decision of a child welfare worker shall be immediately deemed to meet all residency requirements for participation in interscholastic sports or other extracurricular activities. *(EC 48850)*

CJUSD FACILITIES CORPORATION AGENDA

**CJUSD FACILITIES CORPORATION MEETING
April 5, 2012**

ACTION ITEM

TO: Board of Directors

PRESENTED BY: Jaime R. Ayala, Assistant Superintendent, Business Services Division

SUBJECT: Approval of Resolution No. 12-42 , an Amended and Restated Site Lease, an Amended and Restated Lease Agreement, an Assignment Agreement and a Termination Agreement, and Authorizing Certain Actions in Connection Therewith Between the CJUSD Board of Education and the Board of Directors of the CJUSD Facilities Corporation, as Related to the Refinancing of the Certificates of Participation Series 2001

GOAL: Facilities / Support Services

STRATEGIC PLAN: Strategy #4 – Facilities

BACKGROUND: In order for the District to refinance their Certificates of Participation Series 2001, the Board of Directors of the CJUSD Facilities Corporation must approve Resolution No. 12-42. This resolution includes an amended and restated site lease, an amended and restated lease agreement, an assignment agreement and a termination agreement, and authorizing certain actions in connection therewith between the CJUSD Board of Education and the Board of Directors of the CJUSD Facilities Corporation.

The \$15 million Colton JUSD Certificates of Participation (COP'S) were issued in 2001. Debt service is currently about \$795,000 per year. This debt is being paid out of the District's General Fund. When the first series of General Obligation bonds were issued the following year, 2002, \$5 million of the COP debt was prepaid. Currently, \$5,845,000 of the principal amount of the COPs are outstanding. The Board directed staff to determine if the debt could be restructured to:

- Lower the interest cost which is currently about 4.9%
- Lower the payment due on June 1, 2012 to provide additional cash flow to the General Fund.
- Provide level debt service over the life of the loan.

RESULTS: CM de Crinis, the District's financial advisor implemented a competitive process to contact 22 financial institutions, soliciting bids to refinance the District debt. This solicitation would place the debt directly with a bank rather than a public sale of securities as the District has done with its General Obligation Bonds and with the current COP's. This private placement is possible for a number of reasons:

- Currently taxable and tax exempt interest rates are very low.
- The amount of this loan is less than \$10 million
- Banks are looking for credit worthy borrowers for larger loans.

Of the 22 lenders solicited, 20 either did not respond or were not interested due to school district finances in general or technical issues related to tax exempt municipal debt. The best bid of the 2 responders was a rate of 2.75% which was received from Western Alliance Bancorp. The legal documents are in their nearly final form and we are waiting for the title report to finalize the transaction. The County Office of Education is reviewing the transaction and we are waiting for their approval. We estimate the closing of the transaction on or about April 12. The current year debt service will be about \$230,000 lower due to the refinance and the annual debt service costs will be about \$137,000 lower through 2020. In addition to the lower debt service, the District will no longer be required to file annual reports, as is required for securities sold to the public, and COP trustee costs will be eliminated.

**BUDGET
IMPLICATIONS:**

Not Applicable

RECOMMENDATION:

That the Board of Directors of the CJUSD Facilities Corporation approve Resolution No. 12-42, an amended and restated site lease, an amended and restated lease agreement, an assignment agreement and a termination agreement, and authorizing certain actions in connection therewith between the CJUSD Board of Education and the Board of Directors of the CJUSD Facilities Corporation, as related to the refinancing of the Certificates of Participation Series 2001.

ACTION:

On motion of Board of Director _____ and _____, the Board of Directors approved Resolution 12-42, as presented.

RESOLUTION NO. 12-42

RESOLUTION OF THE BOARD OF DIRECTORS OF THE COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION APPROVING AN AMENDED AND RESTATED SITE LEASE, AN AMENDED AND RESTATED LEASE AGREEMENT, AN ASSIGNMENT AGREEMENT AND A TERMINATION AGREEMENT, AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Colton Joint Unified School District Facilities Corporation is a nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation") with the authority to assist in the refinancing of certain improvements on behalf of the Colton Joint Unified School District (the "District");

WHEREAS, the District and the Corporation have previously financed the acquisition, construction and improvement of public capital improvements for the District (the "Project") from the proceeds of those certain from the proceeds of those certain Certificates of Participation (Colton Joint Unified School District) Series 2001, executed and delivered in the aggregate original principal amount of \$15,000,000 (the "2001 Certificates"); and

WHEREAS, in connection with the execution and delivery of the 2001 Certificates, the District has previously leased certain real property (the "Site") to the Corporation under a Site Lease, dated as of June 1, 2001, (the "2001 Site Lease") and the Corporation has previously leased the Site to the District under a Lease Agreement, dated as of June 1, 2001 (the "2001 Lease Agreement"); and

WHEREAS, the District has determined that it is in its financial interests at this time to refinance its obligations with respect to the 2001 Certificates, and in order to provide funds for that purpose the District desires to authorize the execution and delivery of, among other things, an Amended and Restated Lease Agreement, dated as of April 1, 2012 (the "Lease Agreement"), between the District and the Corporation; and

WHEREAS, the Corporation and the District have agreed to amend and restate the 2001 Lease Agreement and the 2001 Site Lease for the purpose of incorporating the terms and provisions relating to the Certificates; and

WHEREAS, the Corporation desires to assign its right to receive the Lease Payments made under the Lease Agreement and interest thereon from the District to the Bank of Nevada, a Nevada corporation (the "Bank") pursuant to an Assignment Agreement, dated as of April 1, 2012, by and between the Corporation and the Bank (the "Assignment Agreement"), the form of which has been presented to this Board of Directors at the meeting at which this Resolution was adopted.

NOW, THEREFORE, the Board of Directors of the Corporation does hereby resolve as follows:

SECTION 1: Lease Documents. The forms of the Amended and Restated Site Lease, dated as of April 1, 2012 (the "Site Lease"), between the District and the Corporation, the Amended and Restated Lease Agreement, dated as of April 1, 2012 (the "Lease Agreement"), between the District and the Corporation, the Termination Agreement, dated as of April 1, 2012, among the Corporation, the District and the trustee for the 2001 Certificates (collectively, the "Agreements") presented at this meeting are approved. The President, Vice President, Directors, Executive Director and Secretary of the Corporation, or the President's or Executive Director's designee (each, an "Officer"), are authorized and directed to execute and deliver said Agreements. The Agreements shall be executed in the forms hereby approved, with such additions thereto and changes therein as are recommended or approved by counsel to the Corporation and approved by such officers of the Corporation executing the documents, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 2: Other Actions. The President, the Vice President, Directors, Executive Director and the Secretary, and such other officers of the Corporation, are authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the delivery of the Site Lease and the Lease Agreement, and otherwise to effectuate the purposes of this Resolution, and any actions previously taken by such officers are hereby ratified and confirmed.

SECTION 3: Effect. This Resolution shall take effect from and after its date of adoption.

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ADOPTED, SIGNED AND APPROVED this 5th day of April, 2012, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

**COLTON JOINT UNIFIED SCHOOL DISTRICT
FACILITIES CORPORATION**

By: _____
Title: _____

ATTEST:

Secretary

WHEN RECORDED, RETURN TO:

Jeff A. Stava, Esq.
Nossaman LLP
18101 Von Karman Ave., Suite 1800
Irvine, California 92612

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

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum of Lease") is made and entered into as of April 1, 2012, by and between the Colton Joint Unified School District Financing Corporation, a nonprofit public benefit corporation duly organized and validly existing under the laws of the State of California (the "Corporation"), and the Colton Joint Unified School District, a school district duly organized and validly existing under the Constitution and laws of the State of California (the "District"). The Corporation and the District hereby agree as follows:

1. **The Lease.** The District hereby continues to lease from the Corporation, and the Corporation hereby continues to lease to the District, certain real property described in paragraph 2 hereof, and the improvements situated upon said real property, upon the terms and conditions, and for the term, more fully set forth in the Amended and Restated Lease Agreement, dated as of April 1, 2012, between the Corporation and the District (the "Lease Agreement"), all of the provisions of which are hereby incorporated into this Memorandum of Lease by reference.

2. **Leased Premises; Term.** The real property leased by the Corporation to the District is located in the County of San Bernardino, State of California, consisting of the land described more fully in Exhibit A attached to this Memorandum of Lease, together with all improvements situated thereon as provided in the Lease Agreement. The Lease Agreement is for a term commencing on _____, 2012, and ending on June 1, 2021, unless such term is extended or previously terminated as provided in the Lease Agreement.

3. **Provisions Binding on Successors and Assigns.** Subject to the provisions of the Lease Agreement relating to assignment and subletting, the Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the District and their respective successors and assigns.

4. Purpose of Memorandum of Lease. This Memorandum of Lease is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease Agreement.

5. Assignment; No Merger of Title. The parties hereto acknowledge that certain of the Corporation's rights and obligations under the Lease Agreement have been assigned to Bank of Nevada (the "Bank") pursuant to that Assignment Agreement, dated as of April 1, 2012, between the Corporation and the Bank.

6. Counterparts. This Memorandum of Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

7. State Law. This Memorandum of Lease shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the District has caused this Memorandum of Lease to be executed in its corporate name by its duly Authorized Officer; and the Corporation has caused this Memorandum of Lease to be executed and attested in its name by its duly Authorized Officer, as of the date hereof.

**COLTON JOINT UNIFIED SCHOOL
DISTRICT FINANCING CORPORATION, as
Lessor**

By: _____
Authorized Officer

**COLTON JOINT UNIFIED SCHOOL
DISTRICT, as Lessee**

By: _____
Assistant Superintendent, Business

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

EXHIBIT A
LEGAL DESCRIPTION

The land referred to in this Memorandum of Lease is situated in the County of San Bernardino, State of California, and is described as follows:

Parcel A: Block 84 together with those portions of G Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel B: Blocks 85, Fractional Blocks 86 and 87 and Block 88 together with those portions of G Street, H Street, First Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel C: Block 89 together with those portions of G Street, H Street and Second Street vacated which would pass by operation of law with a conveyance of said land.

Parcel D: Block 114 except the South 20 feet, together with those portions of H Street, I Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel E: Block 115 except the South 20 feet, together with those portions of H Street, and Second Street, vacated which would pass by operation of law with a conveyance of said land.

Parcel F: Fractional Block 116 except the South 20 feet, also except any portion thereof located within Rancho Avenue 66 feet wide, together with those portions of H Street, I Street and First Street, vacated, which would pass by operation of law with a conveyance of said land.

All according to the Map of the Town of Colton, County of San Bernardino, State of California as per map recorded in Book 9 page 37 of Maps, records of said county.

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Memorandum of Lease, dated as of April 1, 2012, from the Colton Joint Unified School District Financing Corporation (the "Corporation") as lessor, to the Colton Joint Unified School District (the "District"), as lessee, is hereby accepted by the undersigned officer on behalf of the District, pursuant to authority conferred by resolution of the District Board of Directors adopted on April 5, 2012, and the District consents to recordation thereof by its duly authorized officer.

Dated: April 1, 2012

**COLTON JOINT UNIFIED SCHOOL
DISTRICT, as Lessee**

By: _____ + _____
Assistant Superintendent, Business

ESCROW INSTRUCTIONS

from the

COLTON JOINT UNIFIED SCHOOL DISTRICT

to

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent

Dated for reference purposes as of April 1, 2012

ESCROW INSTRUCTIONS

These Escrow Instructions, dated for reference purposes as of April 1, 2012 (the "Instructions"), are given by the Colton Joint Unified School District (the "District"), to U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, as escrow agent hereunder (the "Escrow Agent") and as trustee (the "Trustee") pursuant to a trust agreement, dated as of June 1, 2001 (the "Trust Agreement"), among the District, the Colton Joint Unified School District Facilities Corporation (the "Corporation") and the Trustee. The Trust Agreement was executed in connection with the execution and delivery of those certain Certificates of Participation (Colton Joint Unified School District) Series 2001, executed and delivered in the aggregate original principal amount of \$15,000,000, of which \$5,845,000 remains outstanding (the "Certificates"). The District and the Corporation have executed that certain Amended and Restated Lease Agreement, dated as of April 1, 2012 (the "2012 Lease Agreement"), in connection with the prepayment of the 2001 Certificates.

RECITALS

A. Pursuant to the Trust Agreement, the District authorized the execution and delivery of the Certificates. Payment of principal of and interest with respect to the Certificates is secured by certain lease payments (the "Lease Payments") paid by the District, and certain other funds made available as provided in the Trust Agreement.

B. The Trust Agreement provides that the District may secure payment of the Certificates prior to their due dates if there shall have been deposited with the Escrow Agent money in an amount which shall be sufficient to pay when due the Certificates until the maturity or prepayment date of the Certificates.

C. Pursuant to the 2012 Lease Agreement, \$5,192,023.75 is being transferred to the Escrow Agent to be applied for the purpose of providing funds which will be sufficient, together with certain other available funds relating to the Certificates, to provide for the termination of the pledge of and lien created by the Trust Agreement.

I. Instructions to the Escrow Agent.

The District hereby directs and instructs the Escrow Agent as follows:

1.1 Escrow Fund. The Escrow Agent shall establish and hold in trust, separate and apart from other funds and accounts, a special account designated the "Escrow Fund." The Escrow Agent shall administer such account as provided in these Instructions. Amounts in the Escrow Fund are irrevocably pledged and shall be applied solely for the purposes set forth in these Instructions. The Escrow Fund shall be maintained by the Escrow Agent until all of the Certificates have been paid in accordance with their terms and these Instructions.

1.2 Deposits to the Escrow Fund; Transfer of Funds. The Escrow Agent shall deposit into the Escrow Fund proceeds of the 2012 Lease Agreement transferred to it by the

Corporation, at the direction of the District, in the amount of \$5,192,023.75, and shall transfer to the Escrow Fund the other amounts set forth in Schedule B hereto.

The Escrow Agent shall hold the amounts deposited into the Escrow Fund uninvested.

1.3 Payments with Respect to the Certificates.

A. The Escrow Agent shall transfer from the Escrow Fund, in immediately available funds, to the Trustee for deposit in the Prepayment Fund created by the Trust Agreement, on June 1, 2012, an amount sufficient to pay the principal and accrued interest with respect to all Certificates maturing on or after June 1, 2012. The District hereby irrevocably designates the Certificates maturing after June 1, 2012 for prepayment on June 1, 2012, and hereby irrevocably instructs the Trustee to give the mailed notice of prepayment as required by the Trust Agreement and the notice of defeasance as provided in Section 1.6 hereof.

B. Transfers from the Escrow Fund shall be made only from the amounts on deposit in the Escrow Fund.

1.4 Release of Pledge. By its acceptance of these Instructions, the District acknowledges that the provisions of Section 14.1 of the Trust Agreement have been satisfied. Upon receipt of an opinion of Nossaman LLP, addressed to the Escrow Agent to the effect that upon making the deposits into the Escrow Fund the lien and pledge of the Trust Agreement, as it applies to the Certificates, was defeased, and the lien upon the Lease Payments is terminated in accordance with the terms of the Trust Agreement (the "Defeasance Opinion"), the Escrow Agent hereby acknowledges and confirms that as to the Certificates the lien established by the Trust Agreement is discharged and the pledge and lien upon the Lease Payments is terminated in accordance with the terms of the Trust Agreement.

1.5 Excess Funds to District. From and after June 1, 2012, any remaining moneys on deposit in the Escrow Fund established and held pursuant to these Instructions, except for amounts held by the Escrow Agent to pay the registered owners of Certificates, after the payment of all amounts owed to the Escrow Agent under Section V hereof, shall, after payment of all fees and expenses of the Escrow Agent, be remitted by the Escrow Agent to the District without further claim therefor.

1.6 Notice of Defeasance. Upon the delivery of the Defeasance Opinion, the Escrow Agent shall mail a notice of defeasance of the Certificates to the owners thereof, which notice of defeasance shall be substantially in the form attached hereto as Schedule C.

II. Irrevocability.

These Instructions shall be irrevocable and may not be amended or modified unless for the purpose of (A) curing any ambiguity or omission relating to these Instructions or of curing, correcting or supplementing any defective provision contained herein; (B) adding to or supplementing the rights of the owners of the Certificates; or (C) severing any portion of these Instructions deemed to be illegal and the Escrow Agent first shall have received an unqualified

opinion from nationally recognized bond counsel to the effect that such amendment or modification is in compliance with the requirements of this Section II and would not, in and of itself, (a) cause the Certificates or the 2012 Lease Agreement to become arbitrage bonds within the meaning of Section 148 of the Code and the regulations thereunder in effect at the time of such proposed amendment or modification or (b) adversely affect the conclusions expressed in the Defeasance Opinion.

Except as otherwise provided herein, the owners of the Certificates shall have an express lien on all funds and amounts on deposit in the Escrow Fund with the Escrow Agent in accordance with these Instructions until used and applied in accordance herewith.

III. Liability.

The liability of the Escrow Agent and the Trustee for the payment of moneys as hereinabove set forth respecting the payment of the principal of and interest with respect to, and the prepayment of, the Certificates shall be limited solely to the moneys on deposit with the Escrow Agent in the Escrow Fund pursuant to these Instructions and available for such purposes. No provision of these Instructions shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

IV. [Reserved].

V. Fees.

The District shall pay to the Escrow Agent its fees for its services hereunder and reimburse the Escrow Agent for its reasonable expenses incurred hereunder. The Escrow Agent shall not have any lien whatsoever upon any of the moneys in the Escrow Fund, or otherwise deposited in accordance with these Instructions, for the payment of fees and expenses for services rendered by it hereunder.

The District covenants and agrees to indemnify and save the Escrow Agent and its officers, directors, agents and employees, harmless against any and all claims, losses, expenses (including reasonable attorney fees and disbursements) and liabilities which it may incur arising out of or in the exercise and performance of its duties hereunder, but excluding any and all claims, losses, expenses and liabilities which are due to the negligence or willful misconduct of the Escrow Agent, its officers, directors, or employees. The obligations of the District under this Section V shall survive the removal or resignation of the Escrow Agent and payment of the Certificates and the discharge of the Trust Agreement as it relates thereto.

VI. Defeasance.

Upon deposit of the amounts set forth in Section 1.2 hereof, all obligations of the District under the Trust Agreement and all security provided by the Trust Agreement for the Certificates shall cease and terminate, excepting only the obligations of the District to pay, or cause to be paid, principal of and premium, if any, and interest with respect to the Certificates from the deposit made by the District pursuant to Section 1.2 hereof, and the District's obligation

to indemnify the Trustee pursuant to the Trust Agreement. In the event of a deficiency in the funds and amounts in the Escrow Fund for purposes of paying the debt service on the Certificates, the District shall make up such deficiency immediately upon receipt of written notice from the Escrow Agent.

VII. Termination.

These Instructions shall, except as set forth in Section V hereof, terminate and be of no further force and effect when all transfers required to be made by the Escrow Agent under the provisions hereof shall have been made, and all payments with respect to the Certificates shall have been effected.

VIII. Invalidity; Applicable Law.

If any one or more of the provisions of these Instructions should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed and construed to be severable from the remaining provisions herein contained and shall in no way affect the validity of the remaining provisions of these Instructions. These Instructions shall be construed and governed in accordance with the laws of the State of California.

IX. Binding Effect; Successors.

These instructions shall be binding upon and shall inure to the benefit of the parties hereto and the owners of the Certificates and their respective successors and assigns. The assignee of the 2012 Lease Agreement shall have no lien whatsoever on moneys representing principal of or interest on the investments held by the Escrow Agent in accordance with these Instructions. Whenever in these Instructions any party is named or referred to, such reference shall be deemed to include such party's successors or assigns, and all instructions contained in these Instructions to, by or on behalf of any party hereto shall bind and inure to the benefit of such party's successors and assigns whether so expressed or not.

X. Counterparts.

These Instructions may be executed, approved and acknowledged in several counterparts, all or any one of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

XI. Duties of the Escrow Agent; Protection.

The Escrow Agent shall perform only such duties as are specifically set forth in these Instructions.

The protections afforded the Trustee in Article IX of the Trust Agreement shall apply to the Escrow Agent and such Section is incorporated herein by reference to apply to the Escrow Agent.

IN WITNESS WHEREOF, the District has issued these Instructions, and the Escrow Agent and the Trustee have acknowledged and accepted these Instructions.

COLTON JOINT UNIFIED SCHOOL DISTRICT

By: _____
Assistant Superintendent, Business

ACCEPTED:

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent and Trustee

By: _____
Authorized Officer

**SCHEDULE A
[RESERVED]**

SCHEDULE B
DESCRIPTION OF TRANSFERRED INVESTMENTS

- A. Transfer to Escrow Fund: \$5,987,048.75;
 - (i) From 2012 Lease Agreement: \$5,192,023.75; and
 - (ii) From the Certificates Reserve Fund: \$795,025.00.

**SCHEDULE C
NOTICE OF DEFEASANCE**

**Notice of Owners of Outstanding Colton Joint Unified School District Certificates of
Participation (Colton Joint Unified School District) Series 2001**

NOTICE IS HEREBY GIVEN that the Colton Joint Unified School District (the "District") has on _____, 2012, from a cash deposit of the District irrevocably set aside in an Escrow Fund created for such purpose and held by U.S. Bank National Association, as Escrow Agent (the "Escrow Agent"), pursuant to Escrow Instructions, dated as of April 1, 2012 (the "Escrow Instructions"), between the District and the Escrow Agent, moneys which shall be sufficient (a) to pay at maturity the principal amount due on the above referenced Certificates identified on Schedule I hereto (the "Certificates") and (b) to pay interest accrued but unpaid with respect to all such Certificates to such date. The moneys so deposited in the Escrow Fund are irrevocably pledged to the payment of principal price of and interest with respect to the Certificates. Said moneys are sufficient for the payment of all principal, premium, as applicable, and interest with respect to the Certificates.

Dated: _____, 2012

**U.S. BANK NATIONAL ASSOCIATION, as
Escrow Bank**

**SCHEDULE I
TO
SCHEDULE C**

PRIOR OBLIGATIONS TO BE PAID FROM THE ESCROW FUND

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP®</u>
2012	\$510,000	4.375%	19703AT1
2013	530,000	4.500	19703AU8
2014	555,000	4.625	19703AV6
2015	580,000	4.750	19703AW4
2016	610,000	4.900	19703AX2
2017	640,000	5.000	19703AY0
2018	670,000	5.000	19703AZ7
2019	705,000	5.100	19703BA1
2020	740,000	5.100	19703BB9
2021	305,000	5.125	19703BC7

AMENDED AND RESTATED LEASE AGREEMENT

by and between the

COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION
as Lessor

and the

COLTON JOINT UNIFIED SCHOOL DISTRICT,
as Lessee

Dated as of April 1, 2012

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS; RULES OF INTERPRETATION..... 2
Section 1.01. Definitions 2
Section 1.02. Interpretation..... 4
ARTICLE II COVENANTS, REPRESENTATIONS AND WARRANTIES..... 5
Section 2.01. Covenants, Representations and Warranties of the District 5
Section 2.02. Covenants, Representations and Warranties of the Corporation..... 8
ARTICLE III DEPOSIT AND APPLICATION OF FUNDS..... 9
Section 3.01. Deposit of and Application of Funds 9
Section 3.02. Restatement of 2001 Lease Agreement..... 9
ARTICLE IV LEASE OF PROPERTY; LEASE PAYMENTS SECTION 9
Section 4.01. Sublease of Property by the Corporation Back to the District 9
Section 4.02. Term..... 10
Section 4.03. Lease Payments..... 10
Section 4.04. Quiet Enjoyment..... 12
Section 4.05. Title 12
Section 4.06. Release of Excess Property 13
Section 4.07. Substitution of Property..... 14
ARTICLE V MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS..... 15
Section 5.01. Maintenance, Utilities, Taxes and Assessments 15
Section 5.02. Modification of Property 16
Section 5.03. Public Liability Insurance 16
Section 5.04. Casualty Insurance..... 16
Section 5.05. Rental Interruption Insurance 17
Section 5.06. Workers' Compensation Insurance..... 17
Section 5.07. Recordation Hereof; Title Insurance..... 17
Section 5.08. Insurance Net Proceeds; Form of Policies..... 17
Section 5.09. Installation of District's Personal Property 18
Section 5.10. Liens..... 18
Section 5.11. Advances..... 18
Section 5.12. District Consent to Assignment Agreement..... 18
ARTICLE VI EMINENT DOMAIN; USE OF NET PROCEEDS 19
Section 6.01. Eminent Domain..... 19
Section 6.02. Application of Net Proceeds 19
Section 6.03. Abatement of Lease Payments in the Event of Damage or Destruction..... 21
ARTICLE VII OTHER COVENANTS OF THE DISTRICT 21
Section 7.01. Disclaimer of Warranties..... 21
Section 7.02. Access to the Property; Grant and Conveyance of Right of Entry..... 21
Section 7.03. Release and Indemnification Covenants 22
Section 7.04. Assignment Agreement by the Corporation 22
Section 7.05. Assignment Agreement and Subleasing by the District..... 23
Section 7.06. Amendment of Lease Agreement..... 23
Section 7.07. Tax Covenants 23
Section 7.08. Financial Statements; Budgets 24

Section 7.09. Records and Accounts	24
Section 7.10. Observance of Laws and Regulations	24
Section 7.11. Notices	24
ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES	25
Section 8.01. Events of Default Defined	25
Section 8.02. Remedies on Default	25
Section 8.03. No Remedy Exclusive	27
Section 8.04. Agreement To Pay Attorneys’ Fees and Expenses	27
Section 8.05. No Additional Waiver Implied by One Waiver	27
Section 8.06. Bank To Exercise Rights	27
ARTICLE IX PREPAYMENT OF LEASE PAYMENTS	28
Section 9.01. Security Deposit	28
Section 9.02. Optional Prepayment	28
Section 9.03. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain	29
ARTICLE X MISCELLANEOUS	29
Section 10.01. Notices	29
Section 10.02. Binding Effect	30
Section 10.03. Severability	30
Section 10.04. Net-Net-Net Lease	30
Section 10.05. Further Assurances and Corrective Instruments	30
Section 10.06. Execution in Counterparts	30
Section 10.07. Applicable Law	30
Section 10.08. Captions	30
Section 10.09. Waiver of Personal Liability	30
EXHIBIT A DESCRIPTION OF THE PROPERTY	1
EXHIBIT B DESCRIPTION OF THE FACILITY	1
EXHIBIT B SCHEDULE OF LEASE PAYMENTS	1

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease Agreement"), dated as of April 1, 2012, is by and between the **COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION**, a nonprofit corporation organized and existing under the laws of the State of California, as lessor (the "Corporation"), and the **COLTON JOINT UNIFIED SCHOOL DISTRICT**, a school district organized and existing under the Constitution and laws of the State of California, as lessee (the "District").

WITNESSETH:

WHEREAS, the District and the Corporation have previously financed the acquisition, construction and improvement of public capital improvements (the "Project") from the proceeds of those certain Certificates of Participation (Colton Joint Unified School District) Series 2001, executed and delivered in the aggregate original principal amount of \$15,000,000 (the "2001 Certificates"); and

WHEREAS, in connection with the execution and delivery of the 2001 Certificates, the Corporation has previously leased certain real property which is described more fully in Appendix A attached hereto and by this reference incorporated herein (the "Property"), to the District under a Lease Agreement, dated as of June 1, 2001, which was recorded in the Office of the San Bernardino County Recorder on June 27, 2001 as document No. 2001-0-249316 (the "2001 Lease Agreement"); and

WHEREAS, in order to provide moneys to pay the costs of refinancing the 2001 Certificates, the Corporation and the District have agreed to amend and restate the 2001 Lease Agreement for the purpose of incorporating the terms and provisions relating to the refinancing of the 2001 Certificates; and

WHEREAS, upon delivery of the Lease Agreement, the Corporation is required to deliver to the District for deposit into the Escrow Fund (as defined herein), in addition to other moneys to be deposited therein, moneys for the refinancing of the 2001 Certificates. For the purpose of obtaining such moneys, the Corporation has assigned the lease payments made by the District under this Lease Agreement to Bank of Nevada, a Nevada corporation (the "Bank") under an Assignment Agreement, dated as of April 1, 2012, between the Corporation as assignor and the Bank as assignee, which has been recorded concurrently herewith. The proceeds of such assignment are anticipated to be sufficient to permit the Corporation to make the deposits required under this Lease Agreement and to permit the District to refund the 2001 Certificates; and

WHEREAS, the District is authorized under the Constitution and the laws of the State of California to enter into this Lease Agreement for the purposes and subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS; RULES OF INTERPRETATION

Section 1.01. Definitions. All terms defined in this Section 1.01 have the meanings herein specified for all purposes of this Lease Agreement.

“Additional Payments” means the amounts specified as such in Section 4.03(b) of this Lease Agreement.

“Assignment Agreement” means the Assignment Agreement, dated as of April 1, 2012, between the Corporation, as assignor of its rights under the Site Lease and this Lease Agreement, and the Bank, as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

“Bank” means (a) initially, Bank of Nevada, a Nevada corporation, as assignee of all rights, title and interests of the Corporation hereunder; and (b) any other entity to whom the rights of the Corporation hereunder are assigned, including subsequent assignees of the Bank.

“Bond Counsel” means an attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

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

“Closing Date” means the date this Lease Agreement or a memorandum thereof is recorded in the office of the County Recorder of the County of San Bernardino.

“Corporation” means Colton Joint Unified School District Facilities Corporation, a nonprofit corporation, organized and existing under the laws of the State.

“District” means the Colton Joint Unified School District, California, a school district organized and existing under the Constitution and laws of the State.

“District Representative” means the Superintendent, the Assistant Superintendent of Business Services, or the designee of any such official, or any other person authorized by resolution delivered to the Corporation and the Bank to act on behalf of the District under or with respect to the Site Lease and this Lease Agreement.

“Escrow Agent” means U.S. Bank National Association, or any successor thereto pursuant to the Escrow Instructions.

“Escrow Fund” means the fund established by the Escrow Instructions.

“Escrow Instructions” means the escrow instructions from the Corporation to the Escrow Agent, dated as of April 1, 2012.

“Event of Default” means any of the events of default as defined in Section 8.01.

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

“Fiscal Year” means each 12-month period during the Term of this Lease Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other 12-month period selected by the District as its fiscal year period.

“Governmental Corporation” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“Lease Agreement” means this Lease Agreement, dated as of April 1, 2012, between the Corporation and the District.

“Lease Payment Date” means June 1, and December 1 in each year, commencing June 1, 2012, and continuing to and including the date on which the Lease Payments are paid in full.

“Lease Payments” means all payments required to be paid by the District under Section 4.04, including any prepayment thereof under Section 9.02 or 9.03.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District; (b) the ability of the District to carry out its business in the manner conducted as of the date of this Lease Agreement or to meet or perform its obligations under this Lease Agreement on a timely basis; (c) the validity or enforceability of this Lease Agreement; or (d) the exclusion of the interest component of the Lease Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Corporation, (a) if determined adversely to the District, may have a Material Adverse Effect; (b) seek to restrain or enjoin any of the transactions contemplated by this Lease Agreement; or (c) may adversely affect (i) the exclusion of the interest component of the Lease Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes; or (ii) the ability of the District to perform its obligations under this Lease Agreement.

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

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

“Property” means the real property and improvements thereon as more fully described in Exhibit A hereto, as may be substituted for by the District and the Corporation pursuant to Section 4.07.

“Rental Period” means each period during the Term of the Lease commencing on and including June 1 in each year and extending to and including the next succeeding May 31. The first Rental Period begins on the Closing Date and ends on May 31, 2012.

“Site Lease” means the Amended and Restated Site Lease, dated as of April 1, 2012, between the District, as lessor, and the Corporation, as lessee, together with any duly authorized and executed amendments thereto.

“State” means the State of California.

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

“Term of this Lease Agreement” or “Term” means the time during which this Lease Agreement is in effect, as provided in Section 4.02.

“2001 Certificates” means the \$15,000,000 Certificates of Participation (Colton Joint Unified School District) Series 2001, evidencing direct, undivided fractional interests of the owners thereof in lease payments to be made by the District as the rental for certain property pursuant to the 2001 Lease Agreement.

“2001 Lease Agreement” means that certain Lease Agreement, dated as of June 1, 2001, by and between the Corporation and the District.

“2001 Trustee” means U.S. Bank National Association, as Trustee with respect to the 2001 Certificates.

Section 1.02. Interpretation.

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

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

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

ARTICLE II

COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.01. Covenants, Representations and Warranties of the District. The District makes the following covenants, representations and warranties to the Corporation as of the date of the execution and delivery of this Lease Agreement:

(a) **Due Organization and Existence.** The District is a public school district, duly organized and existing under and by virtue of the laws of the State, has full legal right, power and authority under the laws of the State to enter into the Site Lease and this Lease Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the District has duly authorized the execution and delivery by the District of the Site Lease and this Lease Agreement.

(b) **Due Execution.** The representative of the District executing the Site Lease and this Lease Agreement has been fully authorized to execute the same by a resolution duly adopted by the Board of Trustees of the District.

(c) **Valid, Binding and Enforceable Obligations.** The Site Lease and this Lease Agreement have been duly authorized, executed and delivered by the District and constitute the legal, valid and binding agreements of the District enforceable against the District in accordance with their respective terms.

(d) **No Conflicts.** The execution and delivery of the Site Lease and this Lease Agreement, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease or this Lease Agreement or the financial condition, assets, properties or operations of the District.

(e) **Consents and Approvals.** No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Site Lease and this Lease Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) **No Litigation.** There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Site Lease and this Lease Agreement or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement, or the financial condition, assets, properties or operations of the District.

(g) **Sufficient Funds.** The District reasonably believes that sufficient funds can be obtained to make all Lease Payments and all other amounts required to be paid pursuant to this Lease Agreement.

(h) **No Defaults.** The District has never non-appropriated or defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Lease Agreement, or under any of its bonds, notes, or other debt obligations.

(i) **Fee Title.** The District is the owner in fee of title to the Property. No lien or encumbrance on the Property materially impairs the District's use of the Property for the purposes for which it is, or may reasonably be expected to be, held.

(j) **Use of the Property.** During the term of this Lease Agreement, the Property will be used by the District only for the purpose of performing one or more governmental or proprietary functions of the District consistent with the permissible scope of the District's authority.

(k) **Change in Financial Condition.** Except as otherwise provided in writing to the Bank, the District has experienced no material change in its financial condition since June 30, 2011.

(l) **Flooding Risk.** The Property is not located in a flood hazard area and has never been subject to material damage from flooding.

(n) **Value of Property.** The insured value of the Property, plus the estimated real property replacement cost, is not less than \$5,400,000.

(m) **Essential to District Operations.** The Property is essential to the District's efficient and economic operations and the lease thereof for use by the District is in the best interest of the District.

(n) **Financial Statements.** Except as otherwise provided in writing to the Bank, the statement of financial position of the District as of June 30, 2011, and the related statement of activities and statement of cash flows and changes in financial position for the year then ended and the auditors' reports with respect thereto, copies of which have heretofore been furnished to the Bank, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the District at such date and for such period, and were prepared in accordance with generally accepted accounting principles. Since the period of such statements, there has been no (i) change which would have a Material Adverse Effect, and (ii) no material increase in the indebtedness of the District.

(o) **No Material Adverse Change.** Since the most current date of the information, financial or otherwise, supplied by the District to the Bank:

(i) there has been no change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Effect;

(ii) the District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect; and

(iii) the District has not (A) incurred any material indebtedness, other than the Lease Payments, and trade accounts payable arising in the ordinary course of the District's business and not past due; or (B) guaranteed the indebtedness of any other person;

(p) **Accuracy of Information.** All information, reports and other papers and data furnished by the District to the Bank were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Bank a true and accurate knowledge of the subject matter and were provided in expectation of the Bank's reliance thereon in entering into the transactions contemplated by this Lease Agreement. No fact is known to the District which has had or, so far as the District can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Bank or in other such information, reports, papers and data or otherwise disclosed in writing to the Bank prior to the Closing Date. Any financial, budget and other projections furnished to the Bank by the District or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the District's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Bank in connection with the negotiation, preparation or execution of this Lease Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any

material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

Section 2.02. Covenants, Representations and Warranties of the Corporation. The Corporation makes the following covenants, representations and warranties to the District as of the date of the execution and delivery of this Lease Agreement:

(a) **Due Organization and Existence.** The Corporation is a nonprofit corporation duly organized and existing under the laws of the State, has full legal right, power and authority to enter into the Site Lease, this Lease Agreement and the Assignment Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the Corporation has duly authorized the execution and delivery by the Corporation of the Site Lease, this Lease Agreement and the Assignment Agreement.

(b) **Due Execution.** The representative of the Corporation executing the Site Lease, this Lease Agreement and the Assignment Agreement is fully authorized to execute the same under official action taken by the Board of Directors of the Corporation.

(c) **Valid, Binding and Enforceable Obligations.** The Site Lease, this Lease Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

(d) **No Conflicts.** The execution and delivery of the Site Lease, this Lease Agreement and the Assignment Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease Agreement and the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

(e) **Consents and Approvals.** No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority is necessary in connection with the execution and delivery of the Site Lease, this Lease Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) **No Litigation.** There is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority

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

ARTICLE III

DEPOSIT AND APPLICATION OF FUNDS

Section 3.01. Deposit of and Application of Funds. On the Closing Date, the Corporation shall cause the amount of \$5,192,023.75 to be deposited with the Escrow Agent to be used to prepay the 2001 Certificates. Such amount shall be derived from amounts paid by the Bank under the Assignment Agreement. In addition, a portion of the amounts paid by the Bank under the Assignment Agreement (net of amounts retained by the Bank for its fees) shall be applied by the Bank to pay financing costs of the transaction in the amount of \$100,000.25.

Section 3.02. Restatement of 2001 Lease Agreement. This Lease Agreement constitutes an amendment and restatement in full of the 2001 Lease Agreement. From and after the Closing Date, the 2001 Lease Agreement, in the form heretofore executed and delivered by the District and the Corporation, will be of no further force and effect and will be deemed to be restated in full hereby. As a result of the prepayment of the 2001 Certificates, the 2001 Lease Agreement has been discharged and terminated in accordance with its terms. On the Closing Date, the District shall enter into an agreement terminating the 2001 Lease Agreement, and shall cause an executed copy of said agreement to be recorded in the office of the San Bernardino County Recorder.

ARTICLE IV

LEASE OF PROPERTY; LEASE PAYMENTS SECTION

Section 4.01. Sublease of Property by the Corporation Back to the District.

(a) The Corporation hereby subleases the Property to the District, and the District hereby subleases the Property from the Corporation, upon the terms and conditions set forth in this Lease Agreement.

(b) The leasing of the Property by the District to the Corporation pursuant to the Site Lease shall not affect or result in a merger of the District's subleasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Site Lease.

Section 4.02. Term. The Term of this Lease Agreement commences on the date of recordation of this Lease Agreement or a memorandum hereof and ends on June 1, 2021, or the date on which all of the Lease Payments have been paid in full. If on June 1, 2021, the Lease Payments payable hereunder shall have been abated at any time and for any reason and not otherwise paid from rental interruption insurance or other sources, or the District shall have defaulted in its payment of Lease Payments hereunder or any Event of Default has occurred and continues without cure by the District, then the term of this Lease Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, as necessary to accommodate the final payment of all Lease Payments due hereunder, not to exceed 10 years. The provisions of this Section 4.02 are subject to the provisions of Section 6.01 relating to the taking in eminent domain of the Property or any portion thereof.

Section 4.03. Lease Payments.

(a) **Obligation To Pay.** Subject to the provisions of Sections 6.01 and 6.03 and the provisions of Article IX, the District agrees to pay to the Corporation, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the respective amounts specified in Exhibit B attached hereto (including any supplements thereto) and by this reference incorporated herein, to be due and payable in immediately available funds on each of the respective Lease Payment Dates specified in Exhibit B. The Lease Payments payable in any Rental Period with respect to the Property shall be for the use of the Property during such Rental Period. The interest components of the Lease Payments have been calculated based on an interest rate of 2.75% per annum, on the basis of a 360-day year of twelve 30-day months and the actual number of days elapsed. The District understands that the Bank will send an invoice to the District in advance of each Lease Payment Date.

(b) **Additional Payments.** In addition to the Lease Payments set forth herein, the District agrees to pay as Additional Payments all of the following:

(i) all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, *ad valorem* taxes, *ad valorem* and specific lien special assessments and gross receipts taxes, if any, levied upon the Property or upon any interest of the Corporation therein or in this Lease Agreement; provided, however, the District may, at the District's expense and in its name, in good faith contest any such taxes and assessments and, in the event of such contest, may permit such taxes and assessments to remain unpaid during the period of such contest and appeal therefrom unless the Corporation shall notify the District that, in the opinion of Bond Counsel, by nonpayment of any such items, the interest of the Corporation in the Property will be materially endangered or the Property, or any portion thereof, will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes and assessments or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation;

(ii) insurance premiums, if any, on all insurance required under the provisions of Article V hereof;

(iii) any other reasonable fees, costs or expenses incurred by the Corporation in connection with the execution, performance or enforcement of this Lease

Agreement or any of the transactions contemplated hereby or related to the Property, including, without limitation, any amounts which may become due; provided, however, the District shall not be responsible for any costs incurred by the Corporation associated with any assignment made by the Bank; and

(iv) any amounts required to be paid as rebate to the United States pursuant to the Tax Certificate.

Amounts constituting Additional Payments payable hereunder shall be paid by the District directly to the person or persons to whom such amounts shall be payable. The District shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Corporation to the District stating the amount of Additional Payments then due and payable and the purpose thereof.

(c) **Effect of Prepayment.** If the District prepays all Lease Payments in full under Section 9.02 or 9.03, the District's obligations under this Section will thereupon cease and terminate. If the District prepays the Lease Payments in part but not in whole under Section 9.03, the principal components of the remaining Lease Payments will be reduced on a pro rata basis; and the interest component of each remaining Lease Payment will be reduced on a pro rata basis.

(d) **Rate on Overdue Payments.** If the District fails to make any of the payments required in this Section 4.03, the payment in default will continue as an obligation of the District until the amount in default has been fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment at the rate of 12% per annum or any lesser maximum legal rate.

(e) **Fair Rental Value.** The Lease Payments coming due and payable during each Rental Period constitute the total rental for the Property for such Rental Period, and will be paid by the District in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Property during each Rental Period. The parties hereto have agreed and determined that the total Lease Payments due during each Rental Period are not in excess of the fair rental value of the Property during such Rental Periods. In making this determination, consideration has been given to the estimated fair market value of the Property, the estimated replacement cost of the Property, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the District and the general public.

(f) **Source of Payments; Budget and Appropriation.** The Lease Payments are payable from any source of legally available funds of the District, subject to the provisions of Sections 6.01, 6.03 and 9.01. The District covenants to take such action as may be necessary to include all Lease Payments in each of its annual budgets during the Term of this Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The covenants on the part of the District herein contained constitute duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District

to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the District.

(g) **Allocation of Lease Payments.** All Lease Payments received shall be applied first to the interest components of the Lease Payments due hereunder, then to the principal components of the Lease Payments due hereunder, but no such application of any payments that are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

(h) **No Offsets.** Notwithstanding any dispute between the Corporation, or Bank as the Corporation's assignee, and the District, the District shall make all Lease Payments when due without deduction or offset of any kind and shall not withhold any Lease Payments pending the final resolution of such dispute.

(i) **Assignment Agreement.** The District understands and agrees that all Lease Payments have been assigned by the Corporation to the Bank under the Assignment Agreement executed concurrently herewith, and the District hereby assents to such assignment. The Corporation hereby directs the District, and the District hereby agrees, to pay to the Bank (or to its assignees as directed pursuant to Section 7.04 hereof) all payments payable by the District under this Section 4.03 and all amounts payable by the District under Article IX. Lease Payments shall be paid to the Bank as follows:

Bank of Nevada
One East Washington Street Ste. 1400
Phoenix, AZ 85004
(602) 797-3634

[WIRE INSTRUCTIONS TO COME]
Reference: Colton Joint Unified School District

Section 4.04. Quiet Enjoyment. Throughout the Term of this Lease Agreement, the Corporation will provide the District with quiet use and enjoyment of the Property and the District will peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease Agreement. The Corporation will, at the request of the District and at the District's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation and the Bank have the right to inspect the Property as provided in Sections 5.12(c) and 7.02.

Section 4.05. Title. During the Term of this Lease Agreement, title to the Property shall remain with the District, and the Corporation will maintain a leasehold interest in the Property and any and all additions, replacements or modifications, except as provided below and except for those modifications which are added to the Property by the District and which may be removed without damaging the Property, including any items added to the Property by the District pursuant to Section 7.02 hereof. The Corporation shall not have any right, title or interest in the Property or in any additions, repairs, replacements or modifications thereto except as expressly provided in this Lease Agreement and the Site Lease. The sub-lease by the

Corporation to the District of the Property pursuant to this Lease Agreement shall not effect or result in a merger of the District's leasehold estate pursuant hereto and its fee estate.

The Corporation agrees to defend and eliminate any claims adverse to the District's title to the Property, and to save and hold the District harmless therefrom; provided that the Corporation's obligations under this sentence shall not extend to claims arising out of actions by the District or persons asserting claims under it; provided that the District shall reimburse the Corporation for any costs incurred by the Corporation in defending or eliminating such claims, including reasonable attorneys' fees.

Upon the termination of this Lease Agreement (other than under Section 8.02(b) hereof), all right, title and interest of the Corporation in and to the Property shall be transferred to and vested in the District. Upon the payment in full of all Lease Payments allocable to the Property, or upon the deposit by the District of security for such Lease Payments as provided in Section 9.01, all right, title and interest of the Corporation in and to the Property shall be transferred to and vested in the District. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the District to consummate any such transfer of title.

Section 4.06. Release of Excess Property. The District may, at any time and from time to time, release any portion of the Property (the "Released Property") from the Lease, with the prior written consent of the Bank, which consent shall be at the Bank's sole discretion, and upon satisfaction of all of the following requirements which are conditions precedent to such release:

(a) the District shall certify to the Corporation and the Bank that no Event of Default has occurred and is continuing, and no event giving rise to an abatement of Lease Payments under Section 6.03 has occurred or is continuing with respect to the Property to be remaining following release of the Released Property;

(b) the District shall file with the Corporation and the Bank, and cause to be recorded in the office of the San Bernardino County Recorder, an amendment to this Lease Agreement which deletes the Released Property from the description of the Property;

(c) the District shall file with the Corporation and the Bank a written certificate of the District stating the District's determination that the estimated value of the real property which will remain leased under this Lease Agreement following such release is at least equal to the original principal components of the Lease Payments and upon request of the Bank, the District shall provide to the Bank additional information and documents to evidence the value of the remaining portion of the Property;

(d) the District shall file with the Corporation and the Bank a written certificate of the District stating the District's determination that the estimated fair rental value, for each remaining Rental Period and in the aggregate, of the Property remaining after release of the Released Property is at least equal to the remaining Lease Payments for each remaining Rental Period and in the aggregate; and

(e) the District shall file with the Corporation and the Bank such other information, documents and instruments as the Corporation or the Bank shall reasonably request,

including (if requested by the Bank) an independent appraisal or evidence of the insurable value of the Property to be remaining following release of the Released Property, indicating that such value is in excess of the then unpaid principal component of the Lease Payments and such endorsements to the title policy delivered on the Closing Date.

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

Section 4.07. Substitution of Property. (a) In the event of damage or destruction of the Property due to earthquake or other uninsured casualty for which rental interruption insurance is not available or in the event that following the condemnation of all or a portion of the Property the fair rental value of the Property remaining after such condemnation is less than the remaining Lease Payments due under this Lease Agreement, the District shall substitute under the Site Lease and this Lease Agreement one or more parcels of unimpaired and unencumbered real property, the fair rental value of which, for each remaining Rental Period and in the aggregate, shall be at least equal to the remaining Lease Payments hereunder. If for any reason the District is unable to so substitute real property for the Property with a fair rental value at least equal to the remaining Lease Payments hereunder, the District shall use its best efforts to obtain other financing in an amount necessary to prepay the principal component of the Lease Payments not supported by the fair rental value of the substituted property, if any.

(b) The District has the option at any time and from time to time, to substitute other real property (the "Substitute Property") for the Property or any portion thereof (the "Former Property"), upon satisfaction of all of the following requirements which are hereby declared to be conditions precedent to such substitution:

- (a) No Event of Default has occurred and is continuing.
- (b) The District has filed with the Corporation and the Bank, and caused to be recorded in the office of the San Bernardino County Recorder sufficient memorialization of an amendment hereof which adds the legal description of the Substitute Property to Exhibit A and deletes therefrom the legal description of the Former Property.
- (c) The District has obtained a CLTA or ALTA policy of title insurance insuring the District's leasehold estate hereunder in the Substitute Property, subject only to Permitted Encumbrances, in an amount at least equal to the remaining Lease Payments.
- (d) The District has certified in writing to the Corporation and the Bank that the Substitute Property serves the public purposes of the District and constitutes property which the District is permitted to lease under the laws of the State of California, and has been determined to be essential to the

proper, efficient and economic operation of the District and to serve an essential governmental function of the District.

- (e) The Substitute Property does not cause the District to violate any of its covenants, representations and warranties made herein.
- (f) The District has filed with the Corporation and the Bank a written certificate of the District or other written evidence stating that (i) the value of the Property after such substitution is at least equal to the remaining Lease Payments, (ii) the fair rental of the Property after such substitution is at least equal to the Lease Payments thereafter coming due and payable, and (iii) the useful life of the Substitute Property at least extends to June 1, 2021.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of any substitution of property under this Section. The Corporation and the District will execute, deliver and cause to be recorded all documents required to discharge the Site Lease, this Lease Agreement and the Assignment Agreement of record against the Former Property and to cause the Substitute Property to become subject to all of the terms and conditions of the Site Lease, this Lease Agreement and the Assignment Agreement.

ARTICLE V

MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.01. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property are the sole responsibility of the District, and the District will pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Property, as hereinbefore more specifically set forth. The District waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the District under the terms of this Lease Agreement.

The District will pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the District affecting the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District is obligated

to pay only such installments as are required to be paid during the Term of this Lease Agreement as and when the same become due.

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

Section 5.02. Modification of Property. The District has the right, at its own expense, to make additions, modifications and improvements to the Property or any portion thereof. All additions, modifications and improvements to the Property will thereafter comprise part of the Property and become subject to the provisions of this Lease Agreement. Such additions, modifications and improvements may not in any way damage the Property, or cause the Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

Section 5.03. Public Liability Insurance. The District shall maintain or cause to be maintained throughout the Term of this Lease Agreement a standard comprehensive general liability insurance policy or policies in protection of the District, the Bank and their respective members, officers, agents, employees and assigns. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Such policy or policies must provide coverage with limits of at least \$1,000,000 per occurrence, \$3,000,000 in the aggregate, for bodily injury and property damage coverage, and excess liability umbrella coverage of at least \$3,000,000, and in all events in form and amount (including any deductibles) satisfactory to the Bank. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including, with Bank's prior written consent, a self insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 5.04. Casualty Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, casualty insurance against loss or damage to all buildings situated on the Property and owned by the District, in an amount at least equal to the greater of the replacement value of the insured buildings and the aggregate principal amount of the Lease Payments outstanding, with a lender's loss payable endorsement. Such insurance must, as nearly as practicable, cover loss or damage by all "special

form” perils. Such insurance shall be subject to a deductible of not to exceed \$250,000. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including, with the Bank’s prior written consent, a self insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the Net Proceeds of such insurance as provided in Section 6.02.

Section 5.05. Rental Interruption Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 5.04, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24-month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such rental interruption insurance shall not be self-insured by the District. The District will apply the Net Proceeds of such insurance towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

Section 5.06. Workers’ Compensation Insurance. If required by applicable California law, the District shall carry worker’s compensation insurance covering all employees on, in, near or about the Property and, upon request, shall furnish to the Corporation certificates evidencing such coverage throughout the Term of this Lease Agreement. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including a self insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance.

Section 5.07. Recordation Hereof; Title Insurance. On or before the Closing Date, the District shall, at its expense, (a) cause this Lease Agreement, the Site Lease and the Assignment Agreement, or a memorandum hereof or thereof in form and substance approved by Bond Counsel, to be recorded in the office of the San Bernardino County Recorder with respect to the Property; and (b) obtain a CLTA or ALTA title insurance policy insuring the Bank’s interests in the leasehold estate established under the Site Lease and hereunder in the Property, subject only to Permitted Encumbrances, in an amount equal to the original principal components of the Lease Payments. The District will apply the Net Proceeds of such insurance as provided in Section 6.02.

Section 5.08. Insurance Net Proceeds; Form of Policies. All insurance policies (or riders) required by this Article V and provided by third-party insurance carriers shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least 10 days before the cancellation or revision becomes effective. Each insurance policy or rider required by Sections 5.03, 5.04 and 5.05 and provided by third-party insurance carriers shall name the District and the Bank as insured parties and the Bank as loss

payee and shall include a lender's loss payable endorsement for the benefit of the Bank. In the case of coverage pursuant to Section 5.03, the Corporation and the Bank shall be added as an additional insureds. Prior to the Closing Date, the District will deposit with the Bank policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the District will furnish to the Bank evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V unless such insurance is no longer obtainable, in which event the District shall notify the Bank of such fact.

Section 5.09. Installation of District's Personal Property. The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the District, in which the Corporation has no interest, and may be modified or removed by the District at any time. The District must repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement prevents the District from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof; provided that no such lien or security interest may attach to any part of the Property.

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

Section 5.11. Advances. If the District fails to perform any of its obligations under this Article V, the Corporation may take such action as may be necessary to cure such failure, including the advancement of money, and the District shall be obligated to repay all such advances as additional rental hereunder, with interest at the rate set forth in Section 4.03(c).

Section 5.12. District Consent to Assignment Agreement. The Corporation's rights under this Lease Agreement (excluding the right to receive notices, the right to reimbursement of costs and to indemnification), including the right to receive and enforce payment of the Lease Payments, and the Site Lease, are being assigned to the Bank pursuant to the Assignment Agreement. The District hereby consents to such assignment and to any additional assignment of such rights by the Bank or its assignees. The District agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Bank or its assignees to protect their interests in the Property and in this Lease Agreement.

ARTICLE VI

EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.01. Eminent Domain. If all of the Property shall be taken permanently under the power of eminent domain or sold to a governmental entity threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (a) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary; and (b) there shall be a partial abatement of Lease Payments in an amount equal to the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the District and the Bank such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

Section 6.02. Application of Net Proceeds.

(a) From Insurance Award.

(i) Any Net Proceeds of insurance against damage to or destruction of any part of the Property collected by the District in the event of any such damage or destruction shall be deposited by the District promptly upon receipt thereof in a special fund with the Bank designated as the "Insurance and Condemnation Fund."

(ii) Within 90 days following the date of such deposit, the District shall determine and notify the Corporation and the Bank in writing of its determination either (A) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the District and the Net Proceeds, together with other moneys available therefor, are sufficient to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Section 9.03 hereof; or (B) that all or a portion of such Net Proceeds are to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property and the fair rental value of the Property following such repair, restoration, replacement, modification or improvement will at least equal the unpaid principal component of the Lease Payments.

(iii) In the event the District's determination is as set forth in Section 6.02(a)(ii)(A) above, such Net Proceeds shall be promptly applied to the prepayment of Lease Payments and other amounts pursuant to Section 9.3 of this Lease Agreement; provided, however, that in the event of damage or destruction of the Property in full, such Net Proceeds may be so applied only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments, all accrued and unpaid interest, and all other costs related to such prepayments pursuant to Section 9.03 of this Lease Agreement and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property; provided further, however, that in the event of damage or destruction of the Property in part, such Net Proceeds may be applied to the prepayment of Lease Payments only if the resulting Lease Payments following such prepayment

from Net Proceeds represent fair consideration for the remaining portions of the Property and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, evidenced by a certificate signed by a District Representative.

(iv) In the event the District's determination is as set forth in Section 6.02(a)(ii)(B) above, such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the District, and until the Property has been restored to its prior condition, the District shall not place any lien or encumbrance on the Property that is senior to this Lease Agreement without the prior written consent of the Bank, at its sole discretion.

(b) **From Eminent Domain Award.** If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited by the District in the Insurance and Condemnation Fund and shall be applied and disbursed as follows:

(i) If the District has given written notice to the Corporation and the Bank of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under this Lease Agreement; and (B) such proceeds are not needed for repair or rehabilitation of the Property, the District shall so certify to the Corporation and the Bank, and the District shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.03 of this Lease Agreement.

(ii) If the District has given written notice to the Corporation and the Bank of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under this Lease Agreement; and (B) such proceeds are needed for repair, rehabilitation or replacement of the Property, the District shall so certify to the Corporation and the Bank, and the District shall apply such amounts for such repair or rehabilitation.

(iii) If (A) less than all of the Property shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the District has given written notice to the Corporation and the Bank of its determination that such eminent domain proceedings have materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under the Lease Agreement; or (B) all of the Property shall have been taken in such eminent domain proceedings, then the District shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.03 of this Lease Agreement.

(iv) In making any determination under this Section 6.02(b), the District may, but shall not be required to, obtain at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Corporation and the Bank. Any such determination by the District shall be final.

(c) **From Title Insurance.** The Net Proceeds from a title insurance award shall be deposited by the District in the Insurance and Condemnation Fund and credited towards the prepayment of Lease Payments required to be paid pursuant to Section 9.03 of this Lease Agreement.

Section 6.03. Abatement of Lease Payments in the Event of Damage or Destruction. Lease Payments shall be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the District of the Property or any portion thereof to the extent to be agreed upon by the District and the Bank. The parties agree that the amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in Exhibit B, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed, based upon an appropriate method of valuation, in which event the Lease Payments shall be abated such that they represent said fair rental value. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as evidenced by a Certificate of a District Representative to the Corporation and the Bank. In the event of any such damage or destruction, this Lease Agreement shall continue in full force and effect and the District waives any right to terminate this Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section 6.03 to the extent that (a) the proceeds of rental interruption insurance; or (b) amounts in the Insurance and Condemnation Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.03, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

ARTICLE VII

OTHER COVENANTS OF THE DISTRICT

Section 7.01. Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF. THE DISTRICT ACKNOWLEDGES THAT THE DISTRICT LEASES THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event is the Corporation liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement for the existence, furnishing, functioning or use of the Property by the District.

Section 7.02. Access to the Property; Grant and Conveyance of Right of Entry. The District agrees that the Corporation, and the Corporation's successors or assigns, has the right at all reasonable times, following at least 48 hours' written notice provided to the District, to enter upon and to examine and inspect the Property or any part thereof. The District further agrees that the Corporation, and the Corporation's successors or assigns shall have such rights of access to the Property or any component thereof, following at least 48 hours' written notice provided to

the District, as may be reasonably necessary to cause the proper maintenance of the Property if the District fails to perform its obligations hereunder. Neither the Corporation nor any of its assigns has any obligation to cause such proper maintenance.

The District further grants, conveys and confirms to the Corporation, for the use, benefit and enjoyment of the Corporation, its successors in interest to the Property, including the Bank, and its sublessees, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public visiting the Property, a right of entry which shall be irrevocable for the Term of this Lease Agreement over, across and under the property of the District adjacent to the Property to and from the Property for the purpose of: (a) ingress, egress, passage or access to and from the Property by pedestrian or vehicular traffic; (b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and (c) other purposes and uses necessary or desirable for access to and from and for operation and maintenance of the Property.

Section 7.03. Release and Indemnification Covenants. The District hereby indemnifies the Corporation, the Bank and their respective directors, officers, agents, employees, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Property by the District or the District's employees, agents, contractors, invitees or licensees; (b) any breach or default on the part of the District in the performance of any of its obligations under this Lease Agreement; (c) any negligence or willful misconduct of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Property; (d) any intentional misconduct or negligence of any sublessee of the District with respect to the Property; (e) the acquisition, construction, improvement and equipping of the Property; (f) the clean-up of any Hazardous Substances or toxic wastes from the Property; or (g) any claim alleging violation of any Applicable Environmental Laws, or the authorization of payment of the costs thereof. No indemnification is made under this Section 7.03 or elsewhere in this Lease Agreement for willful misconduct or gross negligence under this Lease Agreement by the Corporation, the Bank, or their respective officers, agents, employees, successors or assigns. The indemnification hereunder shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease Agreement or the termination of the Term of this Lease Agreement for any reason. The District and the Corporation each agree to promptly give notice to each other and the Bank of any claim or liability hereby indemnified against following learning thereof.

Section 7.04. Assignment Agreement by the Corporation. The Corporation's rights, title and interests under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the District hereunder, have been assigned to the Bank. The District hereby consents to such assignment. Whenever in this Lease Agreement any reference is made to the Corporation, such reference shall be deemed to refer to the Bank (including its assignees).

The Bank may make additional assignments of its rights, title and interests herein, but no such assignment will be effective as against the District unless and until the Bank has filed with the District written notice thereof. The District shall pay all Lease Payments hereunder to the Bank, as provided in Section 4.03(h) hereof, or under the written direction of the assignee named

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

Section 7.05. Assignment Agreement and Subleasing by the District. This Lease Agreement may not be assigned, mortgaged, pledged or transferred by the District. The District may sublease the Property, or any portion thereof, with the prior written consent of the Bank, at the Bank's sole discretion, subject to all of the following conditions:

(a) This Lease Agreement and the obligation of the District to make Lease Payments hereunder shall remain obligations of the District, and any sublease shall be subject and subordinate to this Lease Agreement.

(b) The District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Bank a true and complete copy of such sublease.

(c) No such sublease by the District may cause the Property to be used for a purpose other than as may be authorized under the provisions of the laws of the State.

(d) The District shall furnish the Corporation and the Bank with a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State.

(e) Any such sublease shall be subject and subordinate in all respects to the Site Lease and this Lease Agreement.

Notwithstanding the foregoing, in connection with any sublease entered into for financing purposes, the principal component of the then remaining Lease Payments plus the principal component of the sublease payments shall not exceed the fair market value of the Property.

Section 7.06. Amendment of Lease Agreement. This Lease Agreement may be amended with the prior written consent of the Corporation and the Bank (at the Bank's sole discretion) provided such amendment does not, in the Bank's sole judgment, adversely affect the Bank.

Section 7.07. Tax Covenants. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Lease Payments to become includable in gross income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

(a) The District hereby covenants that it shall not make or permit any use of the proceeds of this Lease Agreement that may cause the Lease Agreement to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of the Lease Agreement will not be used so as to cause the proceeds on the Lease Agreement to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(c) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Lease Agreement to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

Section 7.08. Financial Statements; Budgets. Within 270 days following the end of each Fiscal Year of the District during the Term of this Lease Agreement, the District will provide the Corporation and the Bank with a copy of its audited financial statements for such Fiscal Year. Such audited financial statements shall include such information as is required by applicable Government Accounting Standards Board pronouncements and applicable State law. Within 30 days of the adoption thereof, the District will provide the Bank with a copy of its annual budget and First Interim Report and Second Interim Report. The District hereby agrees to provide the Bank with such other information as may be reasonably requested by the Bank.

Section 7.09. Records and Accounts. The District covenants and agrees that it shall keep proper books of record and accounts of its operations, in which complete and correct entries shall be made of all transactions relating to the District. Said books and records shall at all reasonable times be subject to the inspection of the Bank upon 72 hours’ prior notice.

Section 7.10. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the District, including the District’s right to exist and carry on business as a municipal corporation, to the end that such rights, privileges as a municipal corporation, shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 7.11. Notices. During the Term of this Lease Agreement, the District shall provide to the Bank:

(a) immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Lease Agreement, together with a detailed statement by a District representative of the steps being taken by the District to cure the effect of such Event of Default;

(b) prompt written notice of any Material Litigation, or any investigation, inquiry or similar proceeding by any Governmental Corporation; and

(c) with reasonable promptness, such other information respecting the District, and the operations, affairs and financial condition of the District as the Bank may from time to time reasonably request.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default Defined. Any one or more of the following events constitutes an Event of Default hereunder:

(a) failure by the District to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein;

(b) failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in Section 8.01(a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Bank. However, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30-day period, the Corporation and the Bank shall not unreasonably withhold their consent to an extension of such time (for a period not to exceed 60 days) if corrective action is instituted by the District within such 30-day period and diligently pursued until the default is corrected;

(c) the filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar federal or State acts now existing or which may hereafter be enacted;

(d) any statement, representation or warranty made by the District in or pursuant to this Lease Agreement or its execution, delivery or performance shall have been false, incorrect, misleading or breached in any material respect on the date when made;

(e) any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which the District is an obligor, if such default (i) arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by the Bank or any affiliate of the Bank, or (ii) arises under any obligation under which there is outstanding, owing or committed an aggregated amount in excess of \$250,000;

(f) any default by the District to observe any covenant, condition or agreement on its part to be observed or performed under the Site Lease; or

(g) any court of competent jurisdiction shall find or rule that this Lease Agreement or the Site Lease are not valid or not binding on the District.

Section 8.02. Remedies on Default. Whenever any Event of Default has happened and is continuing, the Corporation may exercise any and all remedies available under law or granted under this Lease Agreement; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or

otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the District is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted hereunder; provided, that no termination of this Lease Agreement shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Corporation may exercise any one or more of the following remedies:

(a) **Enforcement of Payments Without Termination.** If the Corporation does not elect to terminate this Lease Agreement in the manner hereinafter provided for in Section 8.02(b) hereof, the District agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-leasing of the Property, or, if the Corporation is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Corporation. The District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to enter upon and re-lease the Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place in San Bernardino County for the account of and at the expense of the District, and the District hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The District agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in Section 8.02(b) hereof. The District agrees to surrender and quit possession of the Property upon demand of the Corporation for the purpose of enabling the Property to be re-let under this paragraph. Any rental obtained by the Corporation in excess of the sum of Lease Payments plus costs and expenses incurred by the Corporation for its services in re-leasing the Property shall be paid to the District.

(b) **Termination of Lease.** If an Event of Default occurs and is continuing hereunder, the Corporation at its option may terminate this Lease Agreement and re-lease all or any portion of the Property, subject to the Site Lease. If the Corporation terminates this Lease Agreement at its option and in the manner hereinafter provided due to a default by the District (and notwithstanding any re-entry upon the Property by the Corporation in any manner whatsoever or the re-leasing of the Property), the District nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time

and in the same manner as is herein provided in the case of payment of Lease Payments and Additional Payments. Any surplus received by the Corporation from such re-leasing shall be applied by the Corporation to Lease Payments due under this Lease Agreement. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the District shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease Agreement. The District covenants and agrees that no surrender of the Property, or of the remainder of the Term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(c) **Proceedings at Law or in Equity.** If an Event of Default occurs and continues hereunder, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

(d) **Remedies Under the Site Lease.** If an Event of Default occurs and continues hereunder, the Corporation may exercise its rights under the Site Lease.

Section 8.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.04. Agreement To Pay Attorneys' Fees and Expenses. If either party to this Lease Agreement defaults under any of the provisions hereof and the non-defaulting party should employ attorneys (including in-house legal counsel) or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys (including allocable costs and expenses of in-house legal counsel, if any) and such other expenses so incurred by the non-defaulting party.

Section 8.05. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease Agreement is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.06. Bank To Exercise Rights. Such rights and remedies as are given to the Corporation under this Article VIII have been assigned by the Corporation to the Bank, to which

assignment the District hereby consents. Such rights and remedies shall be exercised solely by the Bank.

ARTICLE IX

PREPAYMENT OF LEASE PAYMENTS

Section 9.01. Security Deposit. Notwithstanding any other provision of this Lease Agreement, the District may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Bank or a fiduciary reasonably satisfactory to the Bank, in trust, an amount of cash, which shall be held in a segregated trust or escrow fund under a trust or escrow agreement that is in form and content acceptable to the Bank, which cash so held is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit B; or (b) invested in whole in non-callable Federal Securities maturing not later than the dates such funds will be required to make Lease Payments or any prepayment in an amount which is sufficient, in the opinion of an independent certified public accountant (which opinion must be in form and substance, and with such an accountant, acceptable to the Bank and addressed and delivered to the Bank), together with interest to accrue thereon and without reinvestment and together with any cash which is so deposited, to pay such Lease Payments when due under Section 4.03(a) or when due on any optional prepayment date under Section 9.02, as the District instructs at the time of said deposit; provided, however, that at or prior to the date on which any such security deposit is established, the District shall deliver to the Bank an opinion of Bond Counsel (in form and substance acceptable to the Bank) to the effect that any such security deposit will not adversely affect the excludability of the interest component of Lease Payments from gross income of the Bank for federal income tax purposes.

In the event of a security deposit under this Section with respect to all unpaid Lease Payments, (i) the Term of this Lease Agreement shall continue; (ii) all obligations of the District under this Lease Agreement, and all security provided by this Lease Agreement for said obligations, shall thereupon cease and terminate, excepting only (A) the obligation of the District to make, or cause to be made, all of the Lease Payments from such security deposit and, to the extent of any deficiency, as rent payable from other legally available funds of the District; and (B) the release and indemnification obligations of the District under Section 7.03(f) and (g); and (iii) under Section 4.05, the Corporation's leasehold interest in the Property will vest in the District on the date of said deposit automatically and without further action by the District or the Corporation. The District hereby grants a first priority security interest in and the lien on said security deposit and all proceeds thereof in favor of the Corporation and the Bank. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement and, notwithstanding anything to the contrary herein, Lease Payments therefrom shall not be subject to abatement under Section 6.03 hereof to the extent payable from the funds held by the Bank or the fiduciary as described in the first sentence of this Section 9.01.

Section 9.02. Optional Prepayment. From June 1, 2012 to May 31, 2017, the District may prepay, on any date, all or any portion of the Lease Payments, at a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together accrued interest to the

date fixed for prepayment plus a prepayment premium equal to two percent (2%) of the principal amount of the Lease Payments to be prepaid. On or after June 1, 2017, the District may, on any date, prepay all or any portion of the Lease Payments, at a prepayment amount equal to the principal amount of Lease Payments to be prepaid, together accrued interest to the date fixed for prepayment, without premium.

Section 9.03. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The District shall be obligated to prepay the unpaid principal components of the Lease Payments in whole or in part on any date, together with any accrued and unpaid interest, and any other costs related to such prepayment, from and to the extent of any proceeds of insurance award or condemnation award with respect to the Property to be used for such purpose under Section 6.02. The District and the Corporation hereby agree that such proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the District's obligations under this Section 9.03.

ARTICLE X

MISCELLANEOUS

Section 10.01. Notices. Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first-class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication; (b) 48 hours after deposit in the United States of America first-class mail, postage prepaid; or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the District and the Bank may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

To the Corporation: Colton Joint Unified School District Facilities Corporation
c/o Colton Joint Unified School District
1212 Valencia Drive
Colton, CA 92324
Phone: (909) 580-6601
Attention: Assistant Superintendent of Business

To the District: Colton Joint Unified School District
1212 Valencia Drive
Colton, CA 92324
Phone: (909) 580-6601
Attention: Assistant Superintendent of Business

To the Bank: Bank of Nevada
One East Washington Street Ste. 1400
Phoenix, AZ 85004
Phone: (602) 797-3634
Attention: James B. Sult Jr.

Section 10.02. Binding Effect. This Lease Agreement inures to the benefit of and is binding upon the Corporation, the District and their respective successors and assigns.

Section 10.03. Severability. If any provision of this Lease Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 10.04. Net-Net-Net Lease. This Lease Agreement is a “net-net-net lease” and the District hereby agrees that the Lease Payments are an absolute net return to the Corporation, free and clear of any expenses, charges or setoffs whatsoever.

Section 10.05. Further Assurances and Corrective Instruments. The Corporation and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease Agreement.

Section 10.06. Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 10.07. Applicable Law. This Lease Agreement is governed by and construed in accordance with the laws of the State.

Section 10.08. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Lease Agreement.

Section 10.09. Waiver of Personal Liability. No member, officer, agent or employee of the District or the Corporation shall be individually or personally liable for the payment of Lease Payments or the principal of or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

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

**COLTON JOINT UNIFIED SCHOOL
DISTRICT, as Lessor**

By: _____
Assistant Superintendent, Business

**COLTON JOINT UNIFIED SCHOOL
DISTRICT FACILITIES CORPORATION, as
Lessee**

By: _____
Authorized Officer

EXHIBIT A

DESCRIPTION OF THE PROPERTY

The land referred to in this Amended and Restated Lease Agreement is situated in the County of San Bernardino, State of California, and is described as follows:

Parcel A: Block 84 together with those portions of G Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel B: Blocks 85, Fractional Blocks 86 and 87 and Block 88 together with those portions of G Street, H Street, First Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel C: Block 89 together with those portions of G Street, H Street and Second Street vacated which would pass by operation of law with a conveyance of said land.

Parcel D: Block 114 except the South 20 feet, together with those portions of H Street, I Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel E: Block 115 except the South 20 feet, together with those portions of H Street, and Second Street, vacated which would pass by operation of law with a conveyance of said land.

Parcel F: Fractional Block 116 except the South 20 feet, also except any portion thereof located within Rancho Avenue 66 feet wide, together with those portions of H Street, I Street and First Street, vacated, which would pass by operation of law with a conveyance of said land.

All according to the Map of the Town of Colton, County of San Bernardino, State of California as per map recorded in Book 9 page 37 of Maps, records of said county.

EXHIBIT B
SCHEDULE OF LEASE PAYMENTS

Pymt. No.	Lease Payment Date	Principal Component	Interest Component ¹	Total Lease Payment
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WHEN RECORDED, RETURN TO:
Nossaman LLP
18101 Von Karman Avenue, Suite 1800
Irvine, California 92612
Attention: Jeff A. Stava, Esq.

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER
TAX PURSUANT TO SECTION 11928 OF THE CALIFORNIA REVENUE AND
TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES
PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

ASSIGNMENT AGREEMENT

by and between the

COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION

and

BANK OF NEVADA
as Bank

Dated as of April 1, 2012

RE: COLTON JOINT UNIFIED SCHOOL DISTRICT

ASSIGNMENT AGREEMENT

This Assignment Agreement, dated as of April 1, 2012 (hereinafter, the "Assignment Agreement"), by and between the COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION (herein called "Corporation"), a non-profit public benefit corporation duly organized and validly existing under the laws of the State of California and BANK OF NEVADA, a corporation duly organized and existing under and by virtue of the laws of the State of Nevada (herein called the "Bank");

WITNESSETH:

In the joint and mutual exercise of their powers, in consideration of the mutual covenants herein contained, and for other valuable consideration, the parties hereto recite and agree as follows:

Section 1. Recitals.

(a) The Corporation and the Colton Joint Unified School District (the "District") have entered into an Amended and Restated Lease Agreement, dated as of April 1, 2012 (the "Lease Agreement"), whereby the Corporation has agreed to receive Lease Payments (as defined in the Lease Agreement) from the District, and the District has agreed to make Lease Payments to the Corporation for the lease of certain facilities (the "Property"), which Property is more particularly defined in the Lease Agreement, in the manner and on the terms set forth in the Lease Agreement.

(b) Upon execution and delivery of the Lease Agreement, the Corporation is required to deposit or cause to be deposited with the District certain sums of money to be credited, held and applied in accordance with Escrow Instructions between the District and the Escrow Agent (as defined in the Lease Agreement), dated as of April 1, 2012 (the "Escrow Instructions").

(c) Upon delivery of the Lease Agreement and the deposit of moneys by the Corporation with respect thereto, the District is obligated to pay certain Lease Payments to the Corporation. For the purpose of obtaining the moneys required to be deposited with the Escrow Agent, the Corporation is willing to assign and transfer its rights and interests under the Lease Agreement recorded concurrently herewith to the Bank, and in consideration of such assignment, the Bank is providing certain funds which are anticipated to be sufficient to provide the moneys required to be deposited by the Corporation pursuant to the Lease Agreement.

(d) Each of the parties has authority to enter into this Assignment Agreement, and has taken all actions necessary to authorize its officers to enter into it.

(e) The terms capitalized in this Assignment Agreement but not defined herein shall have the meanings given to them in the Lease Agreement.

Section 2. Assignment.

The Corporation, for good and valuable consideration received, does hereby irrevocably and absolutely sell, assign and transfer to the Bank all of its rights, title, benefit and interest in the Lease Agreement (except for the Corporation's rights to indemnification and payment or reimbursement of its reasonable costs and expenses), including, without limitation, its rights to receive Lease Payments and interest thereon from the District under the Lease Agreement, and the right to exercise such rights and remedies as are conferred on the Corporation by the Lease Agreement as may be necessary or convenient to enforce payment of such Lease Payments and interest thereon when due or otherwise to protect its interests in the event of a default by the District.

The Bank's right, title and interest in and to this Assignment Agreement, the Lease Agreement and the Lease Payments, its security interest in the, and all proceeds may be assigned and reassigned in whole or in part to one or more assignees or subassignees by Bank, without the necessity of obtaining the consent of District; *provided*, such assignees or subassignees represent that (a) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment, (b) such purchaser understands that neither the Lease Agreement or this Assignment Agreement will be registered under the Securities Act of 1933, (c) such purchaser is not relying upon the District or any of its employees for advice as to the merits and risks of such investment, and such purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision; (d) such purchaser is either an "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, or a qualified institutional buyer within the meaning of Rule 144A, and (e) it is the present intention of such purchaser to acquire such interest (i) for investment for its own account or (ii) for resale in a transaction exempt from registration under the Securities Act of 1933; *provided further* that the Bank will give reasonable notice to the District. In the event of any such assignment or subassignment, the District will not be required to make Lease Payments, to send notices or to otherwise deal with respect to matters arising under this Lease Agreement with or to more than one individual or entity.

Section 3. Acceptance.

The Bank hereby accepts the assignment of such of the Corporation's rights under the Site Lease and the Lease as are assigned pursuant to the terms of this Assignment Agreement, for the purpose of securing such Lease Payments. The Corporation hereby constitutes and irrevocably appoints Bank the true and lawful attorney of the Corporation to demand, receive and endorse payments and to give receipts, releases and satisfactions either in the name of Bank or in the name of the Corporation in the same manner and with the same effect as the Corporation could do if this Assignment of Lease and Site Lease had not been made. Within fifteen (15) days after receiving all Lease Payments under the Lease, Bank shall cause to be released to the District its vested interest in all property subject to the Lease and the Site Lease.

Section 4. Conditions.

A. This Assignment Agreement shall confer no rights and impose no duties upon the Bank beyond those expressly provided in the Lease Agreement.

B. The Bank has entered into this Assignment Agreement in reliance upon the representations and warranties of the District and the Corporation contained in the Lease Agreement and this Assignment Agreement and to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the District and the Corporation of the obligations of the District and the Corporation pursuant to the Lease Agreement and this Assignment Agreement at or prior to the Closing Date. Accordingly, the obligation of Bank to execute this Assignment Agreement are subject to the fulfillment to the reasonable satisfaction of the Bank of the following conditions:

- (i) The representations and warranties of the District and Corporation contained in the Lease Agreement and this Assignment Agreement shall be true, complete and correct on the Closing Date.
- (ii) All representations, warranties and covenants made herein and in the Lease Agreement, and in certificates or other instruments delivered pursuant hereto or in connection herewith, shall be deemed to have been relied upon by the Bank notwithstanding any investigation heretofore or hereafter made by the Bank or on their behalf, and that all representations, warranties and covenants made by the District herein and in the Lease Agreement and all of the Bank's rights, hereunder and thereunder shall survive the execution and delivery of the Lease Agreement and this Assignment Agreement.
- (iii) On the Closing Date, the resolutions of the District and Corporation authorizing the Lease Agreement and this Assignment Agreement (the "Resolutions") shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.
- (iv) On the Closing Date, the District and the Corporation will have each adopted and there will be in full force and effect such resolutions as in the opinion of Bond Counsel and counsel to the Bank shall be necessary in connection with the transactions contemplated by the Lease Agreement and this Assignment Agreement, and all necessary action of the District and the Corporation relating to the execution of the Lease Agreement and this Assignment Agreement will have been taken, will be in full force and effect and will not have been amended, modified or supplemented, except as may have been agreed to in writing by the Bank.

C. At or prior to the Closing Date, the Bank will have received the following documents:

- (i) the approving opinions, dated the Closing Date and addressed to the Bank, of Bond Counsel or counsel to the District in form and content satisfactory to the Bank and its counsel, (a) addressing the tax-exempt status of the interest component of the Lease Payments, (b) the Lease Agreement and this Assignment Agreement, have each been duly authorized, executed and delivered by the District and the Corporation and are legal, valid and binding obligations of the District and the Corporation, enforceable in accordance with their terms subject to customary exceptions for bankruptcy and judicial discretion, and (c) the 2001 Certificates have been legally defeased.
- (ii) a certificate or certificates, dated the Closing Date and signed on behalf of the District by an District Representative, to the effect that (a) the representations and warranties contained in the Lease Agreement and this Assignment Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, and (b) the District has complied with all the agreements and covenants and satisfied all the conditions on its part to be performed or satisfied at or prior to, and to the extent possible before, the Closing Date.
- (iii) executed copies of the Lease Agreement and this Assignment Agreement;
- (iv) a copy of the a CLTA or ALTA title insurance policy insuring the Bank's interests, as assignee of the Corporation, in the leasehold estate established under the Site Lease and the Property under the Lease Agreement;
- (v) certified copies of the Resolutions;
- (vi) any items required by the Resolutions as conditions for the execution and delivery of the Lease Agreement and this Assignment Agreement;
- (vii) a non-arbitrage certificate of the District, in form and substance satisfactory to Bond Counsel;
- (viii) the filing copy of the Information Return Form 8038-G for the Bonds; and
- (ix) such additional legal opinions, certificates, instruments and other documents as the Bank or its counsel may reasonably request to evidence the truth and accuracy, as of the date of this Assignment Agreement and as of the Closing Date, of the representations, warranties, agreements and covenants of the District contained herein and in the Lease Agreement and the due performance or satisfaction by the District at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the District.

Section 5. No Additional Rights or Duties.

This Assignment Agreement shall not confer any rights nor impose any duties, obligations or responsibilities upon the Bank beyond those expressly provided in the Lease Agreement. This Assignment Agreement shall not impose any duties, obligations or responsibilities upon the Corporation or the District beyond those expressly provided in the Lease Agreement or as otherwise set forth herein.

Section 6. Further Assurances.

The Corporation will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Assignment Agreement, and for the better assuring and confirming to the Bank the rights and benefits intended to be conveyed pursuant hereto.

Section 7. Execution in Counterparts.

This Assignment Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 8. Amendment.

This Assignment Agreement may be amended by the parties hereto in writing.

IN WITNESS WHEREOF, the parties have executed this Assignment Agreement by their officers thereunto duly authorized as of the day and year first written above.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
FACILITIES CORPORATION**

By: _____
Authorized Officer

BANK OF NEVADA

By: _____
Authorized Signatory

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

EXHIBIT A
DESCRIPTION OF THE PROPERTY

The land referred to in this Assignment Agreement is situated in the County of San Bernardino, State of California, and is described as follows:

Parcel A: Block 84 together with those portions of G Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel B: Blocks 85, Fractional Blocks 86 and 87 and Block 88 together with those portions of G Street, H Street, First Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel C: Block 89 together with those portions of G Street, H Street and Second Street vacated which would pass by operation of law with a conveyance of said land.

Parcel D: Block 114 except the South 20 feet, together with those portions of H Street, I Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel E: Block 115 except the South 20 feet, together with those portions of H Street, and Second Street, vacated which would pass by operation of law with a conveyance of said land.

Parcel F: Fractional Block 116 except the South 20 feet, also except any portion thereof located within Rancho Avenue 66 feet wide, together with those portions of H Street, I Street and First Street, vacated, which would pass by operation of law with a conveyance of said land.

All according to the Map of the Town of Colton, County of San Bernardino, State of California as per map recorded in Book 9 page 37 of Maps, records of said county.

AFTER RECORDATION PLEASE RETURN TO:
Nossaman LLP
18101 Von Karman Ave., Suite 1800
Irvine, California 92612
Attention: Jeff A. Stava, Esq.
THIS TRANSACTION IS EXEMPT FROM
CALIFORNIA DOCUMENTARY TRANSFER
TAX PURSUANT TO SECTION 11929 OF THE
CALIFORNIA REVENUE AND TAXATION CODE

AMENDED AND RESTATED SITE LEASE

by and between the

COLTON JOINT UNIFIED SCHOOL DISTRICT

and the

COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION

Dated as of April 1, 2012

AMENDED AND RESTATED SITE LEASE

This Amended and Restated Site Lease (the "Site Lease"), dated as of April 1, 2012, between the COLTON JOINT UNIFIED SCHOOL DISTRICT, a joint unified school district duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "District"), and the COLTON JOINT UNIFIED SCHOOL DISTRICT FACILITIES CORPORATION, a non-profit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation");

WITNESSETH:

WHEREAS, the District and the Corporation have previously financed the acquisition, construction and improvement of public capital improvements (the "Project") from the proceeds of those certain Certificates of Participation (Colton Joint Unified School District) Series 2001, executed and delivered in the aggregate original principal amount of \$15,000,000 (the "2001 Certificates"); and

WHEREAS, In connection execution and delivery of the 2001 Certificates, the District has previously leased certain real property which is described more fully in Appendix A attached hereto and by this reference incorporated herein (the "Site"), to the Corporation under a Site Lease dated as of June 1, 2001, which was recorded in the Office of the San Bernardino County Recorder on June 27, 2001 as document No. 2001-0-249315 (the "2001 Site Lease"); and

WHEREAS, the District has determined that it is in its financial interests at this time to refinance its obligations with respect to the 2001 Certificates; and

WHEREAS, the Corporation and the District have agreed to amend and restate the 2001 Site Lease for the purpose of incorporating the terms and provisions relating to the refunding of the 2001 Certificates; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Site Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Site Lease;

NOW THEREFORE, IN CONSIDERATION OF THE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

SECTION 1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Lease Agreement (as defined below).

SECTION 2. Restatement of 2001 Site Lease. This Site Lease constitutes an amendment and restatement in full of the 2001 Site Lease. From and after the Closing Date, the 2001 Site Lease, in the form heretofore executed and delivered by the District and the Corporation, will be of no further force and effect and will be deemed to be restated in full hereby.

SECTION 2. Leased Premises. The District continues to and does hereby lease the Site to the Corporation upon the terms and conditions set forth in this Site Lease, without interruption by virtue of the amendment and restatement of the 2001 Site Lease. The Corporation shall lease the Site back to the District under the Amended and Restated Lease Agreement, dated as of April 1, 2012, between the Corporation as lessor and the District as lessee, which has been recorded concurrently herewith (the "Lease Agreement")

SECTION 3. Term. The term hereof shall commence on _____, 2012, and shall end on June 1, 2021; provided, that if the term of the Lease Agreement is extended beyond June 1, 2021, pursuant to the terms and provisions of the Lease Agreement, this Site Lease shall be extended to the day following the date of termination of the Lease Agreement, and if the Lease Agreement is terminated before June 1, 2021, this Site Lease shall be terminated on the day following the date of termination of the Lease Agreement. Notwithstanding the foregoing, if on the date of the termination of the Lease Agreement, the aggregate amount of Lease Payments payable under the Lease Agreement shall not have been paid, or provision shall not have been made for their payment, then the term of this Site Lease shall be extended until such Lease Payments shall be fully paid or provision made for such payment, to the extent permitted by law.

SECTION 4. Rental. The District acknowledges receipt from the Corporation as and for rental hereunder the sum of \$5,292,024 on or before the date of delivery of this Site Lease, as payment in full for rental of the Site, which amount shall be deposited as provided in the Lease Agreement. The District covenants that it is the owner in fee of the Site.

SECTION 5. Purpose. The Corporation shall use the Site solely for the purpose of leasing such Site to the District pursuant to the Lease Agreement; provided, that in the event of default by the District under the Lease Agreement, the Corporation may exercise the remedies provided in the Lease Agreement.

SECTION 6. Assignments and Subleases. Unless the District shall be in default under the Lease Agreement, the Corporation may not, without the prior written consent of the District, assign its rights hereunder (except pursuant to the Assignment Agreement).

SECTION 7. Right of Entry. Provided the District is not in default, the District reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

SECTION 8. Termination. The Corporation agrees, upon the termination hereof, to quit and surrender the Site in the same good order and condition as the same was in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements existing upon the Site at the time of the termination hereof shall remain thereon and title thereto shall vest in the District.

SECTION 9. Default. In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms hereof, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the District may exercise any and all remedies granted by law, except that no merger of the Site Lease and of the Lease Agreement shall be deemed to occur as a result thereof; provided, that the District shall have no power to terminate the Site Lease if such termination would affect or impair any assignment of the Lease Agreement then in effect between the Corporation and Bank of Nevada, a Nevada corporation (the "Bank").

SECTION 10. Quiet Enjoyment. The Corporation at all times during the term hereof shall peaceably and quietly have, hold and enjoy the Site.

SECTION 11. Waiver of Personal Liability. All liabilities hereunder on the part of the Corporation shall be solely corporate liabilities of the Corporation, and the District hereby releases each and every member, officer and employee of the Corporation of and from any personal or individual liability hereunder, and no member, officer or employee of the Corporation shall at any time or under any circumstances be individually or personally liable hereunder for anything done or omitted to be done by the Corporation hereunder. No member, officer, agent or employee of the District or the Corporation shall be individually or personally liable for any obligation hereunder; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 12. Taxes. The District covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Site or the improvements thereon (including both land and improvements).

SECTION 13. Eminent Domain. The District hereby covenants and agrees, to the extent it may lawfully do so, for the term of the Lease Agreement the District will not exercise the power of condemnation with respect to the Site. The District further covenants and agrees, to the extent it may lawfully do so, that if for any reason the foregoing covenant is determined to be unenforceable or if the District should fail or refuse to abide by such covenant and condemns the Site, the appraised value of the Site shall not be less than the greater of (i) if the Lease Agreement is then subject to prepayment, the principal and interest components of the Lease Agreement through the date of its prepayment, or (ii) if the Lease Agreement is not then subject to prepayment, the amount necessary to defease the Lease Agreement to the first available prepayment date in accordance with its terms. In the event the whole or any portion of the Site is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount set forth above, and the amount of any

related unpaid Additional Rental due under the Lease Agreement, and the balance of the award, if any, shall be paid to the District.

SECTION 14. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, at the addresses indicated in the Lease Agreement, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 15. California Law. This Site Lease shall be governed by and construed and interpreted in accordance with the laws of the State of California.

SECTION 16. Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the Corporation, the District and their respective successors and assigns, subject, however, to the limitations contained herein.

SECTION 17. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision hereof.

SECTION 18. Severability. If any agreement, condition, covenant, section or term hereof or any application hereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, all agreements, conditions, covenants or terms hereof and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 19. Execution in Counterparts. This Site Lease may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

SECTION 20. Amendment. The Corporation and the District may at any time amend or modify any of the provisions of this Site Lease, but only (a) with the prior written consent of the Bank; or (b) without the consent of the Bank, but only if such amendment or modification is for any one or more of the following purposes:

- (i) to cure any ambiguity, or to cure, correct or supplement any defective provision contained herein, or in any other respect whatsoever as the Corporation and the District may deem necessary or desirable, provided that, in the opinion of Bond Counsel, such modifications or amendments do not materially adversely affect the interests of the Bank;
- (ii) to amend any provision hereof relating to the Code, to any extent whatsoever but only if and to the extent such amendment will not adversely affect the exclusion from gross income of interest with respect to the Lease Payments under the Code, in the opinion of Bond Counsel;

- (iii) to conform to any amendment of the Lease Agreement which is made thereto in accordance with the provisions thereof; or
- (iv) for the purpose of effectuating any substitution or release of property under the Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have executed and entered into the Site Lease by their officers thereunto duly authorized as of the day and year first above written.

**COLTON JOINT UNIFIED SCHOOL
DISTRICT, as Lessor**

By: _____
Assistant Superintendent, Business

**COLTON JOINT UNIFIED SCHOOL
DISTRICT FACILITIES CORPORATION, as
Lessee**

By: _____
Authorized Officer

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

EXHIBIT A-1
DESCRIPTION OF THE SITE

The land referred to in this Amended and Restated Site Lease is situated in the County of San Bernardino, State of California, and is described as follows:

Parcel A: Block 84 together with those portions of G Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel B: Blocks 85, Fractional Blocks 86 and 87 and Block 88 together with those portions of G Street, H Street, First Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel C: Block 89 together with those portions of G Street, H Street and Second Street vacated which would pass by operation of law with a conveyance of said land.

Parcel D: Block 114 except the South 20 feet, together with those portions of H Street, I Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel E: Block 115 except the South 20 feet, together with those portions of H Street, and Second Street, vacated which would pass by operation of law with a conveyance of said land.

Parcel F: Fractional Block 116 except the South 20 feet, also except any portion thereof located within Rancho Avenue 66 feet wide, together with those portions of H Street, I Street and First Street, vacated, which would pass by operation of law with a conveyance of said land.

All according to the Map of the Town of Colton, County of San Bernardino, State of California as per map recorded in Book 9 page 37 of Maps, records of said county.

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Amended and Restated Site Lease, dated as of April 1, 2012, from the Colton Joint Unified School District, as lessor (the "District"), to the Colton Joint Unified School District Facilities Corporation (the "Corporation"), as lessee, is hereby accepted by the undersigned officer on behalf of the Corporation, pursuant to authority conferred by the Board of Directors of the Corporation adopted on April 5, 2012, and the lessee consents to recordation thereof by its duly authorized officer.

Dated: April 1, 2012

**COLTON JOINT UNIFIED SCHOOL
DISTRICT FACILITIES CORPORATION, as
Lessee**

By: _____
Authorized Officer

WHEN RECORDED, RETURN TO:

Jeff A. Stava, Esq.
Nossaman LLP
18101 Von Karman Ave., Suite 1800
Irvine, California 92612

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

TERMINATION AGREEMENT

This TERMINATION AGREEMENT, dated as of April 1, 2012 is among the Colton Joint Unified School District (the "District"), U.S. Bank National Association, as trustee (the "Trustee"), and the Colton Joint Unified School District Facilities Corporation (the "Corporation"):

WITNESSETH:

WHEREAS, the District has previously executed a Site Lease, dated as of June 1, 2001 (the "Site Lease"), granting to the Corporation an interest in the real property described in Exhibit A hereto (the "Site"); and

WHEREAS, in connection with the financing of a Project for the District, the Corporation leased the Site, and certain improvements thereon, to the District pursuant to a lease agreement, dated as of June 1, 2001 (the "Lease Agreement"); and

WHEREAS, pursuant to that certain Assignment Agreement, dated as of June 1, 2001 (the "Assignment Agreement"), between the Corporation and the Trustee, the Corporation assigned to the Trustee, for the benefit of the owners of certain certificates of participation (the "Certificates"), certain of its rights under the Lease Agreement, including its right to receive Lease Payments (as defined therein) and its rights to enforce payment of such payments and otherwise to enforce its interests and rights under the Lease Agreement in the event of default by the District; and

WHEREAS, the Lease Agreement provided that District could purchase the Project prior to the termination date of the Lease Agreement, and the District complied with such requirements and the Certificates are no longer outstanding.

NOW THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

Section 1. Termination of Site Lease. The Site Lease, recorded as Document No. 2001-0-249315 of the official records of the San Bernardino County Recorder on June 27, 2001, is terminated and is of no further force or effect.

Section 2. Termination of Lease Agreement. The Lease Agreement, recorded as Document No. 2001-0-249316 of the official records of the San Bernardino County Recorder on June 27, 2001, is terminated and is of no further force or effect.

Section 3. Termination of Assignment Agreement. The Assignment Agreement, recorded as Document No. 2001-0-249317 of the official records of the San Bernardino County Recorder on June 27, 2001, is terminated and is of no further force or effect.

Section 4. Counterparts. This Agreement may be executed, approved and acknowledged in several counterparts, all or any one of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

Section 5. Applicable Law. This Termination Agreement shall be governed by and construed in accordance with the laws of the State of California.

**COLTON JOINT UNIFIED SCHOOL
DISTRICT FACILITIES CORPORATION**

By: _____
Authorized Officer

**COLTON JOINT UNIFIED SCHOOL
DISTRICT**

By: _____
Assistant Superintendent, Business

**U.S. BANK NATIONAL ASSOCIATION, as
Trustee**

By: _____
Authorized Signatory

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

State of California)
)
County of _____)

On _____ before me, _____ personally
[Date] [Notary Name]

appeared _____
[Name(s) of Signers]

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

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Witness my hand and official seal.

Signature: _____
[Signature of Notary Public]

Place Notary Seal Above

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land referred to in this Termination Agreement is situated in the County of San Bernardino, State of California, and is described as follows:

Parcel A: Block 84 together with those portions of G Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel B: Blocks 85, Fractional Blocks 86 and 87 and Block 88 together with those portions of G Street, H Street, First Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel C: Block 89 together with those portions of G Street, H Street and Second Street vacated which would pass by operation of law with a conveyance of said land.

Parcel D: Block 114 except the South 20 feet, together with those portions of H Street, I Street and Second Street, vacated, which would pass by operation of law with a conveyance of said land.

Parcel E: Block 115 except the South 20 feet, together with those portions of H Street, and Second Street, vacated which would pass by operation of law with a conveyance of said land.

Parcel F: Fractional Block 116 except the South 20 feet, also except any portion thereof located within Rancho Avenue 66 feet wide, together with those portions of H Street, I Street and First Street, vacated, which would pass by operation of law with a conveyance of said land.

All according to the Map of the Town of Colton, County of San Bernardino, State of California as per map recorded in Book 9 page 37 of Maps, records of said county.

BOARD AGENDA

**REGULAR MEETING
April 5, 2012**

ADMINISTRATIVE REPORT

TO: Board of Education

PRESENTED BY: Jaime R. Ayala, Assistant Superintendent, Business Services Division

SUBJECT: Approved Disbursements

GOAL: Budget Planning

STRATEGIC PLAN: Strategy #1 – Communication Strategy #4 – Facilities
Strategy #2 – Curriculum Strategy #5 – College Career
Strategy #3 – Decision Making Strategy #6 – Character

BACKGROUND: The Board of Trustees payment report is available at the Board of Education meeting for review. Items listed in the payment report have been approved and paid.

Disbursements have been paid as listed, from batch #1366 through batch #1508 for the sum of \$6,109,752.21

BUDGET IMPLICATIONS: \$6,109,752.21 paid from funds as listed in the payment report.

AR-8.1

