

**San Bernardino Community College District
Annual Board Retreat
114 S. Del Rosa Drive, San Bernardino, CA 92408
Thursday, August 20, 2015 – 12:00 – 2:00p.m. – Board Room**

1. CALL TO ORDER – PLEDGE OF ALLEGIANCE

2. ANNOUNCEMENT OF CLOSED SESSION ITEMS

- a. Public Employee Discipline/Dismissal Release, Government Code 57957

3. PUBLIC COMMENT ON CLOSED SESSION AGENDA ITEMS

The San Bernardino Community College Board of Trustees welcomes public comment on any issue within the jurisdiction of the District. Comments must be limited to five (5) minutes per speaker and twenty (20) minutes per topic if there is more than one speaker. At the conclusion of public comment, the Board may ask staff to review a matter or may ask that a matter be put on a future agenda. As a matter of law, members of the Board may not discuss or take action on matters raised during public comment unless the matters are properly noticed for discussion or action.

Anyone who requires a disability-related modification or accommodation in order to participate in the public meeting should contact the Chancellor's Office at (909) 382-4091 as far in advance of the Board meeting as possible.

4. CONVENE CLOSED SESSION

5. RECONVENE PUBLIC MEETING

6. REPORT OF ACTION IN CLOSED SESSION (if any)

7. PUBLIC COMMENT

The San Bernardino Community College Board of Trustees welcomes public comment on any issue within the jurisdiction of the District. Comments must be limited to five (5) minutes per speaker and twenty (20) minutes per topic if there is more than one speaker. At the conclusion of public comment, the Board may ask staff to review a matter or may ask that a matter be put on a future agenda. As a matter of law, members of the Board may not discuss or take action on matters raised during public comment unless the matters are properly noticed for discussion or action in Open Session.

Anyone who requires a disability-related modification or accommodation in order to participate in the public meeting should contact the Chancellor's Office at (909) 382-4091 as far in advance of the Board meeting as possible.

8. Consideration of Approval to Adopt a Resolution Authorizing the Issuance of San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series D and Actions Related Thereto (p.2)

9. ANNUAL BOARD RETREAT

- a. Introduction of Bill McGinnis, Facilitator (p.52)
- b. Review Current Board Imperatives and Determine if Changes Are Needed
 - i. Institutional Effectiveness
 - ii. Learning Centered Institution for Student Access, Retention and Success
 - iii. Resource Management for Efficiency, Effectiveness and Excellence
 - iv. Enhanced and Informed Governance and Leadership
- c. Review Board Self-Evaluation (p.53)
- d. Review 2014-2015 Board Goals (p.74)
- e. Establish 2015-2016 Goals
- f. The Board shall establish policies that define the institutional mission and set prudent, ethical and legal standards for college operations (BP2200)
- g. Officer Roles
 - i. At the annual organizational meeting the Board of Trustees shall elect officers from among its members. The terms of officers shall be for one year. The Board will review the roles of the board officers and out protocols for board members.
 - 1. (process resource) <http://www.austincc.edu/board/roles.php#Methods>
 - 2. (Duties resource) <http://www.austincc.edu/board/roles.php#Officers>
- h. Standing Committees
 - i. Establish permanent committees intended to consider all matters pertaining to designated subjects under the purview of the Board.
 - 1. (BP) <http://www.sbccd.org/~media/Files/SBCCD/District/Board/Board%20Policies/2000/BP%202220%20Committees%20of%20the%20Board%204-9-15.pdf>
 - 2. (Resource) <http://agb.org/briefs/board-standing-committee-charters>

10. ADJOURN – the next Board of Trustees Meeting will be September 10, 2015 at 4pm - SBCCD Board Room

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

TO: Board of Trustees

FROM: Bruce Baron, Chancellor

REVIEWED BY: Jose F. Torres, Interim Vice Chancellor, Business & Fiscal Services

PREPARED BY: Jose F. Torres, Interim Vice Chancellor, Business & Fiscal Services

DATE: August 20, 2015

SUBJECT: Consideration of Approval to Adopt a Resolution Authorizing the Issuance of San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series D and Actions Related Thereto

RECOMMENDATION

The Board of Trustees is requested to adopt the resolution authorizing the issuance of San Bernardino Community College District Election of 2008 General Obligation Bonds, Series D, and actions related thereto.

OVERVIEW

An election was held in the San Bernardino Community College District on February 5, 2008 for the issuance and sale of general obligation bonds ("Bonds") of the District for various purposes in the maximum amount of \$500,000,000 (the "2008 Measure"). Previously, the District sold the first, second and third series of bonds under the 2008 Measure in a principal amounts of \$140,000,000, \$73,102,389.40 and \$45,210,000, respectively. The District now desires to issue its fourth series of Bonds under the 2008 Measure in an amount not-to-exceed \$45,000,000. The District proposes the issuance of Bonds that include current interest bonds, as well as bonds that allow for the compounding of interest, including capital appreciation bonds. The Bonds are being authorized for sale for the purpose of providing funds to finance projects approved by the 2008 Measure and to pay the costs of issuing the Bonds.

ANALYSIS

Pursuant to California Education Code Section 15146(b)(2), enacted by California Assembly Bill 182 (Stats. 2013, Chapter 477) and effective as of January 1, 2014, the Resolution and materials included in this agenda item were first publicly noticed as an information item at the August 13, 2015 Board meeting. At this August 20, 2015 Board meeting, the Board's next consecutive meeting, the attached Resolution and materials have been publicly noticed as an action item for consideration by the Board.

- (a) Bond Resolution. This Resolution authorizes the issuance of Bonds, specifies the basic terms, parameters and forms of the Bonds, and approves the form of Purchase Contract and form of Preliminary Official Statement described below. In particular, Section 1 of the Resolution establishes the maximum aggregate principal amount of the Bonds to be issued (\$45,000,000). Section 4 of the Resolution states the maximum underwriter's discount (0.5%) with respect to

- (b) Form of Purchase Contract. Pursuant to the Purchase Contract, the Underwriter will agree to buy the Bonds from the District. All the conditions of closing the transaction are set forth in this document, including the documentation to be provided at the closing by various parties. Upon the pricing of the Bonds, the final execution copy of the Purchase Contract will be prepared following this form.
- (c) Form of Preliminary Official Statement. The Preliminary Official Statement (“POS”) is the offering document describing the Bonds which may be distributed to prospective purchasers of the Bonds. The POS discloses information with respect to among other things (i) the proposed uses of proceeds of the Bonds, (ii) the terms of the Bonds (interest rate, redemption terms, etc.), (iii) the bond insurance policy for the Bonds, if any, (iv) the security for repayment of the Bonds (the ad valorem tax levy), (v) information with respect to the District’s tax base (upon which such ad valorem taxes may be levied), (vi) District financial and operating data, (vii) continuing disclosure with respect to the Bonds and the District, and (viii) absence of litigation and other miscellaneous matters expected to be of interest to prospective purchasers of the Bonds. Following the pricing of the Bonds, a final Official Statement for the Bonds will be prepared, substantially in the form of the POS.
- (d) Form of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate can be found in APPENDIX C to the POS. Effective July 3, 1995, all Underwriter of municipal bonds are obligated to procure any public agency issuing debt a covenant that such public agency will annually file “material financial information and operating data” with respect to such public agency through the web-based Electronic Municipal Market Access (“EMMA”) system maintained by the Municipal Securities Rulemaking Board (a federal agency that regulates “broker-dealers,” including investment bank firms that underwrite municipal obligations). This requirement is expected to be satisfied by the filing of the District’s audited financial statements and other operating information about the District, in the same manner the District has filed in connection with prior bond issuances.
- (e) Requirements of Education Code Section 15146(b) and 15146(c). In satisfaction of California Education Code Sections 15146(b) and 15146(c), enacted by California Assembly Bill 182 (Stats. 2013, Chapter 477) and effective as of January 1, 2014, appended to the Resolution is an information item (“Exhibit B”) containing the following information provided by Piper Jaffray & Co.: approximations of the financing term of the Bonds; time of maturity of the Bonds; repayment ratio of the Bonds; estimated change in assessed value of taxable property within the District over the term of the Bonds; an analysis containing the total overall cost of the capital appreciation bonds expected to be issued; a comparison between the overall cost of the capital appreciation bonds expected to be issued and the overall cost of current interest bonds; and the reason that capital appreciation bonds are being recommended.

BOARD IMPERATIVE

III. Resource Management for Efficiency, Effectiveness, and Excellence

FINANCIAL IMPLICATIONS

This is an information item and carries no direct financial implications.

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT AUTHORIZING THE ISSUANCE OF SAN BERNARDINO COMMUNITY COLLEGE DISTRICT (SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA) ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES D, AND ACTIONS RELATED THERETO

WHEREAS, a duly called municipal bond election was held in the San Bernardino Community College District (the “District”), San Bernardino County (the “County”) and Riverside County, together with the County, the “Counties”), State of California, on February 5, 2008 (the “Election”) and thereafter canvassed pursuant to law, at which the following proposition (the “Bond Measure”) was submitted to the qualified electors of the District:

“To provide vocational and technical training programs, enhance nursing, firefighter, paramedic, public safety and hi-tech job training, repair, construct, acquire and equip classrooms, sites and facilities for science, technology, college transfer classes, vocational and technical training, modern buildings/libraries, shall San Bernardino Community College District issue \$500 million of bonds at legal rates, appoint a citizens’ oversight committee, and perform annual audits to ensure no money is used for administrators’ salaries?”

WHEREAS, at the Election, the Bond Measure received the affirmative vote of the requisite fifty-five percent or more of the voters of the District voting on the proposition, as certified by the Registrar of Voters of the Counties in the official canvassing of votes (the “Authorization”);

WHEREAS, on December 30, 2008, the District previously caused the issuance of the first series of bonds under the Authorization in an aggregate principal amount \$140,000,000 (the “Series A Bonds”);

WHEREAS, on June 18, 2009, the District previously caused the issuance of the second series of bonds under the Authorization in an aggregate principal amount \$73,102,389.40 (the “Series B Bonds”);

WHEREAS, on June 18, 2009, the District also caused the issuance of the third series of bonds under the Authorization in an aggregate principal amount \$45,210,000 (the “Series C Bonds”);

WHEREAS, at this time this Board of Trustees (the “Board”) has determined that it is necessary and desirable to issue the fourth series of bonds under the Authorization in an aggregate principal amount not-to-exceed \$45,000,000, and to be styled as “San Bernardino Community College District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series D” (the “Bonds”);

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Government Code”), the Bonds are authorized to be issued by the District for purposes set forth in the ballot submitted to the voters at the Election;

WHEREAS, this Board desires to authorize the issuance of the Bonds as any combination of Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, to be issued in one or more Series of Taxable or Tax-Exempt Bonds (as such terms are defined herein);

WHEREAS, this Board desires to appoint certain professionals to provide services related to the issuance of the Bonds; and

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of general obligation bonds of the District, and the indebtedness of the District, including this proposed issue of Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED BY THE BOARD OF TRUSTEES OF THE SAN BERNARDINO COMMUNITY COLLEGE DISTRICT, AS FOLLOWS:

SECTION 1. Authorization for Issuance of the Bonds. To raise money for the purposes authorized by the voters of the District at the Election, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code in one or more Series of Taxable or Tax-Exempt Bonds, with appropriate designation if more than one series is issued, and as any combination of Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, all as set forth in the fully executed Purchase Contract (as defined herein). The Board further orders such Bonds sold such that the Bonds shall be dated as of a date to be determined by an Authorized Officer (defined herein), shall be payable upon such terms and provisions as shall be set forth in the Bonds, and shall be in an aggregate principal amount not-to-exceed \$45,000,000.

SECTION 2. Paying Agent. This Board hereby appoints the Paying Agent, as defined herein, to serve as the paying agent, bond registrar, transfer agent and authentication agent for the Bonds on behalf of the District. This Board hereby approves the payment of the reasonable fees and expenses of the Paying Agent as they shall become due and payable. The fees and expenses of the Paying Agent which are not paid as a cost of issuance of the Bonds may be paid in each year from *ad valorem* property taxes levied and collected for the payment thereof, insofar as permitted by law, including specifically by Section 15232 of the Education Code.

SECTION 3. Terms and Conditions of Sale. The Bonds shall be sold upon the direction of the Chancellor, the Vice Chancellor, Business and Fiscal Services of the District, or such other officers or employees of the District as the Chancellor or the Vice Chancellor, Business and Fiscal Services may designate (collectively, the "Authorized Officers"), and pursuant to the terms and conditions set forth in the Purchase Contract. The Board hereby authorizes the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriter (as defined herein) to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District's goal of achieving the lowest overall cost of funds. The Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below.

SECTION 4. Approval of Purchase Contract. The form of contract for purchase and sale of the Bonds (the “Purchase Contract”) by and between the District and Piper Jaffray & Co. (the “Underwriter”), substantially in the form on file with the Board, is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed to execute such Purchase Contract at time the Bonds are sold; provided, however, (i) that the maximum interest rate on the Bonds shall not exceed the maximum rate permitted by law and (ii) the underwriting discount thereon, excluding original issue discount and expenses of the Underwriter, shall not exceed 0.5% of the aggregate principal amount of the Bonds. The Authorized Officers, each alone, are further authorized to determine the principal amount of the Bonds to be specified in the Purchase Contract for sale by the District up to \$45,000,000 and to enter into and execute the Purchase Contract with the Underwriter, if the conditions set forth in this Resolution are satisfied. The Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriter, will equal approximately 1.5% of the principal amount of the Bonds.

SECTION 5. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

(a) **“Accreted Interest”** means, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds prior to the Conversion Date, the Accreted Value thereof minus the Denominational Amount thereof as of the date of calculation.

(b) **“Accretion Rate”** means, that rate which, when applied to the Denominational Amount of a Capital Appreciation Bond or a Convertible Capital Appreciation Bond, and compounded semiannually on each February 1 and August 1, commencing on August 1, 2015 (unless otherwise provided for in the Purchase Contract), produces the Maturity Value on the maturity date (with respect to Capital Appreciation Bonds) and the Conversion Value on the Conversion Date (with respect to Convertible Capital Appreciation Bonds).

(c) **“Accreted Value”** means, as of the date of calculation, with respect to Capital Appreciation Bonds and Convertible Capital Appreciation Bonds through to the Conversion Date, the Denominational Amount thereof plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1, commencing on August 1, 2015 (unless otherwise provided for in the Purchase Contract), at the stated Accretion Rate to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of 12, 30-day months.

(d) **“Beneficial Owner”** means, when used with reference to book-entry Bonds registered pursuant to Section 6 hereof, the person who is considered the beneficial owner of such Bonds pursuant to the arrangements for book entry determination of ownership applicable to the Depository.

(e) **“Bond Insurer”** means any insurance company which issues a municipal bond insurance policy insuring the payment of Principal, Accreted Value and Conversion Value of and interest on the Bonds.

(f) **“Bond Payment Date”** means, as applicable (and unless otherwise provided by the Purchase Contract), (i) with respect to the Current Interest Bonds, February 1 and August 1 of each year commencing August 1, 2015 with respect to interest thereon, and the stated maturity dates thereof with respect to the Principal payments on the Current Interest

Bonds, (ii) with respect to interest on the Convertible Capital Appreciation Bonds, February 1 and August 1 of each year, commencing on the first February 1 or August 1 following the respective Conversion Dates thereof, and the stated maturity dates thereof with respect to the Conversion Value of the Convertible Capital Appreciation Bonds, and (iii) with respect to the Capital Appreciation Bonds, the stated maturity dates thereof.

(g) **“Bond Register”** means the registration books which the Paying Agent shall keep or cause to be kept on which the registered ownership, transfer and exchange of Bonds shall be recorded.

(h) **“Capital Appreciation Bonds”** means the Bonds the interest component of which is compounded semiannually on each February 1 and August 1, commencing on August 1, 2015 (unless otherwise provided in the Purchase Contract) to maturity as shown in the table of Accreted Value for such Bonds in the Official Statement or Purchase Contract, as the case may be.

(i) **“Code”** means the Internal Revenue Code of 1986, as amended. Reference to any particular section of the Code shall be deemed to be a reference to any successor to any such section.

(j) **“Continuing Disclosure Certificate”** means that certain contractual undertaking in connection with the Bonds, executed by the District pursuant to paragraph (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, dated as of the date of issuance of the Bonds, as amended from time to time in accordance with the provisions thereof.

(k) **“Conversion Date”** means, with respect to Convertible Capital Appreciation Bonds, the date from which such Bonds bear interest on a current, periodic basis.

(l) **“Conversion Value”** means, with respect to Convertible Capital Appreciation Bonds, the Accreted Value as of the Conversion Date.

(m) **“Convertible Capital Appreciation Bonds”** means the Bonds the interest component of which is compounded semiannually to the respective Conversion Dates thereof as shown in the table Accreted Values for the Bonds in the Official Statement or Purchase Contract, as the case may be, and which bear interest from such respective Conversion Dates on the Conversion Value thereof, payable semiannually thereafter on each Bond Payment Date.

(n) **“Current Interest Bonds”** means Bonds, the interest on which is payable semiannually on each Bond Payment Date specified therefor, and maturing in the years and amounts set forth in the Purchase Contract.

(o) **“Dated Date”** means the date of initial issuance and delivery of the Bonds, or such other date as shall appear in the Purchase Contract or Official Statement.

(p) **“Denominational Amount”** means the initial Principal Amount of any Capital Appreciation Bond or Convertible Capital Appreciation Bond.

(q) **“Depository”** means the entity acting as securities depository for the Bonds pursuant to Section 6(c) hereof.

(r) **“DTC”** means The Depository Trust Company, 55 Water Street, New York, New York 10041, a limited purpose trust company organized under the laws of the State of New York, in its capacity as the initial Depository for the Bonds.

(s) **“Fair Market Value”** means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term **“Fair Market Value”** means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

(t) **“Holder” or “Owner”** means the registered owner of a Bond as set forth on the Bond Register maintained by the Paying Agent pursuant to Section 8 hereof.

(u) **“Information Services”** means Financial Information, Inc.’s Financial Daily Called Bond Service; Mergent, Inc.’s Called Bond Department; or Standard & Poor’s J.J. Kenny Information Services’ Called Bond Service.

(v) **“Long Current Interest Bonds”** means Current Interest Bonds that mature more than 30 years from the date of issuance thereof, but not more than 40 years.

(w) **“Maturity Value”** means the Accreted Value of any Capital Appreciation Bond on its maturity date.

(x) **“Moody’s”** means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successor and assigns or, if such corporation shall be dissolved or liquidated or no longer shall perform the functions of a securities rating agency, such other nationally recognized securities rating agency as may be designated by the District.

(y) **“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 6(c) hereof.

(z) **“Non-AMT Bonds”** means obligations the interest on which is excludable from gross income for federal income tax purposes under Section 103(a) of the Code and not treated as an item of tax preference under Section 57(a)(5)(C) of the Code, that are legal investments pursuant to Section 53601 of the Government Code.

(aa) **“Official Statement”** means the Official Statement for the Bonds, as described in Section 17 hereof.

(bb) **“Outstanding”** means, when used with reference to the Bonds, as of any date, Bonds theretofore issued or thereupon being issued under this Resolution except:

(i) Bonds canceled at or prior to such date;

(ii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Section 8 hereof; or

(iii) Bonds for the payment or redemption of which funds or Government Obligations in the necessary amount shall have been set aside (whether on or prior to the maturity or redemption date of such Bonds), in accordance with Section 19 of this Resolution.

(cc) **“Participants”** means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

(dd) **“Paying Agent”** means The Bank of New York Mellon Trust Company, N.A., and their designated agent, successor or assignee, acting in the capacity of paying agent, bond registrar, authenticating agent and transfer agent. As provided in Section 2 herein, the Treasurer is authorized to contract with any third party to perform the services of Paying Agent under this Resolution.

(ee) **“Permitted Investments”** means (i) any lawful investments permitted by Section 16429.1 and Section 53601 of the Government Code, including Non-AMT Bonds and Qualified Non-AMT Mutual Funds, (ii) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, but without regard to any limitations in such Section concerning the percentage of moneys available for investment being invested in a particular type of security, (iii) a guaranteed investment contract with a provider having a rating that meets the minimum rating requirements of the County investment pool maintained by the Treasurer, (iv) the Local Agency Investments Fund of the California State Treasurer, (v) the County investment pool maintained by the Treasurer, and (vi) United States Treasury Securities - State and Local Government Series.

(ff) **“Principal” or “Principal Amount”** means, with respect to any Current Interest Bond, the Principal Amount thereof, with respect to any Capital Appreciation Bond or Convertible Capital Appreciation Bond, the Denominational Amount thereof.

(gg) **“Qualified Non-AMT Mutual Fund”** means stock in a regulated investment company to the extent that at least 95% of the income of such regulated investment company is interest that is excludable from gross income under Section 103 of the Code and not an item of tax preference under Section 57(a)(5)(C) of the Code.

(hh) **“Qualified Permitted Investments”** means (i) Non-AMT Bonds, (ii) Qualified Non-AMT Mutual Funds, (iii) other Permitted Investments authorized by an opinion

of Bond Counsel to the effect that such investment would not adversely affect the tax-exempt status of the Bonds, and (iv) Permitted Investments of proceeds of the Bonds, and interest earned on such proceeds, held not more than thirty days pending reinvestment or Bond redemption. A guaranteed investment contract or similar investment agreement (e.g. a forward supply contract, GIC, repo, etc.) does not constitute a Qualified Permitted Investment.

(ii) **“Record Date”** means the close of business on the 15th day of the month preceding each Bond Payment Date.

(jj) **“Securities Depository”** means The Depository Trust Company, 55 Water Street, New York, New York 10041.

(kk) **“Series”** means any Bonds executed, authenticated and delivered pursuant to the provisions hereof which are identified as a separate series of Bonds.

(ll) **“S&P”** means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, its successor and assigns, or if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, such other nationally recognized securities rating agency as may be designated by the District.

(mm) **“Taxable Bonds”** means any Bonds not issued as Tax-Exempt Bonds.

(nn) **“Tax-Exempt Bonds”** means any Bonds the interest in which is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax, as further described in an opinion of Bond Counsel supplied to the original purchasers of such Bonds.

(oo) **“Term Bonds”** means those Bonds for which mandatory redemption dates have been established in the Purchase Contract.

(pp) **“Transfer Amount”** means, (i) with respect to any Outstanding Current Interest Bond, the Principal Amount, (ii) with respect to any Outstanding Capital Appreciation Bond, the Maturity Value, and (iii) with respect to any Outstanding Convertible Capital Appreciation Bonds, the Conversion Value.

(qq) **“Treasurer”** means the Treasurer-Tax Collector of the County or other comparable officer of the County.

(rr) **“Underwriter”** means Piper Jaffray & Co., as Underwriter of the Bonds.

SECTION 6. Terms of the Bonds.

(a) **Denomination, Interest, Dated Dates and Terms.** The Bonds shall be issued as fully registered book-entry bonds in the following denominations: (i) with respect to the Current Interest Bonds, \$5,000 Principal Amount or any integral multiple thereof, (ii) with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination, if necessary), and (iii) with respect to Convertible Capital Appreciation Bonds, \$5,000 Conversion Value or any integral multiple thereof. The Bonds will initially be registered in the name of “Cede & Co.,” the Nominee of the Depository Trust Company, New York, New York.

Each Current Interest Bond shall be dated as of the Dated Date, and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date, in which event it shall bear interest from its Dated Date. Interest shall be payable on the respective Bond Payment Dates and shall be calculated on the basis of a 360-day year of 12, 30-day months.

The Capital Appreciation Bonds shall mature in the years, shall be issued in aggregate Principal Amounts, and shall have Accretion Rates as shown in the Accreted Value Table attached to the Official Statement or Purchase Contract. The Convertible Capital Appreciation Bonds shall mature in the years, shall be issued in the aggregate Principal Amounts, and shall have Accretion Rates as shown in such Accreted Value Table; provided, however, that in the event that the amount shown in such Accreted Value Table and the Accreted Value caused to be calculated by the District and approved by the Bond Insurer, if any, by application of the definition of Accreted Value set forth in Section 5 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond or Convertible Capital Appreciation Bond, as applicable.

Each Capital Appreciation Bond shall be dated, and shall accrete interest from, its date of initial delivery. Capital Appreciation Bonds will not bear interest on a current or periodic basis.

Prior to their respective Conversion Dates, each Convertible Capital Appreciation Bond shall not bear current, periodic interest but will accrete in value through the Conversion Date thereof, from its Denominational Amount on the Dated of Date thereof to its Conversion Value on the applicable Conversion Date. No payment will be made to the Owners of Convertible Capital Appreciation Bonds on the respective Conversion Dates thereof. From and after its Conversion Date, each Convertible Capital Appreciation Bond will bear current, periodic interest, and such interest will accrue based upon the Conversion Value of such Bonds at the Conversion Date. Following their respective Conversion Dates, each Convertible Capital Appreciation Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof, unless it is authenticated during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before the first Record Date after the Conversion Date, in which event it will bear interest from the Conversion Date.

Notwithstanding any other provision herein, the ratio of total debt service to principal for each Series of Bonds shall not exceed four-to-one, and Capital Appreciation Bonds and Convertible Capital Appreciation Bonds may not mature more than 25 years from their respective dates of issuance.

(b) Redemption.

(i) Terms of Redemption. The Bonds shall be subject to optional or mandatory sinking fund redemption prior to maturity as provided in the Purchase Contract or the Official Statement; provided, however, that, notwithstanding any other provision herein, any Capital Appreciation Bond or Convertible Capital Appreciation Bond maturing more than 10 years after its date of issuance shall be subject to redemption before its fixed maturity date, with or without premium, at any time, or from time to time, at the option of the District, beginning no later than the 10th anniversary of the date such Bond is issued.

(ii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the optional redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent shall select Bonds for redemption as directed by the District and, if not so directed, by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that (A) the portion of any Current Interest Bond to be redeemed in part shall be in the Principal Amount of \$5,000 or any integral multiple thereof, (B) the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof, (C) and the portion of any Convertible Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Conversion Value thereof.

The Purchase Contract may provide that (i) in the event that any portion of Term Bonds subject to mandatory sinking fund redemption is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect to such Bonds shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of \$5,000 Principal Amount (or Maturity Value or Conversion Value, as applicable), in respect of the portion of such Bonds optionally redeemed, and (ii) within a maturity, Bonds shall be selected for redemption on a “Pro Rata Pass-Through Distribution of Principal” basis in accordance with DTC procedures, provided further that, such redemption is made in accordance with the operational arrangements of DTC then in effect.

(iii) Notice of Redemption. When redemption is authorized or required pursuant to Section 6(b) hereof, the Paying Agent, upon written instruction from the District, shall give notice (a “Redemption Notice”) of the redemption of the Bonds. Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Paying Agent, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount, Accreted Value or Conversion Value, as applicable, to be redeemed, and the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest thereon shall cease to accrue or accrete.

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

(a) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the Bond Register.

(b) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository.

(c) At least 20 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

(d) The Paying Agent shall provide a Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided herein shall be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer. Such Redemption Notice may state that no representation is made as to the accuracy or correctness of CUSIP numbers printed thereon, or on the Bonds.

With respect to any notice of optional redemption of Bonds (or portions thereof) pursuant to Section 6(b)(i) hereof, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased pursuant to Section 19 hereof, such notice shall state that such redemption shall be conditional upon the receipt by an independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the Principal, Accreted Value and Conversion Value of, premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that if such moneys shall have been so received said notice shall be of no force and effect, no portion of the Bonds shall be subject to redemption on such date and such Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption shall not be made and the Paying Agent shall within a reasonable time thereafter (but in no event later than the date originally set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District shall have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for redemption. The Paying Agent shall distribute a notice of rescission of such Redemption Notice in the same manner as such Redemption Notice was originally provided.

(iv) Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amount to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the District shall be released and discharged thereupon from all liability to the extent of such payment.

(v) Effect of Redemption Notice. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside as provided in Section 19 hereof, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 6(b) hereof, together with interest accrued to such redemption date, shall be held in trust so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the

Bonds to be redeemed shall cease to accrue and become payable. All money held for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

(vi) Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity under the provisions of this Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and accrued interest (if applicable) with respect thereto to the date fixed for redemption, all as provided in this Resolution, then such Bonds shall no longer be deemed Outstanding and shall be surrendered to the Paying Agent for cancellation.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 6 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Paying Agent.

(c) Book-Entry System.

(i) Election of Book-Entry System. The Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination. The ownership of each such Bond shall be registered in the Bond Register in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 6(c)(i)(4).

With respect to book-entry Bonds, the District and the Paying Agent shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Register, of any notice with respect to book-entry Bonds, including any Redemption Notice, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Principal, Accreted Value and Conversion Value of, premium, if any, or interest on the book-entry Bonds. The District and the Paying Agent may treat and consider the person in whose name each book-entry Bond is registered in the Bond Register as the absolute Owner of such book-entry Bond for the purpose of payment of Principal, Accreted Value and Conversion Value of, premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent shall pay all Principal, Accreted Value and Conversion Value of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Principal, Accreted Value and Conversion Value of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Principal, Accreted Value and Conversion Value of, and premium, if any, and interest on the Bonds. Upon delivery by the Depository to the Owner and the Paying Agent, of written notice to the effect that the Depository has determined to

substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

1. Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the District and the Paying Agent shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the District or the Paying Agent any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the Owners, as shown on the Bond Register. By executing a Letter of Representations, the Paying Agent shall agree to take all action necessary at all times so that the District will be in compliance with all representations of the District in such Letter of Representations. In addition to the execution and delivery of a Letter of Representations, the District and the Paying Agent shall take such other actions, not inconsistent with this Resolution, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the Beneficial Owners of the Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such Outstanding book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 6(c).

3. Payments and Notices to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all Outstanding Bonds are held in book-entry form and registered in the name of the Nominee, all payments by the District or the Paying Agent with respect to Principal, Accreted Value and Conversion Value of, premium, if any, or interest on the Bonds and all notices with respect to such Bonds, including Redemption Notices, shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise required or instructed by the Depository and agreed to by the Paying Agent notwithstanding any inconsistent provisions herein.

4. Transfer of Bonds to Substitute Depository.

(A) The Bonds shall be initially issued as described in the Official Statement described herein. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(1) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 6(c)(i)(4)(A)(2) ("Substitute Depository"); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(2) to any Substitute Depository, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(3) to any person as provided below, upon (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository, or (2) a determination by the District that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(B) In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(1) or (2), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 6(c)(i)(4)(A)(3), upon receipt of all Outstanding Bonds by the Paying Agent, together with a written request of the District to the Paying Agent, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

(C) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the Principal, Maturity Value, or Conversion Value maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in Principal, Maturity Value or Conversion Value, in form acceptable to the Paying Agent, all in accordance with the Letter of Representations. The Paying Agent shall not be liable for such Depository's failure to make such notations or errors in making such notations.

(D) The District and the Paying Agent shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Paying Agent or the District; and the District and the Paying Agent shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any Beneficial Owners of the Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to any such Beneficial Owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Paying Agent may rely conclusively on its records as to the identity of the Owners of the Bonds.

SECTION 7. Execution of the Bonds. The Bonds shall be signed by the President of the Board, or other member of the Board authorized sign on behalf of the President, by his or her manual or facsimile signature and countersigned by the manual or facsimile signature of the Secretary to or Clerk

of the Board, or the designee thereof, all in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 8. Paying Agent; Transfer and Exchange. So long as any of the Bonds remain Outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 9 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute Owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal, Accreted Value and Conversion Value of, premium, if any, and interest on any Bond shall be made only to or upon the order of such Owner; neither the District nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

Any Bond may be exchanged for Bonds of like Series, tenor, maturity and Transfer Amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new bond or bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds may not be exchanged for one another.

If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence be satisfactory to the Paying Agent and indemnity for the Paying Agent and the District satisfactory to the Paying Agent shall be given by the Owner, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like Series, tenor, maturity and Transfer Amount in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Paying Agent may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Paying Agent and the District). The Paying Agent may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the District and the Paying Agent.

If signatures on behalf of the District are required in connection with an exchange or transfer, the Paying Agent shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Bonds, the

District shall sign and the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer shall be cancelled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Paying Agent. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Paying Agent as requested by the District. The cancelled Bonds shall be retained for three years, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

SECTION 9. Payment. Payment of interest on any Current Interest Bond or Convertible Capital Appreciation Bond after its respective Conversion Date shall be made on any Bond Payment Date to the person appearing on the registration books of the Paying Agent as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by wire transfer or check mailed to such Owner on the Bond Payment Date at his or her address as it appears on such registration books or at such other address as he or she may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount, Conversion Value or Maturity Value of One Million Dollars (\$1,000,000) or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The Principal, and redemption premiums, if any, payable on the Current Interest Bonds, the Accreted Value and redemption premiums, if any, on the Capital Appreciation Bonds, and the Conversion Value and redemption premiums, if any, on Convertible Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent. The Principal, Accreted Value and Conversion Value of, and premiums, if any, and interest on, the Bonds shall be payable in lawful money of the United States of America. The Paying Agent is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District and do not constitute an obligation of the County except as provided in this Resolution. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

SECTION 10. Forms of Bonds. The Bonds shall be in substantially the form as set forth in Exhibit A hereto, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution and the Purchase Contract.

SECTION 11. Delivery of Bonds. The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Underwriter upon payment of the purchase price therefor.

SECTION 12. Deposit of Proceeds of Bonds. (a) The purchase price received from the Underwriter pursuant to the Purchase Contract, to the extent of the Principal Amount thereof, initially shall be paid to the County to the credit of the fund hereby authorized to be created to be known as the “San Bernardino Community College District Election of 2008 General Obligation Bonds, Series D Building Fund” (the “Building Fund”) of the District, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued and provided further that such proceeds shall be applied solely to the purposes authorized by the voters of the District at the Election. The net proceeds from the sale of the Bonds shall be transferred by the County to the Paying Agent, acting as investment custodian of the monies initially deposited into the Building Fund. The County shall have no responsibility for assuring the proper use of the Bond proceeds by the District. The Building Fund may contain subaccounts if the Bonds are issued in more than one Series. The purchase price received from the Underwriter pursuant to the Purchase Contract, to the extent of any accrued interest and any net original issue premium, shall be kept separate and apart in the fund hereby authorized to be created and designated as the “San Bernardino Community College District Election of 2008 General Obligation Bonds, Series D Debt Service Fund” (the “Debt Service Fund”) for the Bonds and used for payment of Principal, Accreted Value and Conversion Value of and interest on the Bonds, and for no other purpose. The Debt Service Fund may contain subaccounts if the Bonds are issued in more than one Series. Interest earnings on monies held in the Building Fund shall be retained in the Building Fund. Interest earnings on monies held in the Debt Service Fund shall be retained in the Debt Service Fund. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued upon written notice from the District shall be transferred to the Debt Service Fund and applied to the payment of the Principal, Accreted Value and Conversion Value of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District.

The costs of issuance of the Bonds are hereby authorized to be paid either from premium withheld by the Underwriter upon the sale of the Bonds, or from the Principal Amount of the Bonds received from the Underwriter. To the extent costs of issuance are paid from such Principal Amount, the District, may direct that a portion thereof, in an amount not-to-exceed 2.0% of such Principal Amount, in lieu of being deposited into the Building Fund, be deposited in a costs of issuance account to be held by a fiscal agent of the District appointed for such purpose.

(b) Moneys in the Debt Service Fund and the Building Fund shall be invested in Permitted Investments. If at the time of issuance the District determines to issue the Bonds as Tax-Exempt Bonds without regard to the Internal Revenue Code “temporary period” restrictions, all investment of Bond proceeds shall be subject to paragraph (1) below; and the District, in consultation with the County, may provide for an agent to assist the County in investing funds pursuant to paragraph (1) below. If the District fails to direct the County or its agent, as the case may be, the County or its agent shall invest or cause the funds in the Building Fund to be invested in Qualified Permitted Investments, subject to the provisions of paragraph (1) below, until such time as the District provides written direction to invest such funds otherwise. Neither the County nor its officers and agents, as the case may be, shall have any responsibility or obligation to determine the tax consequences of any investment. The interest earned on the moneys deposited to the Building Fund shall be applied as set forth in subparagraph (1)(C) below:

- (1) Covenant Regarding Investment of Proceeds.

(A) Permitted Investments. Beginning on the delivery date, and at all times until expenditure for authorized purposes, not less than 95% of the proceeds of the Bonds deposited in the Building Fund, including investment earnings thereon, will be invested in Qualified Permitted Investments. Notwithstanding the preceding provisions of this Section, for purposes of this paragraph, amounts derived from the disposition or redemption of Qualified Permitted Investments and held pending reinvestment or redemption for a period of not more than 30 days may be invested in Permitted Investments. The District hereby authorizes investments made pursuant to this Resolution with maturities exceeding five years.

(B) Recordkeeping and Monitoring Relating to Building Fund.

i. Information Regarding Permitted Investments. The District hereby covenants that it will record or cause to be recorded with respect to each Permitted Investment in the Building Fund the following information: purchase date; purchase price; information establishing the Fair Market Value of such Permitted Investment; face amount; coupon rate; periodicity of interest payments; disposition price; disposition date; and any accrued interest received upon disposition.

ii. Information in Qualified Non-AMT Mutual Funds. The District hereby covenants that, with respect to each investment of proceeds of the Bonds in a Qualified Non-AMT Mutual Fund pursuant to paragraph (1)(A) above, in addition to recording, or causing to be recorded, the information set forth in paragraph (1)(B)(i) above, it will retain a copy of each IRS information reporting form and account statement provided by such Qualified Non-AMT Mutual Fund.

iii. Monthly Investment Fund Statements. The District covenants that it will obtain, at the beginning of each month following the delivery date, a statement of the investments in the Building Fund detailing the nature, amount and value of each investment as of such statement date.

iv. Retention of Records. The District hereby covenants that it will retain the records referred to in paragraph (1)(B)(i) and each IRS information reporting form referred to in paragraph (1)(B)(ii) with its books and records with respect to the Bonds until three years following the last date that any obligation comprising the Bonds is retired.

(C) Interest Earned on Permitted Investments. The interest earned on the moneys deposited in the Building Fund shall be deposited in the Building Fund and used for the purposes of that fund.

Except as required to satisfy the requirements of Section 148(f) of the Code, interest earned on the investment of moneys held in the Debt Service Fund shall be retained in the Debt Service Fund and used by the County to pay the Principal, Accreted Value and Conversion Value of and interest on the Bonds when due.

SECTION 13. Rebate Fund. The following provisions shall apply to any Bonds issued as Tax-Exempt Bonds.

(a) The District shall create and establish a special fund designated the “San Bernardino Community College District Election of 2008 General Obligation Bonds, Series D Rebate Fund” (the “Rebate Fund”). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the “Treasury Regulations”). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District in connection with the Tax-Exempt Bonds (the “Tax Certificate”).

(b) Within 45 days of the end of each fifth Bond Year (as such term is defined in the Tax Certificate), (1) the District shall calculate or cause to be calculated with respect to the Bonds the amount that would be considered the “rebate amount” within the meaning of Section 1.148-3 of the Treasury Regulations, using as the “computation date” for this purpose the end of such Bond Year, and (2) the District shall deposit to the Rebate Fund from amounts on deposit in the other funds established hereunder or from other District funds, if and to the extent required, amounts sufficient to cause the balance in the Rebate Fund to be equal to the “rebate amount” so calculated. The District shall not be required to deposit any amount to the Rebate Fund in accordance with the preceding sentence, if the amount on deposit in the Rebate Fund prior to the deposit required to be made under this subsection (b) equals or exceeds the “rebate amount” calculated in accordance with the preceding sentence. Such excess may be withdrawn from the Rebate Fund to the extent permitted under subsection (g) of this Section. The District shall not be required to calculate the “rebate amount” and shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b), with respect to all or a portion of the proceeds of the Bonds (including amounts treated as proceeds of the Bonds) (1) to the extent such proceeds satisfy the expenditure requirements of Section 148(f)(4)(B) or Section 148(f)(4)(C) of the Code or Section 1.148-7(d) of the Treasury Regulations, whichever is applicable, and otherwise qualify for the exception to the Rebate Requirement pursuant to whichever of said sections is applicable, (2) to the extent such proceeds are subject to an election by the District under Section 148(f)(4)(C)(vii) of the Code to pay a one and one-half percent (1½%) penalty in lieu of arbitrage rebate in the event any of the percentage expenditure requirements of Section 148(f)(4)(C) are not satisfied, or (3) to the extent such proceeds qualify for the exception to arbitrage rebate under Section 148(f)(4)(A)(ii) of the Code for amounts in a “bona fide debt service fund.” In such event, and with respect to such amounts, the District shall not be required to deposit any amount to the Rebate Fund in accordance with this subsection (b).

(c) Any funds remaining in the Rebate Fund after redemption of all the Bonds and any amounts described in paragraph (2) of subsection (d) of this Section, or provision made therefor satisfactory to the District, including accrued interest, shall be remitted to the District.

(d) Subject to the exceptions contained in subsection (b) of this Section to the requirement to calculate the “rebate amount” and make deposits to the Rebate Fund, the District shall pay to the United States, from amounts on deposit in the Rebate Fund,

(1) not later than 60 days after the end of (i) the fifth Bond Year, and (ii) each fifth Bond Year thereafter, an amount that, together with all previous rebate payments, is equal to at least 90% of the “rebate amount” calculated as of the end of such Bond Year in accordance with Section 1.148-3 of the Treasury Regulations; and

(2) not later than 60 days after the payment of all Bonds, an amount equal to 100% of the “rebate amount” calculated as of the date of such payment (and any income attributable

to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

(e) In the event that, prior to the time any payment is required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the District shall calculate (or have calculated) the amount of such deficiency and deposit an amount equal to such deficiency into the Rebate Fund prior to the time such payment is due.

(f) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service, on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T, such form to be prepared or caused to be prepared by the District.

(g) In the event that immediately following the calculation required by subsection (b) of this Section, but prior to any deposit made under said subsection, the amount on deposit in the Rebate Fund exceeds the “rebate amount” calculated in accordance with said subsection, the District may withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(h) The District shall retain records of all determinations made hereunder until three years after the complete retirement of the Bonds.

(i) Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Bonds.

SECTION 14. Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are Outstanding in an amount sufficient to pay the Principal, Accreted Value and Conversion Value of and interest on the Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District. Pursuant to Government Code Sections 5450 and 5451, moneys on deposit in the Debt Service Fund are hereby pledged to the payment of the Principal, Accreted Value and Conversion Value of and interest on the Bonds when and as the same fall due, and for no other purpose.

The moneys in the Debt Service Fund, to the extent necessary to pay the Principal, Accreted Value and Conversion Value of and interest on the Bonds as the same become due and payable, shall be transferred by the Treasurer to the Paying Agent which, in turn, shall pay such moneys to DTC to pay such Principal, Accreted Value, Conversion Value and interest. DTC will thereupon make payments of Principal, Accreted Value and Conversion Value of and interest on the Bonds to the DTC Participants who will thereupon make payments of such Principal, Accreted Value, Conversion Value and interest to the Beneficial Owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid in full, or provision for such payment has been made, shall be transferred to the general fund of the District, pursuant to the Education Code Section 15234.

SECTION 15. Arbitrage Covenant. The District covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed thereunder or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

SECTION 16. Conditions Precedent. The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 17. Official Statement. The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Secretary to the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to the Underwriter to be used in connection with the offering and sale of the Bonds. The Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deem the Preliminary Official Statement “final” pursuant to 15c2-12 of the Securities Exchange Act of 1934, prior to its distribution and to execute and deliver to the Underwriter a final Official Statement, substantially in the form of the Preliminary Official Statement, with such changes therein, deletions therefrom and modifications thereto as the Authorized Officer executing the same shall approve. The Underwriter are hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the purchase of the Bonds and is further directed to deliver copies of any final Official Statement to the purchasers of the Bonds. Execution of the Official Statement shall conclusively evidence the District’s approval of the Official Statement.

SECTION 18. Insurance. In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the Principal, Accreted Value and Conversion Value of or interest on the Bonds, it shall become the Owner of such Bonds with the right to payment of such Principal, Accreted Value, Conversion Value or interest, and shall be fully subrogated to all of the Owners’ rights, including the Owners’ rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Paying Agent shall note the Bond Insurer’s rights as subrogee on the Bond Register for the Bonds maintained by the Paying Agent upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal, the Paying Agent shall note the Bond Insurer as subrogee on the Bond Register for the Bonds maintained by the Paying Agent upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 19. Defeasance. All or any portion of the Outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts transferred from the Debt Service Fund, if any, is sufficient to pay all Bonds Outstanding and designated for defeasance (including all Principal thereof, accrued or accreted interest thereon and redemption premiums, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, and amounts transferred from the Debt Service Fund, in such amount as will, together with interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds Outstanding and designated for

defeasance (including all Principal thereof, accrued or accreted interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated Outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) of this Section, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, Government Obligations shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or “prerefunded” municipal obligations rated in the highest rating category by Moody’s or S&P. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed at least as high as direct and general obligations of the United States of America by either Moody’s or S&P.

SECTION 20. Nonliability of County. Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the County, nor its officials, officers, employees or agents shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Bonds are not a debt of the County or a pledge of the County’s full faith and credit, and the Bonds and any liability in connection therewith shall be paid solely from *ad valorem* property taxes lawfully levied to pay the Principal, Accreted Value and Conversion Value of or interest on the Bonds, which taxes shall be unlimited as to rate or amount.

SECTION 21. Reimbursement of County Costs. The District shall reimburse the County for all costs and expenses incurred by the County, its officials, officers, agents and employees in issuing or otherwise in connection with the issuance of the Bonds.

SECTION 22. Request to County to Levy Tax. The Board of Supervisors and officers of the Counties are obligated by statute to provide for the levy and collection of *ad valorem* property taxes in each year sufficient to pay all Principal, Accreted Value and Conversion Value of and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the respective Boards of Supervisors to annually levy a tax upon all taxable property in the District sufficient to pay all such Principal, Accreted Value, Conversion Value and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds.

SECTION 23. Other Actions. (a) Officers of the Board and District officials and staff are hereby 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 proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby appoints Piper Jaffray & Co., as Underwriter, and Stradling Yocca Carlson & Rauth, a Professional Corporation, as Bond Counsel and Disclosure Counsel, each with respect to the issuance of the Bonds.

(c) Notwithstanding any other provisions contained herein, the provisions of this Resolution as they relate to the Bonds may be amended by the Purchase Contract and the Official Statement.

(d) Attached as Exhibit B is disclosure regarding the estimated term and time of maturity, repayment ratio and estimated change in assessed valuation of taxable property within the District over the term of the Bonds. Such disclosure is appended in satisfaction of Section 15146(b)(1)(E) of the Education Code, and shall not abrogate or otherwise limit any provision of this Resolution.

(e) To the extent the issuance of Bonds includes Long Current Interest Bonds (as defined herein), the useful life of any facility financed with such Long Current Interest Bonds will equal or exceed the maturity of such Long Current Interest Bonds, as shall be further evidenced by a certificate of the District substantially to such effect.

SECTION 24. Resolution to Treasurers of the Counties. The Secretary to this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer-Tax Collector of the respective Counties immediately following its adoption.

SECTION 25. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated as of the Dated Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof. The Board hereby approves the form of the Continuing Disclosure Certificate appended to the form of the Preliminary Official Statement on file with the Secretary to the Board, and further authorizes the Authorized Officer, each alone, to execute and delivery the Continuing Disclosure Certificate with such changes therein or modifications thereto as shall be approved by the Underwriter and the Authorized Officer executing the same, such latter approval to be conclusively evidenced by such execution and delivery. Any Bond Holder 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. Noncompliance with this Section shall not result in acceleration of the Bonds.

SECTION 26. Effective Date. This Resolution shall take effect immediately upon its passage.

SECTION 27. Further Actions Authorized. It is hereby covenanted that the District, and its appropriate officials, have duly taken all actions necessary to be taken by them, and will take any additional actions necessary to be taken by them, for carrying out the provisions of this Resolution.

SECTION 28. Recitals. All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

PASSED, ADOPTED AND APPROVED this 9th day of July, 2015, by the following vote:

AYES: MEMBERS _____

NOES: MEMBERS _____

ABSTAIN: MEMBERS _____

ABSENT: MEMBERS _____

President of the Board of Trustees

ATTEST:

Secretary to the Board of Trustees

SECRETARY'S CERTIFICATE

I, Bruce Baron, Secretary to the Board of Trustees of the San Bernardino Community College District, hereby certify as follows:

The foregoing is a full, true and correct copy of a Resolution duly adopted at a regular meeting of the Board of Trustees of said District duly and regularly and legally held at the regular meeting place thereof on July 9, 2015, of which meeting all of the members of the Board of said District had due notice and at which a quorum was present.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office and the foregoing is a full, true and correct copy of the original Resolution adopted at said meeting and entered in said minutes.

Said Resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Dated: July __, 2015

Secretary to the Board of Trustees of the San Bernardino Community College District

EXHIBIT A
FORMS OF BONDS

(Form of Current Interest Bond)

**REGISTERED
NO.**

**REGISTERED
\$**

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES D**

<u>INTEREST RATE:</u> ____% per annum	<u>MATURITY DATE:</u> August 1, ____	<u>DATED AS OF:</u> _____, 2015	<u>CUSIP</u>
------------------------------------------	-----------------------------------------	------------------------------------	--------------

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The San Bernardino Community College District (the "District") in San Bernardino and Riverside Counties, California (the "Counties"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing August 1, 2015. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before July 15, 2015, in which event it shall bear interest from the Dated Date. Interest shall be computed on the basis of a 360-day year of 12, 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered, such owner being the Registered Owner, on the Register maintained by the Paying Agent, initially The Bank of New York Mellon Trust Company, N.A. Principal is payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest is payable by check or draft mailed by the Paying Agent on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register as of the 15th day of the month next preceding that Bond Payment Date (the "Record Date"). The Owner of Bonds in the aggregate Principal Amount of \$1,000,000 or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the Election (defined herein) and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a general

election held on February 5, 2008 (the “Election”), upon the question of issuing bonds in the amount of \$500,000,000 and the resolution of the Board of Trustees of the District adopted on July 9, 2015 (the “Bond Resolution”). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

The bonds of this issue (the “Bonds”) comprise (i) \$_____ principal amount of Current Interest Bonds, of which this bond is a part, (ii) Capital Appreciation Bonds, of which \$_____ represents the Denominational Amount and \$_____ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which \$_____ represents the Denominational Amount and \$_____ represents the Conversion Value.

This bond is exchangeable and transferable for Bonds of like tenor, maturity and principal amount and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable Redemption Notice is given or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20__ are subject to redemption at the option of the District, as a whole or in part, on any date on or after August 1, 20__ at a redemption price equal to the principal amount of the Current Interest Bonds to be redeemed, plus interest thereon to the date fixed for redemption, without premium.

The Current Interest Term Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount of such Current Interest Term Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

<u>Redemption Dates</u>	<u>Principal Amounts</u>
TOTAL	

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by Paying Agent as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as shall be determined by the Paying Agent, provided, however, that the portion of any Bond to be redeemed shall be in the principal amount, Maturity Value or Conversion Value of \$5,000 or some multiple thereof. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order directed by the District and, if not so directed, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

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

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

IN WITNESS WHEREOF, the San Bernardino Community College District has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the [Secretary to/Clerk of] the Board of Trustees of the District, all as of the date stated above.

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

By: _____ (Facsimile Signature)
President of the Board of Trustees

COUNTERSIGNED:

(Facsimile Signature)
[Secretary to/Clerk of] the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2015.

By: THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Paying Agent

Authorized Officer

ASSIGNMENT

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

Dated: _____

Signature Guaranteed:

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

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

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

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

(Facsimile Signature)
[Secretary to/Clerk of] the Board of Trustees

(Form of Legal Opinion)

(Form of Capital Appreciation Bond)

**REGISTERED
NO.**

**REGISTERED
\$**

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES D**

ACCRETION RATE: MATURITY DATE: DATED AS OF: CUSIP
 _____ % August 1, 20__ _____, 20__

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The San Bernardino Community College District (the "District") in San Bernardino and Riverside Counties, California (the "Counties"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value comprising the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2015, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denominational Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of 12, 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered, such owner being the Registered Owner, on the Register maintained by the Paying Agent, initially The Bank of New York Mellon Trust Company, N.A. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the Election (defined herein) and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a general election held on February 5, 2008 (the "Election"), upon the question of issuing bonds in the amount of \$500,000,000 and the resolution of the Board of Trustees of the District adopted on July 9, 2015 (the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest solely from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

The bonds of this issue (the "Bonds") comprise (i) \$_____ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds, of which this bond is a part, and of which \$_____ represents the Denominational Amount and \$_____ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, and of which \$_____ represents the Denominational Amount and \$_____ represents the Conversion Value.

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

The Capital Appreciation Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Capital Appreciation Bonds maturing on or after August 1, 20__ are subject to redemption at the option of the District, as a whole or in part, on any date on or after _____, 20__ at a redemption price equal to the Accreted Value of such Capital Appreciation Bonds to be redeemed as of the date set for such redemption, without premium.

The Capital Appreciation Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20__, at a redemption price equal to the Accreted Value of such Capital Appreciation Bonds as of the dates set for such redemption, without premium. The Accreted Value of such Bonds to be so redeemed and the dates therefor and the final payment date is as indicated in the following table:

<u>Redemption Dates</u>	<u>Accreted Value</u>
-------------------------	-----------------------

TOTAL

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by Paying Agent as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as shall be determined by the Paying Agent, provided, however, that the portion of any Bond to be redeemed shall be in the principal amount, Maturity Value or Conversion Value of \$5,000 or some multiple thereof. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order directed by the District and, if not so directed, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

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

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the San Bernardino Community College District has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the [Secretary to/Clerk of] the Board of Trustees of the District, all as of the date stated above.

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

By: _____ (Facsimile Signature)
President of the Board of Trustees

COUNTERSIGNED:

(Facsimile Signature)
[Secretary to/Clerk of] the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2015.

By: THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Paying Agent

Authorized Officer

ASSIGNMENT

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

Dated: _____

Signature Guaranteed:

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

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

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

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

(Facsimile Signature)

[Secretary to/Clerk of] the Board of Trustees

(Form of Convertible Capital Appreciation Bond)

REGISTERED
NO.

REGISTERED
\$

**SAN BERNARDINO COMMUNITY COLLEGE DISTRICT
(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES D**

ACCRETION RATE TO <u>CONVERSION DATE</u>	<u>CONVERSION DATE</u>	INTEREST RATE AFTER THE <u>CONVERSION DATE</u>	<u>MATURITY DATE:</u>	<u>DATED AS OF:</u>	<u>CUSIP</u>
_____	_____ 1, 20__	_____%	August 1, 20__	_____, 20__	_____

REGISTERED OWNER: CEDE & CO.

DENOMINATIONAL AMOUNT:

CONVERSION VALUE :

The San Bernardino Community College District (the "District") in San Bernardino and Riverside Counties, California (the "Counties"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Conversion Value on the Maturity Date, each as stated above, such Conversion Value comprising the Denominational Amount and interest accreted thereon to the Conversion Date. Prior to the Conversion Date, this bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2015, at the Accretion Rate specified above to the Conversion Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denominational Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of 12, 30-day months. After the Conversion Date, the District promises to pay to the Registered Owner named above, interest on the Conversion Value from the Conversion Date until the Conversion Value is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year, commencing _____ 1, 20__ (the "Bond Payment Dates"). This bond will bear such interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before _____ 15, 20__, in which event it will bear interest from the Conversion Date. Conversion Value and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Paying Agent, initially The Bank of New York Mellon Trust Company, N.A. Accreted Value or Conversion Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Paying Agent. Interest following the Conversion Date is payable by check or draft mailed by the Paying Agent on each Bond Payment Date

to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register as of the 15th day of the month next preceding that Bond Payment Date (the "Record Date"). The Owner of Convertible Capital Appreciation Bonds in the aggregate Conversion Value of \$1,000,000 or more may request in writing to the Paying Agent that the Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the Election (defined herein) and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a general election held on February 5, 2008 (the "Election"), upon the question of issuing bonds in the amount of \$500,000,000 and the resolution of the Board of Trustees of the District adopted on July 9, 2015 (the "Bond Resolution"). This bond is being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code. This bond and the issue of which this bond is one are payable as to both principal and interest solely from the proceeds of the levy of ad valorem taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

[The bonds of this issue comprise (i) \$_____ principal amount of Current Interest Bonds, (ii) Capital Appreciation Bonds of which \$_____ represents the Denominational Amount and \$_____ represents the Maturity Value, and (iii) Convertible Capital Appreciation Bonds, of which this bond is a part, and of which \$_____ represents the Denominational Amount and \$_____ represents the Conversion Value.]

This bond is exchangeable and transferable for bonds of like tenor, maturity and Transfer Amount (as defined in the Bond Resolution) and in authorized denominations at the designated office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. All fees and costs of transfer shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Convertible Capital Appreciation Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Convertible Capital Appreciation Bonds maturing on or after August 1, 20__ are subject to redemption at the option of the District, as a whole or in part, on any date on or after _____, 20__ at a redemption price equal to either (i) the Accreted Value thereof as of the date set for redemption, without premium, if redeemed prior to the Conversion Date, or (ii) the Conversion Value thereof, together with interest accrued thereon to the date set for redemption, without premium, if redeemed on and after the Conversion Date.

[The Capital Appreciation Bonds maturing on August 1, 20__, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1,

20__, at a redemption price equal to the Conversion Value of such Convertible Capital Appreciation Bonds, together with interest accrued thereon to the date set for redemption, without premium. The Conversion Value of such Bonds to be so redeemed and the dates therefor and the final payment date is as indicated in the following table:]

Redemption Dates

Conversion Value

TOTAL

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by Paying Agent as directed by the District, and if not so directed, by lot. Redemption by lot shall be in such manner as shall be determined by the Paying Agent, provided, however, that the portion of any Bond to be redeemed shall be in the principal amount, Maturity Value or Conversion Value of \$5,000 or some multiple thereof. If less than all of the Bonds stated to mature on different dates shall be called for redemption, the particular Bonds or portions thereof to be redeemed shall be called by the Paying Agent in any order directed by the District and, if not so directed, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of certain defined terms used herein, as well as the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The Registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

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

This bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been signed.

[REMAINDER OF PAGE LEFT BLANK]

IN WITNESS WHEREOF, the San Bernardino Community College District, San Bernardino County, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Trustees of the District, and to be countersigned by the manual or facsimile signature of the [Secretary to/Clerk of] the Board of Trustees of the District, all as of the date stated above.

SAN BERNARDINO COMMUNITY COLLEGE DISTRICT

By: _____ (Facsimile Signature)
President of the Board of Trustees

COUNTERSIGNED:

(Facsimile Signature)
[Secretary to/Clerk of] the Board of Trustees

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2015.

By: THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Paying Agent

Authorized Officer

ASSIGNMENT

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

Dated: _____

Signature Guaranteed:

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

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

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

LEGAL OPINION

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with the issuance of, and dated as of the date of the original delivery of, the bonds. A signed copy is on file in my office.

(Facsimile Signature)

[Secretary to/Clerk of] the Board of Trustees

EXHIBIT B

DISCLOSURE REQUIRED BY CALIFORNIA EDUCATION CODE 15145(b)(1)(E)

1. Financing term and time of maturity of the bonds (the entire series of bonds). Illustration 1 includes both current interest bonds (“CIBs”) and capital appreciation bonds (“CABs”), while Illustration 2 includes only CIBs.

Period Ending	Illustration 1 - CIBs and CABs				Illustration 2 - CIBs Only			
	Principal	Interest	Debt Service Fund	Net Debt Service	Principal	Interest	Debt Service Fund	Net Debt Service
8/1/2016	\$ 1,160,000	\$ 1,296,555	\$(1,296,555)	\$ 1,160,000	\$ 1,160,000	\$ 1,747,515	\$(1,747,515)	\$ 1,160,000
8/1/2017	775,000	1,284,250	(860,599)	1,198,651	975,000	1,739,000	(1,515,888)	1,198,112
8/1/2018	-	1,261,000	-	1,261,000	-	1,709,750	-	1,709,750
8/1/2019	46,091	1,264,910	-	1,311,000	-	1,709,750	-	1,709,750
8/1/2020	98,133	1,272,867	-	1,371,000	-	1,709,750	-	1,709,750
8/1/2021	141,758	1,284,242	-	1,426,000	-	1,709,750	-	1,709,750
8/1/2022	271,880	1,319,120	-	1,591,000	-	1,709,750	-	1,709,750
8/1/2023	314,792	1,346,208	-	1,661,000	-	1,709,750	-	1,709,750
8/1/2024	356,093	1,379,907	-	1,736,000	-	1,709,750	-	1,709,750
8/1/2025	390,775	1,420,225	-	1,811,000	-	1,709,750	-	1,709,750
8/1/2026	421,955	1,469,045	-	1,891,000	35,000	1,709,750	-	1,744,750
8/1/2027	449,935	1,526,065	-	1,976,000	115,000	1,708,000	-	1,823,000
8/1/2028	539,356	1,636,644	-	2,176,000	315,000	1,702,250	-	2,017,250
8/1/2029	554,931	1,711,069	-	2,266,000	415,000	1,686,500	-	2,101,500
8/1/2030	572,127	1,798,873	-	2,371,000	530,000	1,665,750	-	2,195,750
8/1/2031	581,950	1,889,051	-	2,471,000	650,000	1,639,250	-	2,289,250
8/1/2032	590,967	1,980,033	-	2,571,000	780,000	1,606,750	-	2,386,750
8/1/2033	608,062	2,077,938	-	2,686,000	920,000	1,567,750	-	2,487,750
8/1/2034	389,831	1,836,169	-	2,226,000	505,000	1,521,750	-	2,026,750
8/1/2035	416,544	1,934,457	-	2,351,000	645,000	1,496,500	-	2,141,500
8/1/2036	440,688	2,040,312	-	2,481,000	795,000	1,464,250	-	2,259,250
8/1/2037	463,288	2,152,712	-	2,616,000	965,000	1,424,500	-	2,389,500
8/1/2038	483,543	2,272,457	-	2,756,000	1,140,000	1,376,250	-	2,516,250
8/1/2039	503,025	2,402,975	-	2,906,000	1,340,000	1,319,250	-	2,659,250
8/1/2040	541,763	2,594,238	-	3,136,000	1,625,000	1,252,250	-	2,877,250
8/1/2041	2,035,000	1,261,000	-	3,296,000	1,860,000	1,171,000	-	3,031,000
8/1/2042	2,315,000	1,159,250	-	3,474,250	2,115,000	1,078,000	-	3,193,000
8/1/2043	2,610,000	1,043,500	-	3,653,500	2,390,000	972,250	-	3,362,250
8/1/2044	2,930,000	913,000	-	3,843,000	2,685,000	852,750	-	3,537,750
8/1/2045	3,310,000	766,500	-	4,076,500	3,040,000	718,500	-	3,758,500
8/1/2046	3,685,000	601,000	-	4,286,000	3,390,000	566,500	-	3,956,500
8/1/2047	4,090,000	416,750	-	4,506,750	3,770,000	397,000	-	4,167,000
8/1/2048	4,245,000	212,250	-	4,457,250	4,170,000	208,500	-	4,378,500
Total	\$36,332,486	\$48,824,568	\$(2,157,153)	\$82,999,901	\$36,330,000	\$46,269,765	\$(3,263,403)	\$ 79,336,362

2. Repayment ratio for the bonds (the entire series of bonds).

- Illustration 1: 2.28
- Illustration 2: 2.18

3. Estimated change in assessed value (“AV”) of taxable property within the District over the term of the bonds.
 - 3.00% annual growth for 2015-16, 4.00% annual growth for 2016-17, 4.10% annual growth thereafter.
4. Total overall cost of the CABs.
 - In Illustration 1, the estimated principal amount of CABs is \$9,177,486 with an estimated debt service cost of \$20,045,000. This is a repayment ratio for the CABs of 2.18.
5. Comparison of #4 to overall cost if instead of CABs, the District issued CIBs.
 - A financing composed entirely of CIBs is shown in Illustration 2. The difference in the overall debt service cost is estimated at \$3,663,539.
6. Reason for recommending CABs.
 - CABs are being recommended in order maximize bond proceeds, while remaining at or below a tax rate of \$25 per \$100,000 of assessed value, as required by law.

May 28, 2015

Mr. Jose Torres
Interim Vice Chancellor, Business & Fiscal Services
San Bernardino Community College District
114 South Del Rosa Drive
San Bernardino, CA 92408

Re: Engagement Letter
San Bernardino Community College District
(San Bernardino and Riverside Counties, California)
Election of 2008 General Obligation Bonds, Series D
2015 General Obligation Refunding Bonds (the "Bonds")

Dear Jose:

On behalf of Piper Jaffray & Co. ("us" or "Piper"), we are writing concerning two potential municipal securities transaction as identified above. This letter confirms that you engage Piper Jaffray as the sole underwriter respecting the Bonds, subject to the conditions and limitations described below.


This engagement is subject to any applicable procurement laws and the formal approval of Piper Jaffray as underwriter or placement agent by your board or governing body, and is also subject to mutual agreement as to the final structure for the Bonds and the terms of a bond purchase or similar agreement. This engagement also does not prevent you from delaying or cancelling the Bonds at any time.

As an underwriter or placement agent, Piper may provide advice concerning the structure, timing, terms, and other similar matters concerning the Bonds. Attached to this letter are regulatory disclosures required by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board to be made by us at this time because of this engagement. We may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures. It is our understanding that you have the authority to bind the issuer by contract with us, and that you are not a party to any conflict of interest relating to the Bonds. If our understanding is incorrect, please notify the undersigned immediately.

We wish to receive your written acknowledgement that you have received the Appendix A and Appendix B disclosures and that this engagement is approved. Accordingly, *please send me an email with a signed copy of this letter at the email address set forth on the following page.* If you have any questions or concerns about anything in this letter, please make those questions or concerns known immediately to us at the contact information listed on the following page.

PiperJaffray®

Thank you.
Sincerely,



Ivory Li
Managing Director
Piper Jaffray & Co.
415-616-1614
ivory.r.li@pjc.com

Acknowledgement of Approval of Engagement
and Receipt of Appendix A and B Disclosures

Mr. Jose Torres
Interim Vice Chancellor, Business & Fiscal Services
San Bernardino Community College District

Date: _____

Cc: Mr. David Casnocha, Stradling Yocca Carlson & Rauth

PiperJaffray

Appendix A – G-17 Disclosure

We are providing you with certain disclosures relating to the captioned bond issue (the Bonds), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 in accordance with MSRB Notice 2012-25 (May 7, 2012). Under new federal regulations, all underwriters are now required to send the following disclosures to you (as the Issuer of the Bonds) in order to clarify with you the role of an underwriter and other matters relating to an underwriting of the Bonds.

Piper Jaffray intends to serve as an underwriter respecting the Bonds and not as a financial advisor or municipal advisor to you. As part of our services as an underwriter, Piper Jaffray may provide advice concerning the structure, timing, terms, and other similar matters concerning an issue of municipal securities that Piper Jaffray is underwriting or placing.

Piper Jaffray has been engaged to act as your underwriter in a negotiated underwriting, and by engaging Piper Jaffray as your underwriter, you determined to sell the Bonds by negotiated sale. A negotiated sale is the sale of a new issue of municipal securities by an issuer directly to an underwriter or underwriting syndicate selected by the issuer. A negotiated sale is distinguished from a sale by competitive bid, which requires public bidding by the underwriters. Piper Jaffray did not advise you as to what method of sale (competitive or negotiated sale) you used for this issuance of municipal securities.

Our Role as Underwriter:

In serving as underwriter for the Bonds, these are some important disclosures that clarify our role and responsibilities:

- (i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors;
- (ii) The underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the Issuer and it has financial and other interests that differ from those of the Issuer;
- (iii) Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests;
- (iv) The underwriter has a duty to purchase securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell municipal securities to investors at prices that are fair and reasonable; and

PiperJaffray

- (v) The underwriter will review the official statement for the Issuer's securities in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of the transaction.¹

Our Compensation:

The underwriter will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Conflicts of Interest:

We have entered into an agreement with Pershing LLC which enables us to distribute certain new issue municipal securities underwritten by or allocated to us which could include the Bonds. Under the agreement, we could share with Pershing LLC a portion of the fee or commission paid to us as underwriter.

We have entered into a separate agreement with Charles Schwab & Co., Inc. that enables Charles Schwab & Co., Inc. to distribute certain new issue municipal securities underwritten by or allocated to us which could include the Bonds. Under that agreement, we will share with Charles Schwab & Co., a portion of the fee or commission paid to us.

Piper Jaffray has made a contribution to a bond referendum campaign or provided in-kind election related assistance to a bond referendum campaign and the campaign resulted in voter authorization for the Series D Bonds being underwritten or privately placed.

Risk Disclosures:

In accordance with the requirements of MSRB Rule G-17, attached as Appendix B is a description of the material aspects the Bonds. This material may be later supplemented if the material terms of the Bonds change.

If you have any questions or concerns about these disclosures, please make those questions or concerns known immediately to me. In addition, you should consult with your own financial, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

¹ Under federal securities law, an issuer of securities has the primary responsibility for disclosure for investors. The review of the official statement by the underwriter is solely for purposes of satisfying the underwriter's obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

Appendix B – Risk Disclosures

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds (“Fixed Rate Bonds”), as well as a general description of certain financial risks that you should consider before deciding whether to issue Fixed Rate Bonds.

Financial Characteristics

Maturity and Interest. Fixed Rate Bonds are debt securities issued by state and local governments, political subdivisions and agencies and authorities. Fixed Rate Bonds can be interest-bearing (“Current Interest Bonds”), interest accruing (“Capital Appreciation Bonds” or “CABs”) or bonds that are initially issued as CABs but later convert on a specified date to Current Interest Bonds (“Convertible Capital Appreciation Bonds”). Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and for Current Interest Bonds may include serial maturities (specified principal amounts are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. CABs are payable only on maturity. The final maturity date for Fixed Rate Bonds typically will range between 5 and 30 years from the date of issuance, although issuers may choose to extend final maturities to 40 years, resulting in greater total debt service to the issuer relative to bonds with earlier maturities. Interest on Current Interest Bonds is paid semiannually at a stated fixed rate or rates for each maturity date. CABs do not require periodic payments of interest, instead each CAB accretes in value from its initial principal amount to its maturity value at an accretion rate per year, which is compounded semiannually, and payable only at maturity or earlier redemption.

Redemption. Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all of the bonds on a date prior to scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period of time, often approximately ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send out a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

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Security

General Obligation Bonds

“General obligation bonds” are debt securities to which unlimited ad valorem property taxes are pledged to pay principal and interest. The County will levy and collect property taxes annually in an amount sufficient to pay principal and interest on the bonds.

Financial Risk Considerations

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all of the following:

Tax Rate Risk

The tax rate that the County will levy will be dependent on the District’s assessed valuation and net collection rates. Because of the fluctuations in assessed valuation and collection rates, tax rates will fluctuate and may exceed the tax rate represented to the voters. The greater the rate of growth of debt service, the greater will be the risk that the tax rate exceeds the tax rate presented at the time of the election.

Higher Relative Debt Service Requirements for CABs vs CIBs

Capital Appreciation Bonds and Convertible Capital Appreciation Bonds are usually used when the issuer desires to defer debt service to a later date due to revenue or other constraints. Because the interest on these bonds compounds semiannually and interest, these bonds result in greater total debt service costs to issuers than Current Interest Bonds. Greater total debt service as the result of deferring principal and interest will require substantially greater tax revenues to pay over the life of the bonds. Such greater tax revenues may exceed the tax rate represented to the voters, if the assessed valuation growth is less than initially projected.

Redemption Risk

Your ability to redeem or restructure the bonds prior to maturity may be limited, depending on the terms of any optional redemption provisions. In the event that interest rates decline, you may be unable to take advantage of the lower interest rates to reduce debt service. The inability to restructure the bonds may limit the District’s ability to manage tax rates as the result of assessed valuation changes.

Tax Compliance Risk

The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the

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bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

B-3

B-9

William (Bill) McGinnis

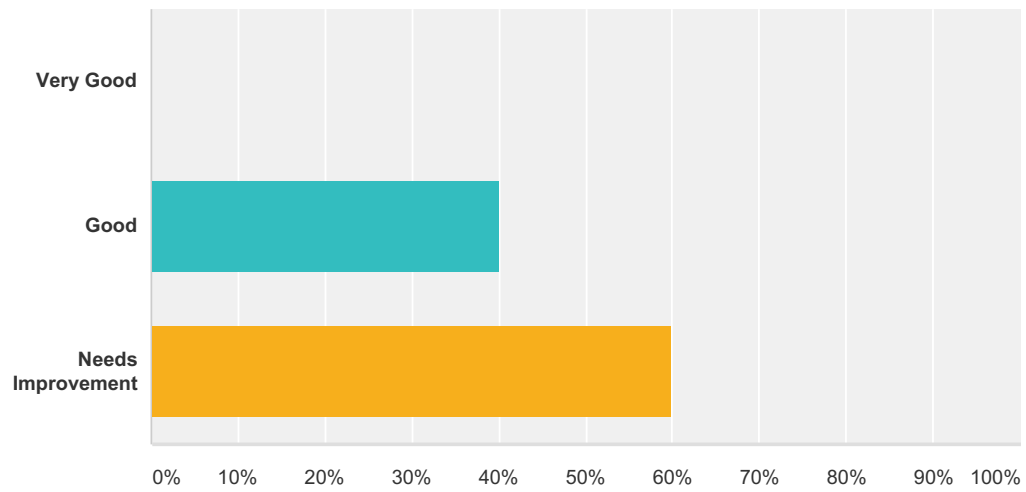
Since 1992, Bill has been a Trustee for the Butte-Glenn Community College District representing part of the Chico community. In addition, Bill serves as a Board Member of the California Educational Facilities Authority, on the Board of Directors for the Campaign for College Opportunity, on the Appeals Panel for the Accreditation Commission for Community and Junior Colleges, and as a member of the California Community College's Institutional Effectiveness Initiative Partnership Committee and as a consultant. Between 1997 and 2006 Bill also served on the California Community Colleges Trustees Board of Directors including one year as President as well as President of the Community College League of California. During the past decade, Bill has served as an outside consultant advising Boards of Trustees in over 31 different Districts for both the CCLC and ACCJC. In addition, Bill has consulted overseas in Russia, Kazakhstan, and in the Northern Marianas Islands. The League also used Bill as a trainer in the Effective Trusteeship program and a frequent presenter at trustee and system-wide conferences. Bill's experiences with the ACCJC also include serving as the Chair of the Appeals Panel for the City College of San Francisco's appeal and as a member of six visiting accreditation teams.

Bill's public service career includes 18 years as an administrator for the California State University, Chico and 17 years as an administrator in local governments primarily as a City Manager and in Human Resources. While with the CSU, Bill also served two years as the system-wide coordinator for Facilities Management and taught Political Science courses for four years at CSU, Chico.

Bill's educational background includes a Bachelor's of Science degree in Business Administration from Midwestern College, a Master's of Arts degree in Public Administration from the University of West Florida as well as Executive Leadership certificates from both Stanford and Notre Dame Universities. Bill is also a veteran of the U.S. Air Force.

Q1 Does the Board have a good working relationship with the Chancellor?

Answered: 5 Skipped: 0



Answer Choices	Responses
Very Good	0.00% 0
Good	40.00% 2
Needs Improvement	60.00% 3
Total	5

#	Comments	Date
1	All Board members should meet with Chancellor at least once each month to stay familiar with district matters and to ask questions and provide feedback to him.	8/3/2015 10:09 AM
2	Still don't feel like we get all the information we need unless we ask the exact question.	7/17/2015 10:46 AM
3	I believe he has a decent relationship with some of the Board and not with others. I believe some of the Board does not trust him.	7/14/2015 3:38 PM

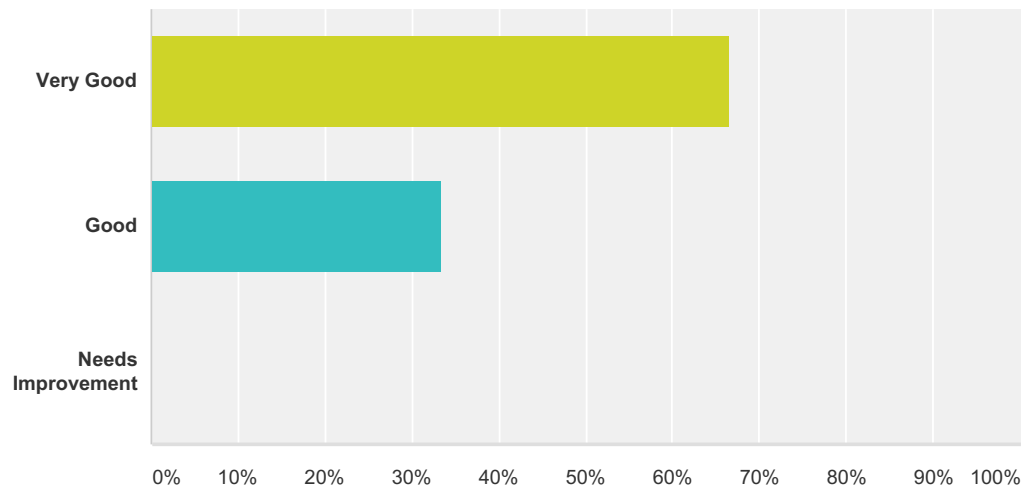
Q2 Please provide specifics on ways the Chancellor or the Board can improve.

Answered: 1 Skipped: 4

#	Responses	Date
1	The Chancellor needs to be totally open with the board and once he has been he needs to stay with that decision and not come back with another decision later. Also he will need to follow the new guidelines for how negotiations are presented to the board per the new A/P. This would start now. Polling the board and then using that information to tell other members that he "does not think the board will support" an item needs to stop.	7/17/2015 10:49 AM

Q3 Are the board members polite to each other and the public?

Answered: 3 Skipped: 2

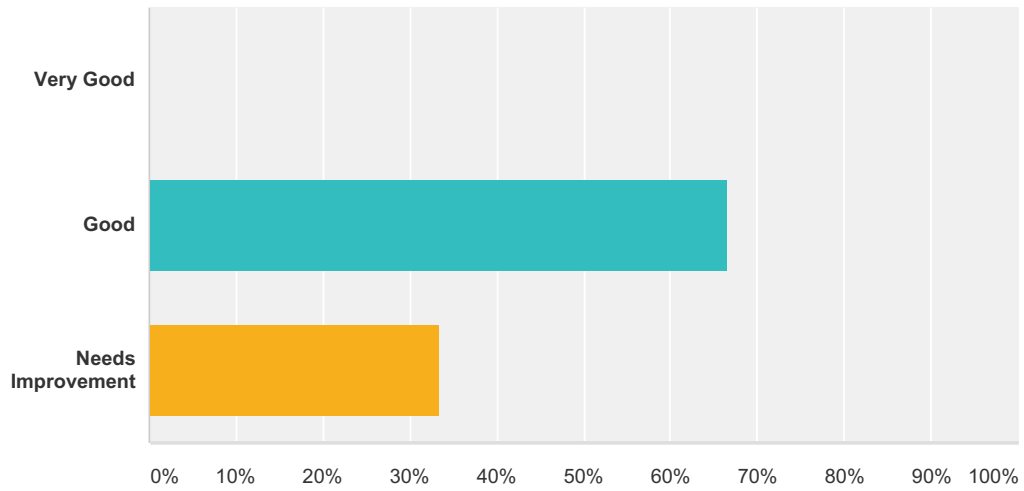


Answer Choices	Responses
Very Good	66.67% 2
Good	33.33% 1
Needs Improvement	0.00% 0
Total	3

#	Comment	Date
1	There have been rare instances where one board member has said inappropriate things about another one during open session.	7/17/2015 10:49 AM

Q4 Are the board's actions aimed at forming policy and not at running the colleges?

Answered: 3 Skipped: 2

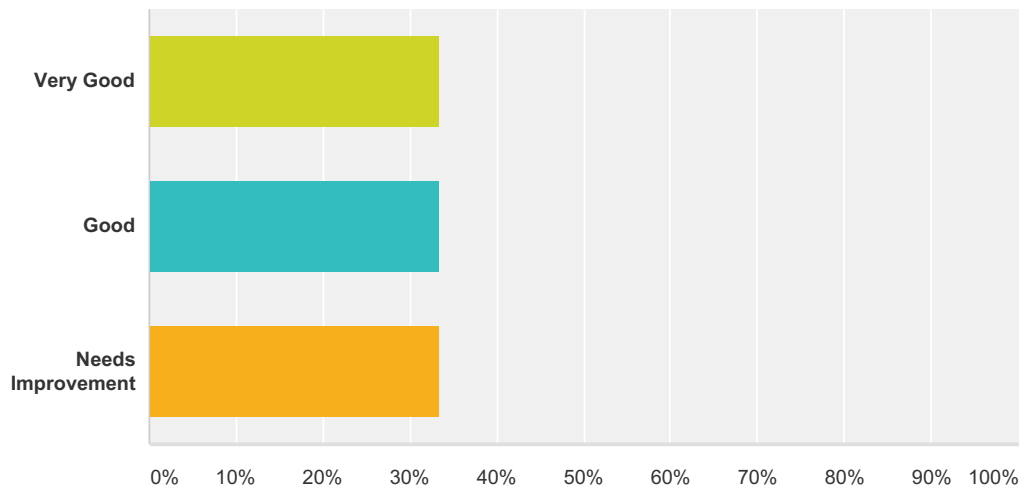


Answer Choices	Responses
Very Good	0.00% 0
Good	66.67% 2
Needs Improvement	33.33% 1
Total	3

#	Comment	Date
1	There is/are instances and certain members who still do not get the boards role and that this is not K-12 and we do not function the same way K-12 does.	7/17/2015 10:51 AM
2	at times going beyond policy issues	7/14/2015 2:52 PM

Q5 Do board members pay attention during board meetings?

Answered: 3 Skipped: 2

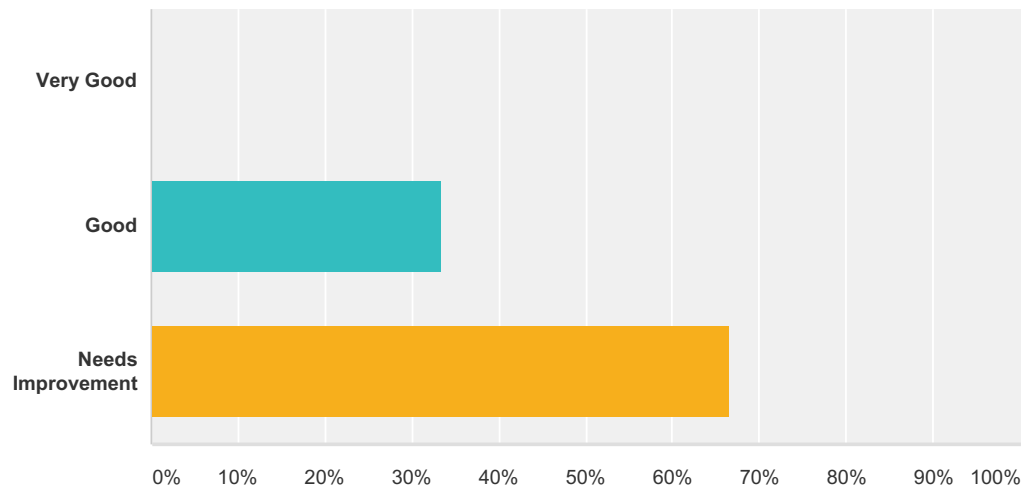


Answer Choices	Responses
Very Good	33.33% 1
Good	33.33% 1
Needs Improvement	33.33% 1
Total	3

#	Comment	Date
1	We still have board members on their tablets and/or phones during the meeting. This is totally not appropriate. There are members who have mentioned presidents for being on the phone. I say no one including the Chancellor should have their phones or tablets out.	7/17/2015 11:09 AM

Q6 Do board members come prepared for board meetings?

Answered: 3 Skipped: 2

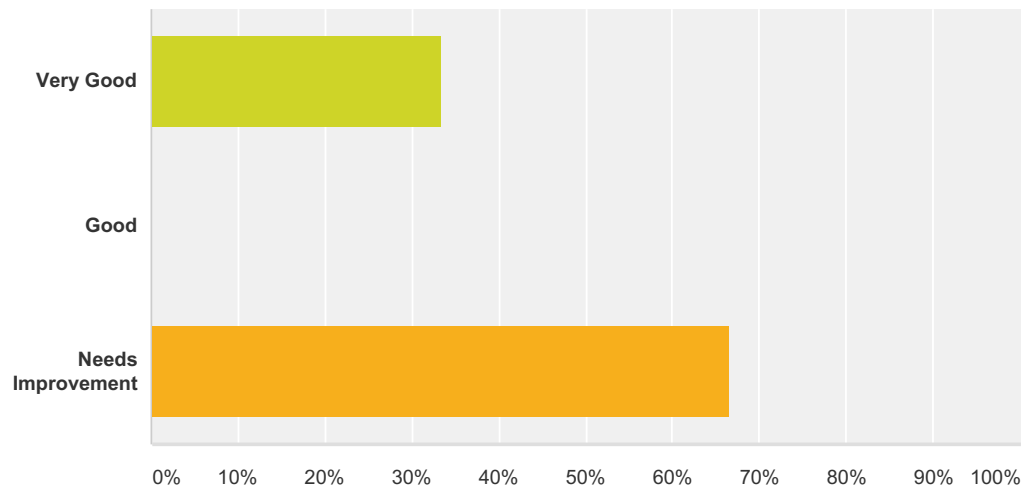


Answer Choices	Responses
Very Good	0.00% 0
Good	33.33% 1
Needs Improvement	66.67% 2
Total	3

#	Comment	Date
1	To me, it is apparent that some members have not read the material by the questions the ask during discussions, both in closed and open session.	7/17/2015 11:09 AM

Q7 How does the board provide leadership or create an environment for success?

Answered: 3 Skipped: 2

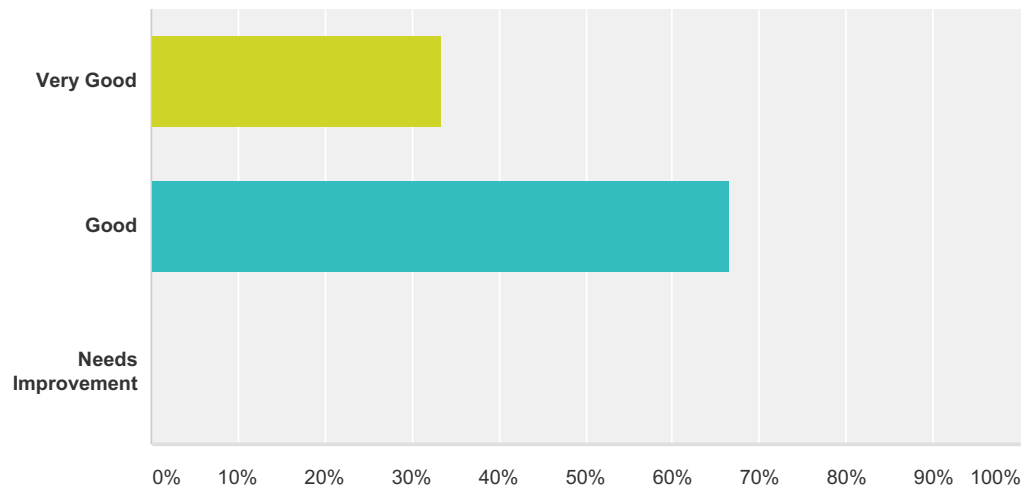


Answer Choices	Responses
Very Good	33.33% 1
Good	0.00% 0
Needs Improvement	66.67% 2
Total	3

#	Other (please specify)	Date
1	We need to set better goals, ask for campus input and focus on the success of our students. We need to support the Presidents and the campuses in their plans for the future.	7/17/2015 11:09 AM
2	We need to trust one another more than we do at times	7/14/2015 2:57 PM

Q8 Are the roles of the board chair and other officers clear?

Answered: 3 Skipped: 2

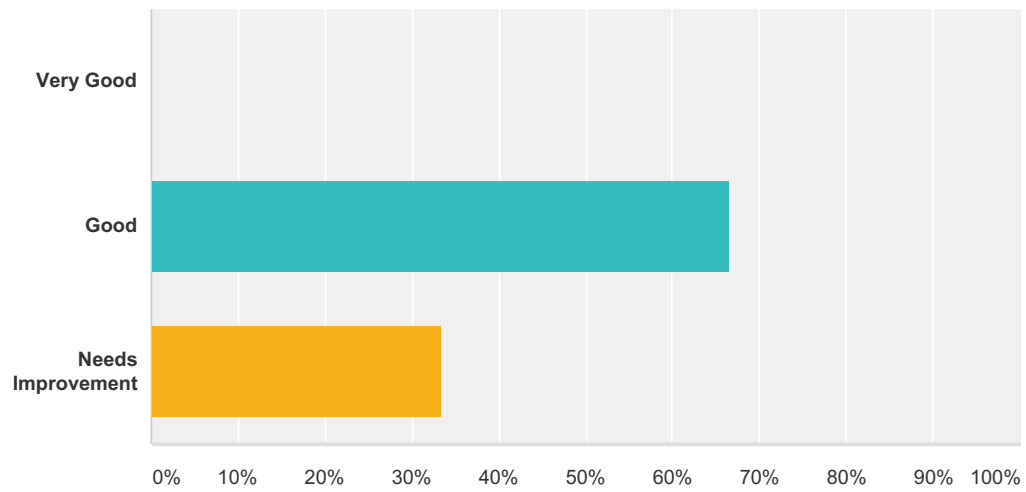


Answer Choices	Responses
Very Good	33.33% 1
Good	66.67% 2
Needs Improvement	0.00% 0
Total	3

#	Other (please specify)	Date
1	There are very basic guidelines written. The policy ad hoc committee will be working on some new suggestions for the roles and responsibilities which should be ready for the board to review hopefully in September.	7/17/2015 11:09 AM

Q9 Does the board have strategies for seeking input from diverse interests?

Answered: 3 Skipped: 2

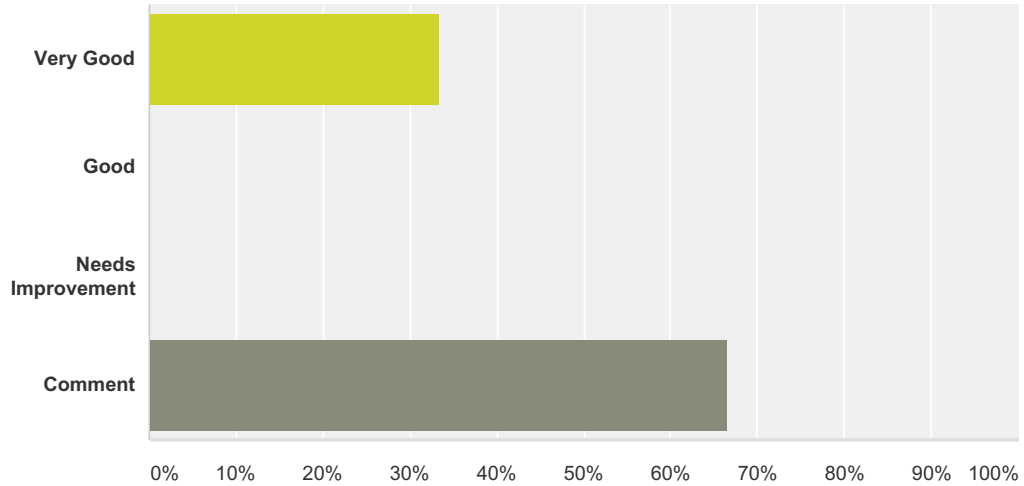


Answer Choices	Responses
Very Good	0.00% 0
Good	66.67% 2
Needs Improvement	33.33% 1
Total	3

#	Other (please specify)	Date
1	We have no formal strategies that I am aware of.	7/17/2015 11:09 AM

Q10 Does the board help promote the images of the colleges in the community? How? How can we improve?

Answered: 3 Skipped: 2

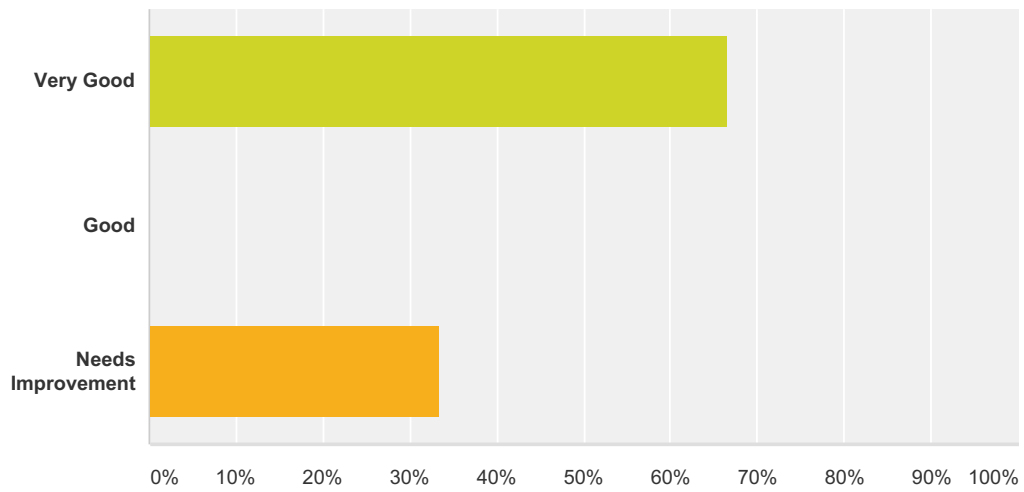


Answer Choices	Responses
Very Good	33.33% 1
Good	0.00% 0
Needs Improvement	0.00% 0
Comment	66.67% 2
Total	3

#	Comment	Date
1	We could still have better attendance at community affairs and campus affairs. Not sure everyone has all the info they need to answer questions of community leaders, especially when it deals with the absence of the Chancellor at many community meetings.	7/17/2015 11:09 AM
2	Need to have some Board meetings outside of the District office	7/14/2015 2:57 PM

Q11 Do agendas focus on policy issues that are the board's responsibility?

Answered: 3 Skipped: 2

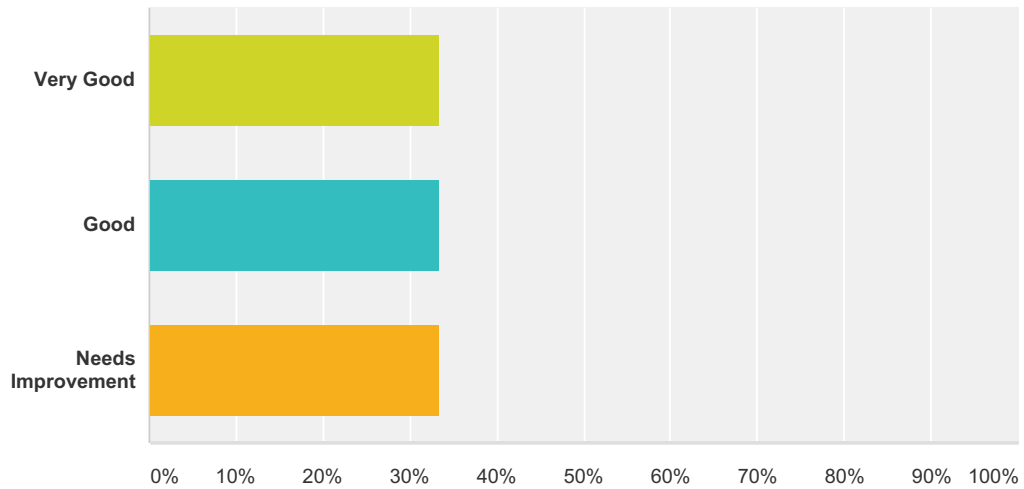


Answer Choices	Responses
Very Good	66.67% 2
Good	0.00% 0
Needs Improvement	33.33% 1
Total	3

#	Comment	Date
	There are no responses.	

Q12 Do agendas provide adequate information and time for planning, analysis, and discussion?

Answered: 3 Skipped: 2

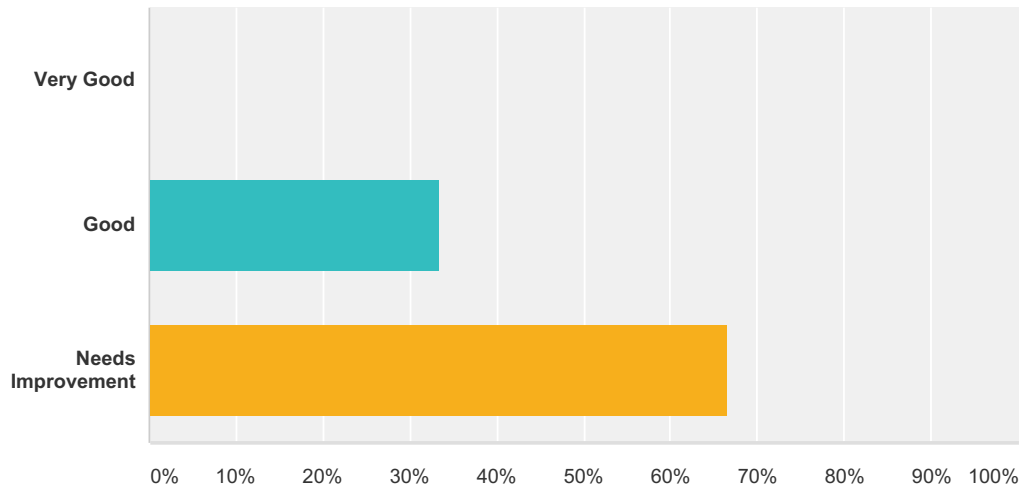


Answer Choices	Responses
Very Good	33.33% 1
Good	33.33% 1
Needs Improvement	33.33% 1
Total	3

#	Comment	Date
1	This has improved in that we are being given copies of power points for review on presentations that will be made. The board book comes in a reasonable amount of time before meetings.	7/17/2015 11:09 AM

Q13 Do new board members, including student trustees, receive an orientation to the District’s mission and policies?

Answered: 3 Skipped: 2

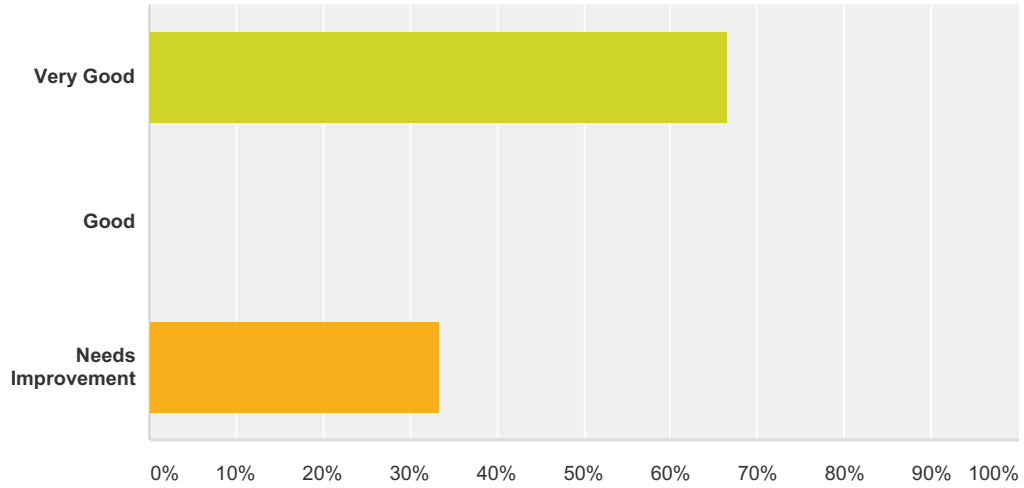


Answer Choices	Responses
Very Good	0.00% 0
Good	33.33% 1
Needs Improvement	66.67% 2
Total	3

#	Comment	Date
1	This is an area of concern in the ACCJC report and the remedy is being worked on by the policy ad hoc committee. The results should be ready for board review by September.	7/17/2015 11:09 AM
2	An orientation training has been prepared for a very long time, it needs to get through the process so that we are not dinged again by the accreditation committee	7/14/2015 2:22 PM

Q14 Do board members attend and participate in training seminars appropriate to the Board of Trustees?

Answered: 3 Skipped: 2

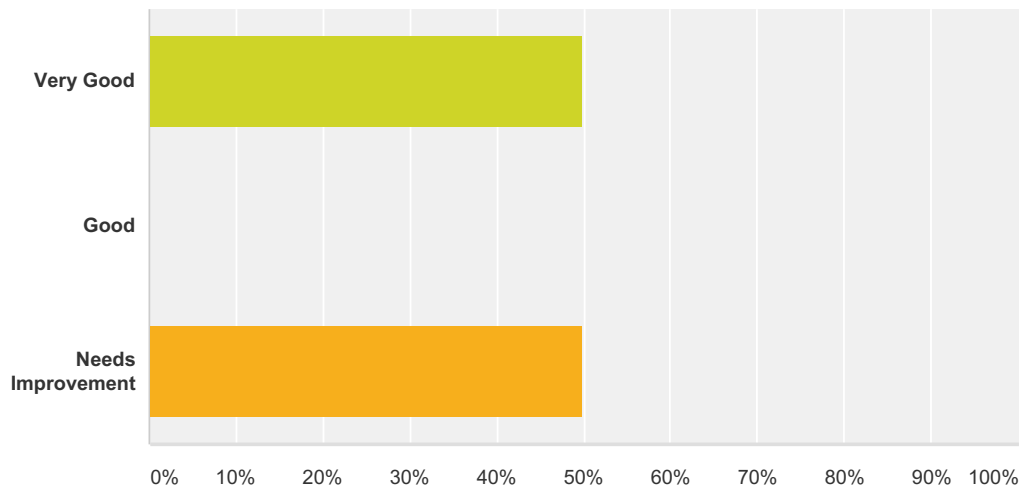


Answer Choices	Responses
Very Good	66.67% 2
Good	0.00% 0
Needs Improvement	33.33% 1
Total	3

#	Comment	Date
1	Most members of this board attend conferences frequently.	7/17/2015 11:09 AM
2	Attendance at State and national seminars can be improved	7/14/2015 2:57 PM

Q15 Does the board review the Board Policy Manual annually?

Answered: 2 Skipped: 3

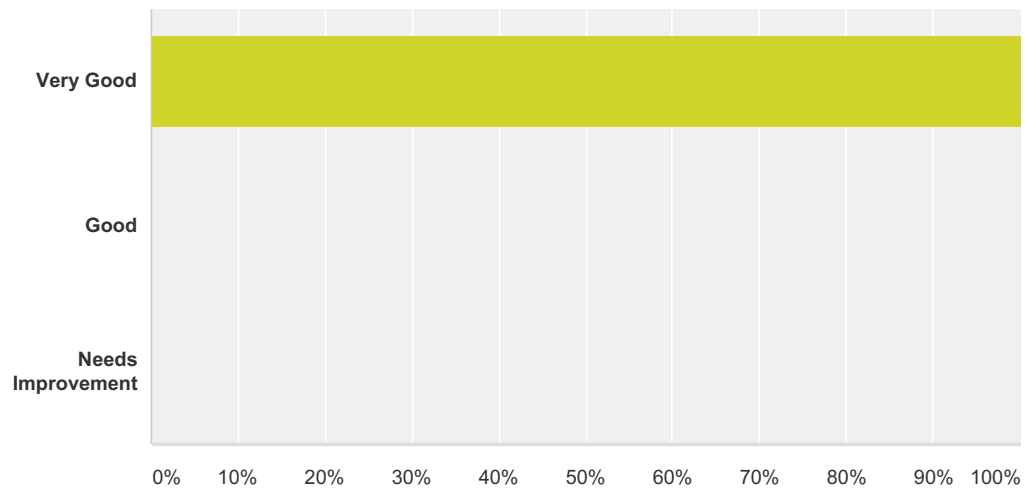


Answer Choices	Responses
Very Good	50.00% 1
Good	0.00% 0
Needs Improvement	50.00% 1
Total	2

#	Comment	Date
1	Also a ACCJC issue. This is being managed by a District sub committee but the timeline I believe will be every 5 years for all board policies on a rotational schedule.	7/17/2015 11:09 AM
2	I am not sure	7/14/2015 2:57 PM
3	It does now	7/14/2015 2:22 PM

Q16 Does the board reflect the community it serves?

Answered: 3 Skipped: 2

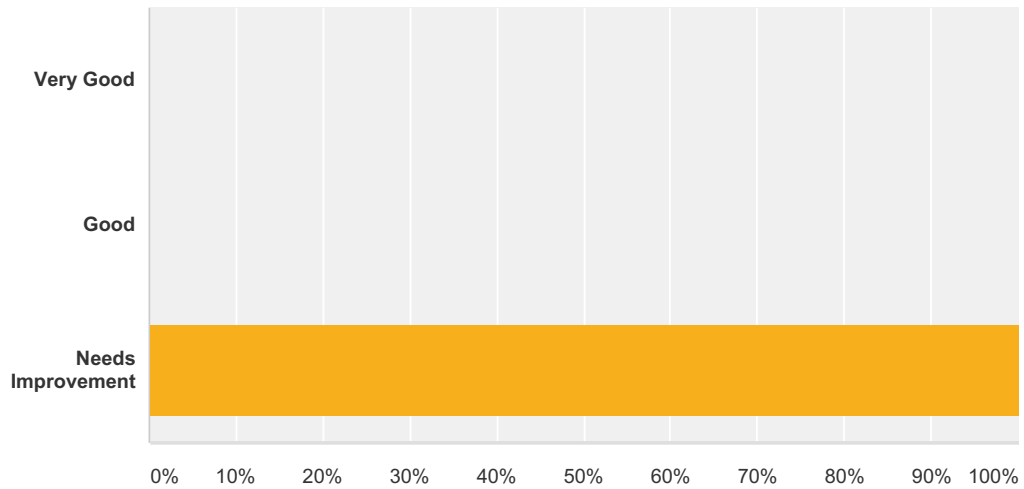


Answer Choices	Responses
Very Good	100.00% 3
Good	0.00% 0
Needs Improvement	0.00% 0
Total	3

#	Comment	Date
	There are no responses.	

Q17 Are meetings conducted in such a manner that purposes are achieved effectively and efficiently?

Answered: 2 Skipped: 3

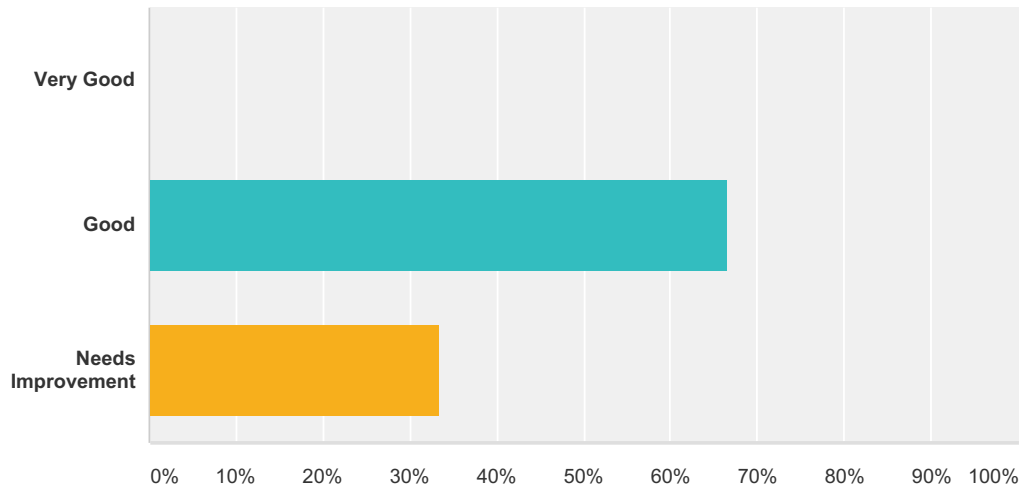


Answer Choices	Responses
Very Good	0.00% 0
Good	0.00% 0
Needs Improvement	100.00% 2
Total	2

#	Comment	Date
1	Effectively but I am not sure about the efficiency	7/14/2015 2:57 PM
2	Too many presentations all crammed together. Far too long which then makes it for an exhausting time to attend to the items on the agenda. It is not about how often the board "meets", it is almost like a punishment if the board doesn't meet weekly. It wasn't like this four years ago. So it needs to be better managed by the chancellor. Many items could merely be presented to us via a visual rather than lengthy back to back presentations.	7/14/2015 2:22 PM

Q18 Does the board have its own goals for the year and evaluate itself on how it has achieved them?

Answered: 3 Skipped: 2

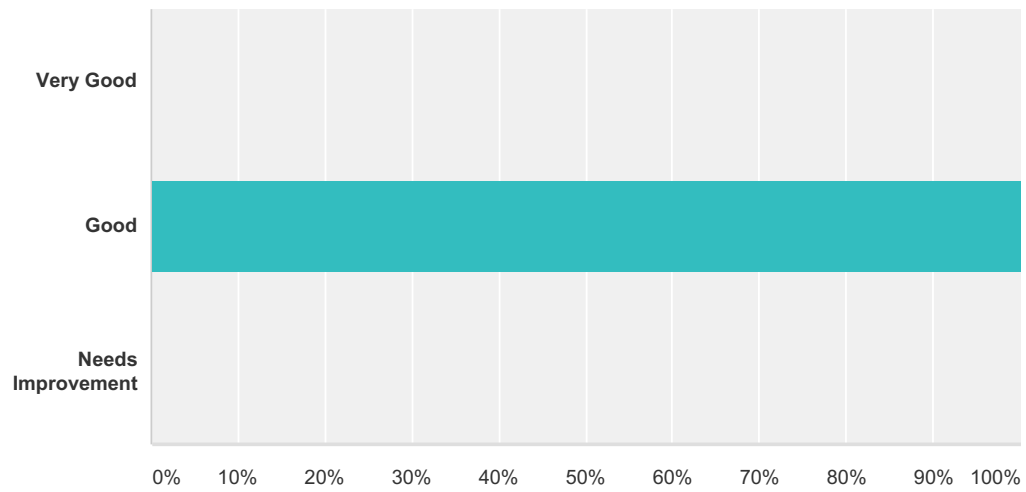


Answer Choices	Responses
Very Good	0.00% 0
Good	66.67% 2
Needs Improvement	33.33% 1
Total	3

#	Comment	Date
1	The board has goals. Unfortunately I have not felt like we take enough time to really decide what our goals are and I don't think we take enough time to evaluate how we have done. Our retreat needs to be at least a day and so far we have not been willing to spend more that 2 or 3 hours.	7/17/2015 11:09 AM

Q19 Does the board attend campus functions on both campuses equally?

Answered: 2 Skipped: 3

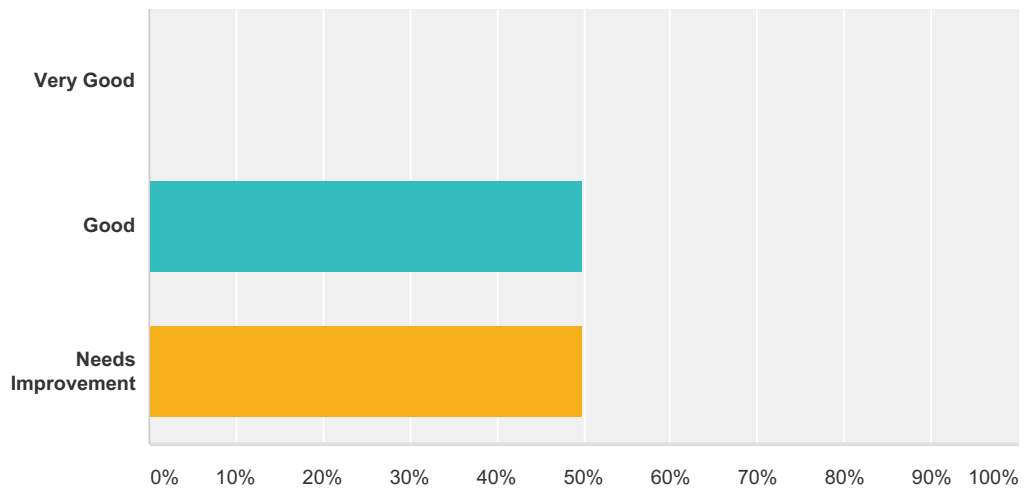


Answer Choices	Responses
Very Good	0.00% 0
Good	100.00% 2
Needs Improvement	0.00% 0
Total	2

#	Comment	Date
1	This has improved, could still be better.	7/17/2015 11:09 AM
2	I am not sure	7/14/2015 2:57 PM

Q20 Does the board engage in resource development for the District?

Answered: 2 Skipped: 3

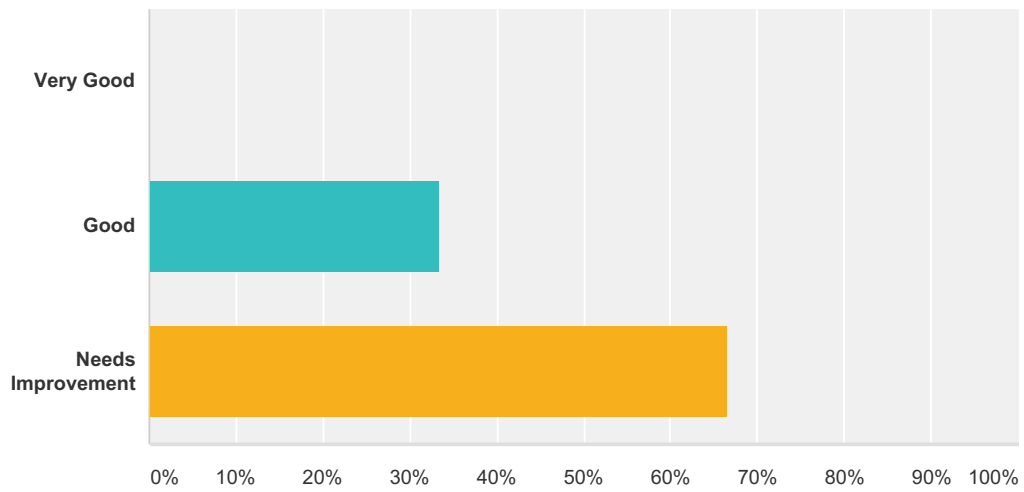


Answer Choices	Responses
Very Good	0.00% 0
Good	50.00% 1
Needs Improvement	50.00% 1
Total	2

#	Comment	Date
1	I am not sure	7/14/2015 2:57 PM

Q21 Does the board conduct a community needs assessment with the campuses?

Answered: 3 Skipped: 2



Answer Choices	Responses
Very Good	0.00% 0
Good	33.33% 1
Needs Improvement	66.67% 2
Total	3

#	Comment	Date
1	We don't really do a needs assessment with anyone.	7/17/2015 11:09 AM
2	I do not think that we do this	7/14/2015 2:57 PM

**San Bernardino Community College District Board of Trustees
Board Goals 2014-2015**

The Board of Trustees has the following priorities and goals related to the Board Imperatives (Board Policy 2270)

Board Goal	Activities and Tasks	Results
I. Institutional Effectiveness		
<p>1. Ensure that leadership positions currently held by interims are filled with permanent hires.</p> <p>2. Implement a District-wide emphasis on leadership development.</p>	<p>Receive regular information on the progress of filling positions via Chancellor’s Chat.</p> <p>Present Brain Trust Report and cost projection of implementation.</p> <p>Start development of process to create professional development plans for all employees.</p>	<p>All interim leadership positions have been filled permanently except for the Vice Chancellor of Fiscal and Business Services which is currently in a new recruitment.</p> <p>The Chancellor engaged the Collegiate Brain Trust to look at establishing a “Leadership Academy” program. This is a feasible concept that will be reviewed by the new Vice Chancellor for Human Resources.</p> <p>This use of professional development plans for all employees is a goal for the new Vice Chancellor for Human Resources and is included as part of the current reorganization process which will develop a focus and capacity for district-wide professional development and leadership activities.</p> <p>Currently, each college has a professional development committee, comprised on faculty, management and classified staff members. The role of this committee on each campus is to determine professional development needs of</p>

		<p>the campus and to provide funding for various activities on campus that support the strategic plans and missions of the college.</p> <p>The overall evaluation process is currently being reviewed by the Vice Chancellor for Human Resources. It has been noted that our process needs improvement and that managers can benefit from training in how to deliver effective evaluations and integrate professional development/growth plans within the process. This is a goal for 2015-2016.</p>
II. Learning Centered Institution for Student Access, Retention and Success		
<p>3. Develop collaborative partnerships with other educational institutions, especially Pre-12.</p>	<p>Board to Board meetings of Pre-12 schools (initial meeting with Chancellor, superintendents, and board presidents.</p> <p>Study to determine cost and feasibility of expanding Middle College High School to a broader range of students across our service area.</p>	<p>We were not able to have Board focus on developing a priority and an agenda for this regional meeting to occur. If this remains a Board priority, the Chancellor recommends that an Ad-Hoc Committee be established to develop and agenda and plan the meeting.</p> <p>During 2014-2015 SBVC entered into a contractual agreement with the Rialto High School District to begin a “middle college experience” by offering classes at the high school, with SBVC instructors. These for credit classes are being paid for through a contract with the Rialto Unified School District. Other, similar agreements are being developed with Colton and discussions are taking place with other high schools as well.</p>

		The Chancellor will be meeting to discuss this issue with the CHC president to determine next steps for the implementation of a middle college high school in the Yucaipa area.
4. Strengthen the Board’s capacity to use metrics to monitor improvement in student access and success.	Review and accept, by resolution, the recommendations from the state pertaining to the Student Success Initiative (if it was not previously accepted). Keep informed on regional economic indicators.	
5. Monitor student success initiatives and outcomes.	Develop timeline for Board updates on student success initiatives and student scorecard outcomes.	The Board receives information annually regarding the student success data and how each college has done as compared to the pre-selected peer group. The Board will once again have a study session on this topic in the fall 2015.
6. Monitor all District programs that provide workforce training and experience for students.	Discuss and/or receive reports on programs that provide workforce training and experience.	One March 13, 2014, the Board received a comprehensive presentation entitled, “Labor Market and Curricular Alignment”. This presentation provided information on how the labor market informs the development of new programs and curriculum updates at each college and in the Economic Development and Corporate Training Center. Additionally, all programs are part of the campus educational master plan and program review process which is provided to the Board for information purposes.
III. Resource Management for Efficiency, Effectiveness and Excellence		
7. Continue to ensure the district’s	Receive and discuss financial reports to ensure that	The District has continued to perform with

<p>sound fiscal condition. Reports should reflect long-term analysis.</p>	<p>general fund and other monies are budgeted and expended prudently.</p> <p>Make fiscal decisions that ensure the district's fiscal condition and future fiscal condition will be strong.</p>	<p>financial integrity and excellence according to the most recent 2014 report from its external audit firm. There were no fiscal problems noted and there were only minor internal process areas to improve.</p> <p>The Board has continued to maintain at least a 15% fund balance and has followed all policies/procedures and guidelines in the development of the budget and expenditure of funds.</p> <p>Working with the collegial consultation process and the Collegiate Brain Trust, the district has adopted a new enrollment model and Budget Allocation Model (BAM). Additionally, a new, multi-year forecast has been part of the budget development process. One goal of this process is to help Crafton Hills College grow its enrollment to a level that allows it to be self-sustaining. This requires an FTES level of over 5,000. The current multi-year financial plan, with current funding assumptions, shows the District with a sound financial future.</p>
<p>IV. Enhanced and Informed Governance and Leadership</p>		
<p>8. Strengthen the effectiveness of the Board of Trustees.</p>	<p>Participate in individual and Board trustee development activities.</p> <p>Report back to the Board on attendance and experience of meetings, workshops, and conferences.</p>	<p>The Board members have continued to participate individually in professional development opportunities, particularly with the Community College League. In addition, the Board has held district-based workshops, with trained facilitators, to continue their growth as Board members. For example, the Board held a</p>

		workshop on understanding its role in relationship to the ACCJC accreditation recommendations on June 1, 2015.
9. Ensure new trustees are fully integrated into the Board/CEO team.	Enhance local new trustee orientation strategies (meetings, a handbook, mentorship, etc.) to ensure a comprehensive, systematic, and customized approach.	The Board is working within the collegial consultation process to enhance the internal orientation for new Board members. Many steps have been added to the process that will introduce new Board members to the policies/processes/departments/structures of the district and its campuses. We anticipate the new orientation process and accompanying handbook will be moved through collegial consultation this fall and be ready for implementation soon thereafter.