

Santa Ana Unified School District
1601 E. Chestnut Avenue
Santa Ana, California 92701

MINUTES

REGULAR MEETING
SANTA ANA BOARD OF EDUCATION

November 9, 2010

CALL TO ORDER

The meeting was called to order at 5:08 p.m. by Board President Yamagata-Noji. Other members in attendance were Mr. Richardson, Mr. Hernández, Mr. Palacio, and Mr. Reyna.

Cabinet members present were Ms. Russo, Dr. Olsky, Mr. Lopez, Mr. Bishop, Mr. Mendez, Ms. Miller, Ms. Lohnes, and Mr. Dixon.

RECESS TO CLOSED SESSION

The Regular meeting recessed to Closed Session to consider student discipline issues, negotiations, public employee discipline/dismissal, confidential issues, legal matters, and personnel matters.

CLOSED SESSION PRESENTATIONS

Board President Yamagata-Noji asked those wishing to address the Board in matters pertaining to Closed Session to step to the podium.

STUDENT-EXPULSION HEARINGS

Expulsion hearings were held with students, parents, and student advocates, for students ID. #401052 and #319912. Following the hearings, parents, students, and advocates were informed that the Board would consider all comments and make recommendations for each student following Board discussions.

It was moved by Mr. Hernandez, seconded by Mr. Richardson, and carried 4-1, Mr. Reyna dissenting, to approve the recommended action for student ID #401052.

RECONVENE OPEN MEETING

The Regular meeting reconvened at 6:50 p.m.

PLEDGE OF ALLEGIANCE

The meeting was opened with the Pledge of Allegiance led by Javier Zamorano, Senior at Middle College High School.

SUPERINTENDENT'S COMMENTS

Ms. Russo introduced Javier Zamorano, a senior at Middle College High School who serves as Associated Student Body Vice President. Javier Zamorano shared some insights on his role as ASB Vice President and described campus life as a Middle College High School student. Javier has applied to St. Mary's College, Stanford University, and UCLA, to name a few schools. He plans to major in bioengineering.

The Superintendent announced that the City of Santa Ana and SAUSD have received notice from the State Department of Parks and Recreation that the proposal for the Joint-Use Willard Intermediate Park Project submitted last spring was approved. A total of \$4.4 million will be provided to make many improvements to the Willard Intermediate campus which includes adding an all-weather running track, a synthetic turf sports field, sports field lighting, fence enhancement, hardscape improvements, basketball court renovation, an exercise play area, and other site amenity improvements. She thanked the Board of Education, City Council, staffs and a special thanks to Senator Correa for his support in this effort. A slide show was shown of the proposed improvements.

Ms. Russo stated that in honor of the Veterans Holiday and all the women and men who currently serve and have served in the Armed Forces; SAUSD would be closed on Thursday, November 11, 2010.

The Santa Ana Family YMCA will have its grand opening celebration on Saturday, November 20 from 10:00 a.m. to 2:00 p.m. at 2100 W. Alton Avenue adjacent to Segerstrom High School. The facility will offer a state-of-the-art aquatic center with three swimming pools and the largest indoor soccer arena in Orange County thanks to a partnership between the YMCA, Santa Ana Unified School District and the Children and Families Commission of Orange County.

The Superintendent announced that the holidays are soon upon us. As individuals are making their list of favorite charities and causes to support, please remember CENA (Caring Educators Nourishing All). CENA, the SAUSD employees' annual charitable event, will be held on Christmas Eve - Friday, December 24, from 9:00 a.m. to 1:00 p.m. at Valley High School. If you would like to volunteer or contribute in any way, please contact Eileen Hackett at (714) 558-5523 in the Deputy Superintendent's office. A clip was shown of CENA's previous years.

Ms. Russo called to the attention of those present the beautiful artwork displayed in the Board Room contributed by artists from Monroe Elementary, Monte Vista Elementary, and Sierra Intermediate Schools.

The Superintendent extended her sincere congratulations to newly re-elected Board members Dr. Noji and Mr. Palacio, who prevailed in the November 2 election. They will retain their seats through 2014. She thanked them for continuing their commitment to serving our school community. She stated that their re-election speaks highly of the support of the voters of Santa Ana for their hard work, and that of our teachers, staff and administration. Congratulations!

Memoriam Tribute to Former Board Member

Superintendent Russo stated that many knew Mr. Robert W. Balen, who served as a School Board member from 1990 to 1998. She said those of us who knew him admired and respected him and will miss him greatly.

Board members commemorated Mr. Balen. Dr. Yamagata-Noji saying that he was an ambassador who reached out to the community. In addition, he will be forever remembered for his positive, warm, and great attitude about life. He touched many lives and made a mark in Santa Ana. Mr. Richardson echoed Dr. Noji's comments. He said that two words summed up Mr. Balen, grace and dignity. He was a great colleague and one that will be missed by many.

Mr. Palacio said that Mr. Balen introduced him to the Challenger Baseball organization that Mr. Palacio and his son were involved in for many years. He is most grateful to him for the connection. Mr. Palacio said of Mr. Balen, he always looked at the positive in all things.

Dr. Yamagata-Noji called Mrs. Patricia Balen and son David Balen to the podium. Dr. Yamagata-Noji said on behalf of Mr. Balen, a scholarship would be awarded to a music student in his honor, as he advocated for the music program during his tenure as Board member. A moment of silence was observed in honor of Mr. Balen.

PRESENTATIONS

California High School Exit Exam (CAHSEE) 2010 Summary of Performance

Dr. Olsky introduced Ms. Michelle LePatner who reported on the CAHSEE 2009-10, student performance and pass rates. Ms. LePatner stated that the purpose for the CAHSEE is to improve student achievement in high school and help ensure that students who graduate can demonstrate competency in reading, writing, and mathematics. She said that 10th grade students are required to take the CAHSEE in March with a makeup date in May. There are five additional opportunities to retake the exam. A passing score of 350 is required for graduation. She showed a comparison chart for both mathematics and English language arts for students in grades 10-12 grade.

From 3,593 students 75% passed the CAHSEE and had sufficient credits; 11% of 379 students passed CAHSEE and had deficient credits; of 315 students with sufficient credits, the number of student that did not pass was 9%; 206 (6%) students had deficient credits and did not pass the CAHSEE. She then reviewed a chart of English Learner and special education students who did not pass the CAHSEE, along with their language proficiency levels. She stated that there is improvement in numbers for the class of 2011 and that an update to the Board would be presented when the November test results are released.

2010-11 Attendance and Enrollment Update

Mr. Bishop and Dr. Wold presented an update to the Board regarding 2010-11 student attendance and enrollment, which includes AERIES newest updates, Attention2Attendance monitoring process, and an enrollment update.

In 2009, a new student information system called AERIES was purchased for the purpose of gathering, accessing, and managing data. The system integrates with other data systems. It maintains attendance records, enrolls students, creates class and teacher schedules, maintains student records, provides statistical reports and in the next phase will communicate to parents through a parent portal.

Phase I AERIES - launched at elementary schools in May 2010, secondary was launched during the current year.

Phase II AERIES - piloted at selected schools in 2011-12 school year and additional schools in the 2012-12 school year.

Phase III AERIES - Parent Portal will "go live" during the second semester of the current year. Attendance and grades will be implemented during the current year and at selected schools finalization will take place in the 2012-13 school year.

Attention2Attendance:

Dr. Wold provided information on the Attention2Attendance (A2A), which was implemented in 2010 to effectively manage and increase attendance Districtwide. The system is comprised of four main components that include attendance notifications, conference management, data analysis, and professional consultation. Dr. Wold highlighted each component in detail. Below are the three-implementation phases:

- Phase I - Establish District A2A core team, integrate data into system
- Phase II - Launch eTruancy and conferencing (automotive letters and parent meetings)
- Phase III - (2010-11) launch attendance-monitoring system (individualized attendance website)

Dr. Wold stated that the webpage consisting of the attendance monitoring is a personalized attendance webpage for easy access to attendance data where school administrators can access AERIES data daily. It also allows administration to identify attendance trends, monitor and track ADA goals, associate attendance with instructional time, and conduct comparative attendance analysis by site, conduct year-to-year analysis by site or Districtwide.

Enrollment Update:

Dr. Wold stated that enrollment in elementary K-6, is 26,554 (projected attendance was 26,195); intermediate is currently at 11,553 (projected at 11,540), and high school is currently 15,557 (projected at 15,521) with a total enrollment of 53,753 (projected was 53,256).

2010-11 Budget Update

Mr. Bishop presented a budget update, which included affects of the State, SAUSD, election impact, and impact to the District's adopted budget.

He stated that there were State funding changes that added \$13.8 million to SAUSD due to the elimination of 0.39% COLA and on-going revenue limit reduction of negative \$3.85%. He noted changes in Federal funding such as one-time funds: Jobs Bill for an award amount for SAUSD of \$10.3 million (\$9.2 million already received) and ARRA Stabilization with a projected amount of \$2 million. He next reviewed changes to the May Revise due to the newly adopted State budget. He briefly highlighted propositions passed: Proposition 25: allows the State to adopt a budget by a simple majority rather than two-thirds vote; Proposition 26: classifies some fees as taxes that require a two-thirds vote; and lastly Proposition 22 that limit the State's ability to take local funds immediately creating a new \$1 billion hole in the current year State budget. Mr. Bishop stated that the newly elected Governor when he takes office would most likely make significant cuts to Education as soon as January.

School Services of California has expressed concern regarding this budget and advises districts to include additional revenues for budget purposes, but to refrain from spending any funds until the January 2011 Governor's proposal, or better yet, the 2011 May Revise before any spending.

The Orange County Department of Education (OCDE) has advised Districts to align their budget to the current State adopted budget utilizing the State adopted budget assumptions, preliminarily projected budget reductions will be adjusted as follows for the first interim to eliminate deficit:

May Revise - \$31.5 million for 2011-12 and for 2012-13 \$30.5 million
State adopted budget - \$18 million for 2011-12 and for 2012-13 \$24 million

He stated that OCDE requires districts to identify ongoing budget reductions for 2011-12 by the second-interim budget (March 2011).

Mr. Bishop stated that based on the 2010-11 enacted State Budget, the SAUSD will implement \$18 million in ongoing budget reductions in 2011-12 and an additional \$24 million reductions in 2012-13 to maintain fiscal solvency.

Mr. Bishop stated that there would be continued negotiations with certificated and classified associations.

PUBLIC PRESENTATIONS

Board President Yamagata-Noji asked those wishing to address the Board in matters pertaining to items on the Agenda to step to the podium.

There were no individuals wishing to address the Board.

APPROVAL OF MINUTES

It was moved by Mr. Richardson, seconded by Mr. Reyna, and carried 5-0, to approve the Minutes of the Regular Board Meeting of October 26, 2010.

1.0 APPROVAL OF CONSENT CALENDAR

The following item was removed from the Consent Calendar for discussion and separate action: Approval of Expulsion of Students for Violation of California Education Code 48900, 48900.2, 48900.3, 48900.4, 48900.7, and/or 48915(c) According to Board Policy 5144.1

It was moved by Mr. Richardson, seconded by Mr. Hernández, and carried 5-0, to approve the balance of the Consent Calendar as follows:

- 1.1 Approval of extended field trips in accordance with Board Policy (BP) 6153 - School-Sponsored Trips and Administrative Regulation (AR) 6153.1 - Extended School-Sponsored Trips. A list is attached to the Minutes.
- 1.2 Adoption of Resolution No. 10/11-2854 for authorization of Prekindergarten and Family Literacy Program Support Contract for the 2010-11 program year. A copy of the Resolution is attached to the Minutes.
- 1.3 Approval of membership for the National Association for the Education of Young Children 201-11 School Year.
- 1.4 Approval of Expulsion of Students for Violation of California Education Code 48900, 48900.2, 48900.3, 48900.4, 48900.7, and/or 48915(c) According to Board Policy 5144.1 - This item was removed from the Consent Calendar for discussion and separate action.
- 1.5 Approval of purchase order summary and listing of orders \$25,000 and over, for the period of October 22, 2010, through November 4, 2010.
- 1.6 Ratification of expenditure summary listing all checks created and warrant listing of expenditures over \$25,000 for the period of October 23, 2010, through November 5, 2010.

- 1.7 Approval of listing of agreements/contracts between the Santa Ana Unified School District and various consultants submitted for the period of October 13, 2010 through October 27, 2010.
- 1.8 Acceptance of Treasury Report for the period ending June 30, 2010.
- 1.9 Approval of amendment to the Joint Powers Agreement for mail delivery, amendment no. 1.
- 1.10 Acceptance of November 9, 2010, completion of contract with Harris Steel Fence Company, Inc. for Bid Package 10-10, for replacement of fencing at Lincoln Elementary in the amount of \$16,590.

ITEM(S) REMOVED FROM CONSENT CALENDAR FOR DISCUSSION AND SEPARATE ACTION:

- 1.4 Approval of recommendations by the Administrative hearing panel to expel students for the recommended terms including the remediation conditions:

It was moved by Mr. Richardson, seconded by Mr. Hernández, and carried 5-0, to change student ID# 181998 to option 2 with a new readmission date of June 17, 2011.

184791 - Century High

For the violation of Education Code Section 48900, paragraph a, that the Board expel the student from the schools of the District and the student may apply for readmission on or after June 17, 2011.

181682 - Community Day

For the violation of Education Code Section 48900, paragraph a, that the Board expel the student from the schools of the District and the student may apply for readmission on or after June 17, 2011.

401052 - Lincoln Elementary

For the violation of Education Code Section 48900, paragraph 1,.2, that the Board expel the student from the schools of the District and the student may apply for readmission on or after June 17, 2011.

323510 - Lincoln Elementary

For the violation of Education Code Section 48900, paragraph 1,.2, that the Board expel the student from the schools of the District and the student may apply for readmission on or after June 17, 2011.

303862 - McFadden Intermediate

For the violation of Education Code Section 48900, paragraphs a and b, that the Board expel the student from the schools of the District for the schools of the District for the balance for the fall semester, 2010-11 school year and the expulsion order be suspended until January 31, 2011, and the student be permitted to return to a District school/program on a probationary status.

313129 - Sierra Intermediate

For the violation of Education Code Section 48900, paragraph c, that the Board expel the student from the schools of the District and the student may apply for readmission on or after November 9, 2011.

319912 - Valley High

For the violation of Education Code Section 48900, paragraph c, that the Board expel the student from the schools of the District for the fall semester, 2010-11 school year; and the expulsion order be suspended for only the spring semester, 2010-11 school year and the student be permitted to return to a District school/program on a probationary status during that time period.

182135 - Valley High

For the violation of Education Code Section 48900, paragraph c, that the Board expel the student from the schools of the District for the fall semester, 2010-11 school year; and the expulsion order be suspended for only the spring semester, 2010-11 school year and the student be permitted to return to a District school/program on a probationary status during that time period.

181998 - Valley High

For the violation of Education Code Section 48900, paragraph a, that the Board expel the student from the schools of the District and the student may apply for readmission on or after June 17, 2011.

335630 - Willard Intermediate

For the violation of Education Code Section 48900, paragraph a, that the Board expel the student from the schools of the District and the student may apply for readmission on or after June 17, 2011.

325724 - Willard Intermediate

For the violation of Education Code Section 48900, paragraph b, that the Board expel the student from the schools of the District for the fall semester, 2010-11 school year; and the expulsion order be suspended for only the spring semester, 2010-11 school year and the student be permitted to return to a District school/program on a probationary status during that time period.

REGULAR AGENDA - ACTION ITEMS

2.0 ACCEPTANCE OF GIFTS IN ACCORDANCE WITH BOARD POLICY (BP) 3290 - GIFTS, GRANTS, AND BEQUESTS

It was moved by Mr. Hernández, seconded by Mr. Richardson, and carried 5-0, to accept the gifts in accordance with Board Policy 3290 - Gifts, Grants, and Bequests. A list is attached to the Minutes.

3.0 APPROVAL OF REVISIONS TO RECLASSIFICATION CRITERIA TO INCLUDE ENGLISH LEARNER STUDENTS GRADES 1 AND 2

It was moved by Dr. Yamagata-Noji, seconded by Mr. Hernández, and carried 5-0, to approve revisions to the reclassification criteria to include English learner students in grades 1 and 2.

4.0 APPROVAL OF SUBMISSION OF AMERICAN RECOVERY AND REINVESTMENT ACT ENHANCING EDUCATION THROUGH TECHNOLOGY COMPETITIVE GRANT

It was moved by Mr. Hernández, seconded by Mr. Palacio, and carried 5-0, to approve the submission of the American Recovery and Reinvestment Act Enhancing Education through the Technology Competitive grant application.

5.0 ADOPTION OF RESOLUTION NO. 10/11-2856 - PROVIDING FOR ISSUANCE AND SALE OF ONE OR MORE SERIES OF ELECTION OF 2008 GENERAL OBLIGATION BONDS OF SANTA ANA UNIFIED SCHOOL DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,901,029.75

It was moved by Mr. Palacio, seconded by Mr. Hernández, and carried 5-0, to adopt Resolution No. 10/11-2856 - providing issuance and sale of one or more series of election of 2008 General Obligation Bonds of SAUSD in the aggregate principal amount of and not to exceed \$45,901,029.75.

6.0 ADOPTION OF RESOLUTION NO. 10/11-2857 - PROVIDING FOR ISSUANCE AND SALE OF 2010 GENERAL OBLIGATION REFUNDING BONDS OF DISTRICT IN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$34,500,000 TO REFUND DISTRICT'S ELECTION OF 1999 GENERAL OBLIGATION BONDS, SERIES 2002 AND APPROVING RELATED DOCUMENTS AND ACTIONS

It was moved by Mr. Palacio, seconded by Mr. Hernández, and carried 5-0, to adopt Resolution No. 10/11-2857 - providing issuance and sale of 2010 General Obligation Bonds of SAUSD in the aggregate principal amount of and not to exceed \$34,500,000 to refund District's election of 1999 General Obligation Bonds series 2001 and approving related documents and actions.

7.0 AUTHORIZATION TO REJECT ALL BIDS AND RE-BID FOR PURCHASE OF COPIER PAPER FOR WAREHOUSE STOCK

It was moved by Mr. Palacio, seconded by Mr. Reyna, and carried 5-0, to authorize staff to reject all bids and re-bid for the purchase of copier paper for warehouse stock.

8.0 AUTHORIZATION TO OBTAIN BIDS FOR PURCHASE OF CLEANING AND CHEMICAL SUPPLIES DISTRICTWIDE

This item was removed from the Agenda and will return to a future meeting.

9.0 AUTHORIZATION TO OBTAIN BIDS FOR PURCHASE OF CUSTODIAL SUPPLIES FOR WAREHOUSE STOCK

This item was removed from the Agenda and will return to a future meeting.

10.0 ACCEPTANCE OF GOVERNMENTAL ACCOUNTING STANDARDS BOARD 45 VALUATION REPORT OF OTHER POST EMPLOYMENT BENEFITS

Mr. Cohen, LECG, LLC, presented the actuarial valuation report. He stated that this is the second actuarial valuation performed by LECG/SMART for the SAUSD. He stated that there is a significant reduction in overall program costs between the 2009 and 2007 actuarial valuations. Reasons for the change are due to

- active headcounts are down with fewer retirees in 2009 than expected in 2007
- healthcare cost management -plan design changes and increased cost sharing
- negotiated changes - reduced duration of other post-employment benefits(OPEB) (7/1/98 hires - classified) and 4/29/99 hires (certificated and management)
- management, unions, vendors, and consultants working together

Summary of key GASB 45 Results for the July 2009-June 2010 Fiscal Year:

<u>Actuarial Valuation Results</u>	<u>July 1, 2009</u>
Present valuation of future benefits	\$176,979,792
Actuarial accrued liability	\$119,052,495
 <u>GASB 45 Measures</u>	 <u>2009-10 Fiscal Year</u>
Annual OPEB cost	\$12,621,772
Employer Contributions	\$9,256,884
(reflect implicit rate subsidy	
Employer Contributions (pay-as-you-go)	\$8,646,309

Mr. Cohen stated that the run rate of SAUSD's OPEB program has slowed down from \$8-\$9 million in 2007-08 to approximately \$3.4 million in fiscal year 2009.

It was moved by Mr. Palacio, seconded by Mr. Richardson, and carried 5-0, to accept the GASB 45 Valuation Report as of July 1, 2009 as prepared by LECG/SMART.

11.0 ACCEPTANCE OF WITHDRAWAL LETTER FROM E.C. CONSTRUCTION FOR BID PACKAGE NO. 502.1, FOR PAVING REPAIR AT SADDLEBACK HIGH SCHOOL UNDER EMERGENCY REPAIR PROGRAM

It was moved by Mr. Palacio, seconded by Mr. Hernández, and carried 5-0, to accept the withdrawal letter from E.C. Construction for Bid Package No. 502.1 for paving repair at Saddleback High School under the Emergency Repair Program.

12.0 AUTHORIZATION TO AWARD CONTRACT FOR BID PACKAGE NO. 502.1, FOR PAVING REPAIRS AT SADDLEBACK HIGH SCHOOL UNDER EMERGENCY REPAIR PROGRAM

It was moved by Mr. Palacio, seconded by Mr. Hernández, and carried 5-0, to authorize the awarding of a contract to Hardy and Harper, Inc., for Bid Package No. 502.1 for paving repairs at Saddleback High School in the amount of \$507,980 under the Emergency Repair Program utilizing Measure G funds with an anticipated reimbursement from the State at a later date.

13.0 APPROVAL OF APPOINTMENT OF BOND OVERSIGHT COMMITTEE MEMBERS

It was moved by Mr. Richardson, seconded by Mr. Palacio, and carried 5-0, to approve the appointments of Carl Benninger, Molly Doughty, and Michael Schmitt as members to the Bond Oversight Committee. In addition, moved by Mr. Reyna, seconded by Mr. Palacio, and carried 4-1, Dr. Yamagata-Noji dissenting, to approve the appointment of Rene Guzman as a member to the Bond Oversight Committee.

14.0 APPROVAL OF REVISION TO DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES FOR BILLING OF STATEMENT OF ECONOMIC INTEREST FILING

This item was removed from the agenda and will return to a future meeting.

15.0 APPROVAL OF SANTA ANA UNIFIED SCHOOL DISTRICT'S INITIAL BARGAINING PROPOSAL TO COMMUNICATIONS WORKERS OF AMERICA (CWA)

It was moved by Mr. Palacio, seconded by Mr. Richardson, and carried 5-0, to approve the Santa Ana Unified School District's initial bargaining proposal to Communications Workers of America.

16.0 PERSONNEL ACTION

It was moved by Mr. Richardson, seconded by Dr. Yamagata-Noji, and carried 5-0, to approve the Personnel Calendar in its entirety. A copy of the calendar is attached.

17.0 BOARD AND STAFF REPORTS/ACTIVITIES

Mr. Richardson:

- Asked that the meeting be adjourned in memory of Robert Balen.

Mr. Reyna:

- He thanked Assemblyman Solorio in partnership with Barona Band of Indians for their donation of \$5,000 to Martin Elementary School.
- Pico-Lowell and Martin Elementary Neighborhood Associations held their Second Annual Resource Fair recently. They had essay contests, art contests, games, prizes, and good food. The incentives were provided by Mr. Vasse from 7-Eleven.

- On November 14, Segerstrom High School will host a car show. He invited all to come out and show support to the baseball team.
- He announced that the City of Santa Ana lost a great young-man, Jason Williams, Class of 1998. He was a great advocate for education and youth. Mr. Reyna asked to adjourn the meeting in Jason Williams' name.

Dr. Yamagata-Noji:

- In remembrance of Veteran's Day, she recognized veterans who are SAUSD employees, former students, and the community.
- She enjoyed the *Flip the Switch* Ceremony at Saddleback High School. She asked for a video clip at next board meeting. She said it was a great teachable moment and great resource fair! Mr. Bruce Hamlin was there, he brought an all-electric car; Southern California Edison Company was there. She noted that Saddleback High has the largest solar generating project in Orange County.
- She asked for an update of the secondary sports program to be presented at future Board meeting.

CLOSED SESSION ACTION

By a vote of 5-0, the Board took action to ratify a Workers' Compensation stipulated award for \$39,270 regarding a certificated employee named in closed session.

Moved: Yamagata-Noji ___ Richardson X Hernández ___ Palacio ___ Reyna ___

Seconded: Yamagata-Noji ___ Richardson ___ Hernández ___ Palacio ___ Reyna X

Vote: Ayes 5 Noes _____ Abstain _____ Absent _____

By a vote of 5-0, the Board took action to appoint Marianne Bola as Director of School Improvement.

Moved: Yamagata-Noji ___ Richardson X Hernández ___ Palacio ___ Reyna ___

Seconded: Yamagata-Noji ___ Richardson ___ Hernández ___ Palacio ___ Reyna X

Vote: Ayes 5 Noes _____ Abstain _____ Absent _____

By a vote of 5-0, the board took action to appoint Dr. Peter Alvino as School Operations Administrator at Valley High School.

Moved: Yamagata-Noji ___ Richardson X Hernández ___ Palacio ___ Reyna ___

Seconded: Yamagata-Noji ___ Richardson ___ Hernández ___ Palacio X Reyna ___

Vote: Ayes 5 Noes _____ Abstain _____ Absent _____

By a vote of 5-0, the Board took action to appoint Hector Medrano as School Operations Administrator at Century High School.

Moved: Yamagata-Noji ___ Richardson ___ Hernández ___ Palacio ___ Reyna X

Seconded: Yamagata-Noji ___ Richardson X Hernández ___ Palacio ___ Reyna ___

Vote: Ayes 5 Noes _____ Abstain _____ Absent _____

By a vote of 5-0, the Board took action to appoint Jeanne M. Mellor as School Operations Administrator at Saddleback High School.

Moved: Yamagata-Noji ___ Richardson X Hernández ___ Palacio ___ Reyna ___

Seconded: Yamagata-Noji ___ Richardson ___ Hernández ___ Palacio X Reyna ___

Vote: Ayes 5 Noes _____ Abstain _____ Absent _____

By a vote of 5-0, the Board took action to appoint Suzanne R. Mulholland as School Operations Administrator at Sierra Intermediate School.

Moved: Yamagata-Noji X Richardson ___ Hernández ___ Palacio ___ Reyna ___

Seconded: Yamagata-Noji ___ Richardson ___ Hernández ___ Palacio X Reyna ___

Vote: Ayes 5 Noes _____ Abstain _____ Absent _____

By a vote of 5-0, the Board took action to appoint Eddie Vela as School Operations Administrator at Santa Ana High School.

Moved: Yamagata-Noji X Richardson ___ Hernández ___ Palacio ___ Reyna ___

Seconded: Yamagata-Noji ___ Richardson ___ Hernández ___ Palacio X Reyna ___

Vote: Ayes 5 Noes _____ Abstain _____ Absent _____

Meeting Closed in Memory of two fine individuals:

Former Board Member Rob Balen for his contributions to SAUSD, City of Santa Ana, and the community and Jason Williams for his contributions to the Santa Ana community.

ADJOURNMENT

There being no further business to come before the Board, the meeting adjourned at 10:40 p.m.

The next regularly scheduled meeting of the Board of Education will be held on Tuesday, November 23, 2010, at 6:00 p.m.

ATTEST: _____
Jane A. Russo
Secretary
Santa Ana Board of Education

SANTA ANA UNIFIED SCHOOL DISTRICT - EXTENDED FIELD TRIPS
RECOMMENDED FOR APPROVAL - November 9, 2010

Date:	Schools/Location:	Funding and Cost:	Student:	Staff and Chaperone:
November 8-10, 2010 (Monday - Wednesday) RATIFICATION	Wilson Elementary School Forest Center Outdoor Science School Running Springs	No Cost to Student. (Sponsored by OCDE)	104	5
November 11-14, 2010 (Thursday-Sunday)	Godinez Fundamental, Santa Ana, Saddleback, Valley and Middle College High Schools YMCA Youth & Government Training Camp Roberts Paso Robles	No Cost to Student. (Sponsored by YMCA funds)	36	4
November 19-20, 2010 (Friday-Saturday)	Segerstrom and Godinez Fundamental High Schools Southern CA Regional Honor Choir Santa Monica High School Santa Monica	No Cost to Student. (Sponsored by ASB)	7	3
December 13-16, 2010 (Monday-Thursday)	Heroes Elementary School Forest Center Outdoor Science School Running Springs	No Cost to Student. (Sponsored by OCDE)	71	2
January 28-30, 2011 (Friday-Sunday)	Mendez Fundamental Intermediate School MESA Program Catalina Island Marine Institute Catalina Island	\$219 per Student	30	3
March 31-April 8, 2011 (Thursday-Friday)	Saddleback High School Foreign Language Department France and Spain	No Cost to Student. (Sponsored by ASB)	36	6

SANTA ANA UNIFIED SCHOOL DISTRICT
GIFTS RECOMMENDED FOR ACCEPTANCE - November 9, 2010

School:	Gift:	Amount:	Donor:	Used for:
Adams Elementary		\$ 900	Adams PTA Mr. Erik Duran Santa Ana	Instructional supplies
Garfield Elementary		\$ 5,000	Northgate Market Ms. Alexandra Bolaños Anaheim	Student support, enrichment, field trips, instructional supplies
Kennedy Elementary		\$ 1,015	OfficeMax Mr. Mike Reed Laguna Woods	Classroom supplies
Remington Elementary		\$ 1,975	The Gift of Joy Foundation Ms. Kathleen Suite Irvine	School supplies
Spurgeon Intermediate		\$ 850	Unity Church of Truth Ms. Mary Jeanne Hawes Tustin	Uniforms and items for less fortunate students
Saddleback High		\$ 865	Target-Take Charge of Education Mr. Greg Steinhafel Minneapolis, MN	General education supplies
November 9, 2010 donations		\$ 10,605		
2010 Total donations	\$ 407,356	\$417,961		

/eh

2010-11 LISTING OF CONSULTANTS/CONTRACTED SERVICES
Submitting Division: Educational Services Department
November 9, 2010

NO.	NAME	IMPLICATIONS FOR THE DISTRICT/TYPE OF SERVICE	ANNUAL RENEWAL	FUNDING SOURCE	MAXIMUM NOT TO EXCEED	REQ. NO.
1.	Teaching Strategies Inc.	Consultant will provide all Intermediate Schools Leadership Training with a focus of creating and implementing consistent school-wide policies and procedures and improving schools' safety and climate. This training is taking place to continue supporting positive student behavior which is an essential component of the School Site Discipline Plan.		Title II	\$19,500	109840
2.	College Board	Consultant will facilitate a workshop which focuses on implementing vertical team articulation between Intermediate and High School English teachers. This is part of the Greenhouse Grant proposed activities.		Greenhouse Grant	\$4,200	109836
3.	Loulee Yen – Educational Consulting (PALS Training)	Increase to P.O. 260191. Consultant will provide training for Kennedy Elementary on curriculum to be used during summer academies. Board Approved: June 22, 2010		Title I	\$1,274.28	108578

Board of Education
Minutes
November 9, 2010

2010-11 LISTING OF CONSULTANTS/CONTRACTED SERVICES
Submitting Division: Business Services
November 9, 2010

Board of Education
Minutes
November 9, 2010

Minute Book Page 307

NO.	NAME	IMPLICATIONS FOR THE DISTRICT/TYPE OF SERVICE	ANNUAL RENEWAL	FUNDING SOURCE	MAXIMUM NOT TO EXCEED	REQ. NO.
1.	York Insurance Services Group, Inc.	Consultant will provide the following services: a) access to enhanced claims software, system support, reporting (regulatory and internal) and vendor payment processing; b) Claims Technical Support and consulting support services by a designated Client Services Director; c) Streamlined Injury Reporting Process; d) Technical training for claims staff, workshops and training for District personnel	Yes	Fund 67	\$45,000	109934
2.	Orange County Department of Education, Safe Schools and Support Services	Consultant will coordinate the development of Parent Task Forces which will focus on violence prevention, gang intervention and address strategies to increase academic success at Century, Saddleback, Santa Ana and Valley High Schools; will provide a Gang Interventionist as well as gang prevention-related counseling services for Century High School students for 8 hours a week for an 8 month time frame, from November 2010 through June 2011; will provide Youth Development activities facilitated by Kevin Brown and the Lives Worth Saving program at Century High School for the remaining 2010-11 school year; will provide gang mediation and intervention services at targeted high schools; will provide workshops on Gang Violence and Prevention/Intervention for Staff and Parents.	No	Title IV	\$30,000	110056

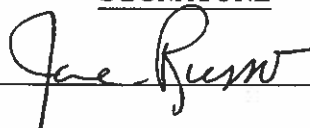
10/11-2854
RESOLUTIONBoard of Education
Minutes
November 9, 2010

This resolution must be adopted in order to certify the approval of the Governing Board to enter into this transaction with the California Department of Education for the purpose of providing child care and development services by adoption of Resolution No. 10/11-2854 – Authorization of Prekindergarten and Family Literacy Program Support contract #CPKS-0063 for the 2010-2011 program year.

RESOLUTION

BE IT RESOLVED that the Governing Board of Santa Ana Unified School District

authorizes entering into local agreement number/s 10/11-2854 and that the person/s who is/are listed below, is/are authorized to sign the transaction for the Governing Board.

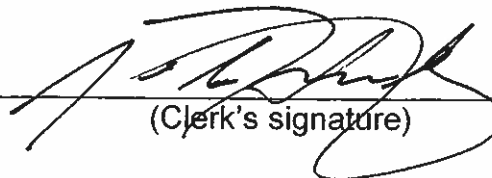
<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
<u>Jane Russo</u>	<u>Superintendent</u>	
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

PASSED AND ADOPTED THIS 9th day of November 2010/11, by the Governing Board of Santa Ana Unified School District of Orange County, California.

I, José Alfredo Hernández, J.D., Clerk of the Governing Board of

Santa Ana Unified School District, of Orange, County,

California, certify that the foregoing is a full, true and correct copy of a resolution adopted by the said board at a regular meeting thereof held at a regular public place of meeting and the resolution is on file in the office of said Board.


(Clerk's signature)

11/09/10
(Date)

RESOLUTION NO. 10/11-2856

**RESOLUTION OF THE BOARD OF EDUCATION OF THE SANTA ANA UNIFIED SCHOOL
DISTRICT, PROVIDING FOR THE ISSUANCE AND SALE OF ONE OF MORE SERIES OF
ELECTION OF 2008 GENERAL OBLIGATION BONDS OF SANTA ANA UNIFIED SCHOOL
DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$45,901,029.75**

WHEREAS, an election was duly called and regularly held in the Santa Ana Unified School District (the "District"), County of Orange (the "County"), State of California, on June 3, 2008 (the "Election"), and thereafter canvassed pursuant to law; and

WHEREAS, at such Election there was submitted to and approved by the two-thirds vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum principal amount of \$200,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District (the "Authorization"); and

WHEREAS, the Board of Education of the District is authorized to provide for the issuance and sale of any series of bonds pursuant to the Authorization on behalf of the District pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"); and

WHEREAS, the District has previously caused to be issued and sold \$154,098,970.25 of the Authorization leaving \$45,901,029.75 unissued and has determined that it is in the best interests of the District to issue and sell all or a portion of the remaining Authorization, not to exceed \$45,901,029.75; and

WHEREAS, the American Recovery and Reinvestment Act of 2009 grants a national allocation of \$11 billion to provide for the issuance of qualified school construction bonds ("Qualified School Construction Bonds"), in accordance with the qualified tax credit bond program found in Section 54A of the Internal Revenue Code of 1986, as amended, and an allocation of \$17,539,000 has been granted to the District (the "District Allocation") to provide financing for the construction, reconstruction or repair of public school facilities, or the acquisition of land on which such facilities are to be constructed with part of the proceeds of such issue.

1 November 9, 2010 WHEREAS, this Board of Education desires to make certain determinations and
2 to authorize the issuance and sale of bonds in one or more series in an aggregate
3 principal amount of not to exceed \$45,901,029.75, consisting of Tax-Exempt Bonds,
4 Direct Pay Qualified School Construction Bonds and/or Direct Pay Build America
5 Bonds (as defined herein) (collectively, the "Bonds"), all as provided for and in
6 accordance with this Resolution.

7
8 NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE SANTA ANA
9 UNIFIED SCHOOL DISTRICT, AS FOLLOWS:

10
11
12 ARTICLE I

13
14 PURPOSE; AUTHORITY; FINDINGS

15
16 Section 1.01 Purpose. Bonds of the District will be issued in the name and
17 on behalf of the District in the aggregate principal amount of not to exceed
18 \$45,901,029.75 for the purposes of providing school facilities as specified in the
19 Authorization.

20
21 Section 1.02. Authority for this Resolution; Findings. This Resolution is
22 entered into under the provisions of the Bond Law. The Board hereby certifies that
23 all of the things, conditions and acts required to exist, to have happened or to
24 have been performed precedent to and in the issuance of the Bonds do exist, have
25 happened or have been performed in due and regular time and manner as required by
26 the laws of the State of California, and that the amount of the Bonds, together
27 with all other indebtedness of the District, does not exceed any limit prescribed
28 by any laws of the State of California.

29
30
31 ARTICLE II

32
33 DEFINITIONS; INTERPRETATION

34
35 Section 2.01 Certain Definitions. The terms defined in this Section 2.01,
36 as used and capitalized herein, shall, for all purposes of this Resolution, have
37 the meanings given them below, unless the context clearly requires some other
38 meaning.

1 **"Accreted Interest"** means, with respect to the Capital Appreciation Bonds,
2 the Accreted Value thereof minus the Denominational Amount thereof as of the date
3 of calculation.

4
5 **"Accreted Value"** means, with respect to the Capital Appreciation Bonds, as of
6 the date of calculation, the Denominational Amount thereof, plus Accreted Interest,
7 compounded semiannually on each February 1 and August 1, commencing from the date
8 of issuance of the Capital Appreciation Bonds.

9
10 **"Authorization"** means the voter authorization provided through the measure
11 designated "Measure G" submitted to and approved by more than two-thirds of
12 District voters on June 3, 2008, under which the issuance of the Bonds has been
13 authorized.

14
15 **"Available Project Proceeds"** means, with respect to Build America Bonds and
16 Qualified School Construction Bonds, (i) the proceeds from the sale of such series
17 of Bonds, (ii) less costs of issuing such series of Bonds paid from proceeds of the
18 sale of such Bonds (not exceeding 2% of the proceeds of the sale thereof), plus
19 (iii) investment earnings on the difference between (i) - (ii).

20
21 **"Bond Payment Date"** means, with respect to Current Interest Bonds, each
22 February 1 and August 1, commencing August 1, 2011 unless otherwise provided upon
23 the sale of the Bonds. With respect to the Capital Appreciation Bonds, "Bond
24 Payment Date" means the stated maturity dates thereof or optional or mandatory
25 redemption dates, as applicable.

26
27 **"Bond Register"** means the listing of names and addresses of the current
28 registered owners of the debt, as maintained by the Paying Agent.

29
30 **"Bond Subsidy Payments"** means, with respect to any Bonds issued as Direct Pay
31 Build America Bonds, the amounts which are payable by the Federal government under
32 Section 6431 of the Code, which the District has elected to receive under Section
33 54AA(g)(2) of the Code, and with respect to any Bonds issued as Direct Pay
34 Qualified School Construction Bonds, the amounts which are payable by the Federal
35 government under Section 6431 of the Code, which the District has elected to
36 receive under Section 54AA(f) of the Code.

37
38 **"Bonds"** means the not to exceed \$45,901,029.75 aggregate principal amount of
39 general obligation bonds in one or more series authorized and at any time
40 Outstanding under this Resolution.

1 **"Bond Law"** means the provisions of Article 4.5 of Chapter 3 of Part 1 of
2 Division 2 of Title 5 of the California Government Code, as in effect on the date
3 of issuance of the Bonds.
4

5 **"Building Fund"** will have the meaning set forth in Section 4.03 hereof.
6

7 **"Capital Appreciation Bonds"** means those Bonds the interest component of
8 which is compounded semiannually on each Bond Payment Date to maturity as shown in
9 the table of Accreted Values for such Bonds in the Purchase Contract or Official
10 Statement.
11

12 **"Closing Date"** means the date upon which there is a physical delivery of the
13 Bonds in exchange for the amount representing the purchase price of the Bonds by
14 the Underwriter.
15

16 **"Code"** means the Internal Revenue Code of 1986 as in effect on the date of
17 issuance of the Bonds or (except as otherwise referenced herein) as it may be
18 amended to apply to obligations issued on the date of issuance of the Bonds,
19 together with applicable proposed, temporary and final regulations promulgated, and
20 applicable official public guidance published, under the Code.
21

22 **"Compounding Date"** means, with respect to the Capital Appreciation Bonds, if
23 any, February 1, 2011 and each succeeding February 1 and August 1 to and including
24 the date of maturity or redemption of the Capital Appreciation Bonds.
25

26 **"Costs of Issuance"** means all items of expense directly or indirectly
27 reimbursable to the District relating to the issuance and delivery of the Bonds.
28 Costs of Issuance includes, but is not limited to, filing costs, settlement costs,
29 printing costs, reproduction and binding costs, legal fees and charges, fees and
30 expenses of the Paying Agent, financial advisor and other professional consultant
31 fees, costs of obtaining credit ratings, municipal bond insurance premiums, and
32 charges and fees in connection with the foregoing.
33

34 **"County"** means the County of Orange, a political subdivision of the State of
35 California, duly organized and existing under the Constitution and laws of the
36 State of California.
37

38 **"County Treasurer"** means the Treasurer-Tax Collector of the County, or any
39 authorized deputy thereof.
40

1 **"Current Interest Bonds"** means the Bonds the interest on ~~November 1, 2010~~ ^{November 1, 2011} on
2 each Bond Payment Date specified for such Bonds as designated and maturing in the
3 years and in the amounts set forth upon the sale of the Bonds.

4
5 **"Debt Service Fund" or "Debt Service Funds"** will have the meaning set forth
6 in Section 5.05 hereof.

7
8 **"Denominational Amount"** means, with respect to the Capital Appreciation
9 Bonds, the initial offering price thereof, which represents the principal amount
10 thereof, and, with respect to the Current Interest Bonds, the principal amount
11 thereof.

12
13 **"Direct Pay Build America Bonds" or "Build America Bonds" or "BABs"** means the
14 series of Bonds issued hereunder and designated by the District as Build America
15 Bonds for purposes of Section 54AA of the Code.

16
17 **"Direct Pay Qualified School Construction Bonds" or "Qualified School**
18 **Construction Bonds" or "QSCBs"** means the series of Bonds issued hereunder in a
19 principal amount not to exceed \$17,539,000 and designated by the District as
20 Qualified School Construction Bonds for purposes of Section 54F(a)(3) of the Code.

21
22 **"District Representative"** means the President of the Board, the
23 Superintendent, Associate Superintendent, Business Services or such officer's
24 designee, the Deputy Superintendent or such officer's designee, the Clerk of the
25 Board, or any other person authorized by resolution of the Board to act on behalf
26 of the District with respect to this Resolution and the Bonds.

27
28 **"DTC"** means the Depository Trust Company, New York, New York, a limited
29 purpose trust company organized under the laws of the State of New York in its
30 capacity as securities depository for the Bonds.

31
32 **"Expenditure Period"** means the "expenditure period" defined in Section
33 54A(d)(2)(B)(ii) of the Code and consists of the period beginning on the date of
34 issuance of the Qualified School Construction Bonds and ending on the later of the
35 date which is three years after the date of such issuance or such later date, if
36 any, as permitted by the Internal Revenue Service in response to a request to
37 extend the Expenditure Period.

38
39 **"Fair Market Value"** means the price at which a willing buyer would purchase
40 the investment from a willing seller in a bona fide, arm's length transaction

1 November 2010 of the date the contract to purchase or sell the investment becomes
2 binding) if the investment is traded on an established securities market (within
3 the meaning of Section 1273 of the Code) and, otherwise, the term "Fair Market
4 Value" means the acquisition price in a bona fide arm's length transaction (as
5 referenced above) if (i) the investment is a certificate of deposit that is
6 acquired in accordance with applicable regulations under the Code, (ii) the
7 investment is an agreement with specifically negotiated withdrawal or reinvestment
8 provisions and a specifically negotiated interest rate (for example, a guaranteed
9 investment contract, a forward supply contract or other investment agreement) that
10 is acquired in accordance with applicable regulations under the Code, (iii) the
11 investment is a United States Treasury Security--State and Local Government Series
12 that is acquired in accordance with applicable regulations of the United States
13 Bureau of Public Debt, or (iv) any commingled investment fund in which the District
14 and related parties do not own more than a ten percent (10%) beneficial interest
15 therein if the return paid by the fund is without regard to the source of the
16 investment. To the extent required by the Regulations, the term "investment" will
17 include a hedge.

18
19 **"Interest Payment Date"** means, with respect to the Current Interest Bonds, if
20 any, August 1, 2011, and each succeeding February 1 and August 1 to and including
21 the date of maturity or redemption of the Current Interest Bonds, or as provided in
22 the Purchase Contract.

23
24 **"Mandatory Sinking Fund Payments"** means the schedule of deposits which are
25 required to be made into the Sinking Fund (if any) during the term of the Qualified
26 School Construction Bonds, as set forth in the Purchase Contract.

27
28 **"Maturity Value"** means the Accreted Value of any Capital Appreciation Bond on
29 its maturity date.

30
31 **"Official Statement"** will have the meaning set forth in Section 4.01 hereof.

32
33 **"Outstanding"** when used as of any particular time with reference to Bonds,
34 means all Bonds except (a) Bonds theretofore canceled by the Paying Agent or
35 surrendered to the Paying Agent for cancellation, (b) Bonds paid or deemed to have
36 been paid within the meaning of Section 9.02 and (c) Bonds in lieu of or in
37 substitution for which other Bonds have been authorized, executed, issued and
38 delivered by the District under this Resolution.

39 **"Owner"** means the current registered holder of a Bond or Bonds to whom
40 payments of principal and interest are made.

1 **"Participants"** means those broker-dealers, banks and other financial
2 institutions from time to time for which the Securities Depository holds book-entry
3 certificates as securities depository.

4
5 **"Paying Agent"** will mean any bank, trust company, national banking
6 association or other financial institution appointed as paying agent for the Bonds
7 in the manner provided in this Resolution.

8
9 **"Principal"** or **"Principal Amount"** means, with respect to any Current Interest
10 Bond, the principal amount thereof, and, with respect to any Capital Appreciation
11 Bond, the Denominational Amount.

12
13 **"Purchase Contract"** will have the meaning set forth in Section 4.01 hereof.

14
15 **"Qualified Purposes"** means the construction, rehabilitation, or repair of a
16 public school facility or for the acquisition of land on which such a facility is
17 to be constructed with part of the Available Project Proceeds of the Qualified
18 School Construction Bonds as described in Section 54F(a)(1) of the Code.
19 Expenditures for costs of acquisition of equipment to be used in such portion of
20 the public school facility that that is being constructed, rehabilitated, or
21 repaired with proceeds of the Qualified School Construction Bonds constitute a
22 Qualified Purpose.

23
24 **"Record Date"** means the close of business on the fifteenth day of the month
25 preceding each Bond Payment Date.

26
27 **"Required Sinking Fund Balance"** means, as of any date, the aggregate amount
28 of all Mandatory Sinking Fund Payments which are required to be on deposit in the
29 Sinking Fund as of that date.

30
31 **"Securities Depositories"** means DTC, 711 Stewart Avenue, Garden City, New
32 York, 11530, Facsimile transmission: (516) 227-4039, (516) 227-4190, and, in
33 accordance with then current guidelines of the Securities and Exchange Commission,
34 such other addresses and/or such other securities depositories as the District may
35 designate in a Written Request of the District delivered to the Paying Agent.

36
37 **"Sinking Fund"** means the fund, if any, by that name, if any, established and
38 held by the County Treasurer under Section 5.06.

November 1 **"Tax Code"** means the Internal Revenue Code of 1986 as in effect on the
2 Closing Date or (except as otherwise referenced herein) as it may be amended to
3 apply to obligations issued on the Closing Date, together with applicable proposed,
4 temporary and final regulations promulgated, and applicable official public
5 guidance published, under said Code.
6

7 **"Tax-Exempt Bonds"** means the series of Bonds issued hereunder, the interest
8 on which is intended to be excluded from gross income for federal income tax
9 purposes under Section 103 of the Code.
10

11 **"Underwriter"** means George K. Baum & Co., as original underwriter of the
12 Bonds upon the negotiated sale thereof.
13

14 **Section 2.02. Interpretation.** Unless the context otherwise indicates, words
15 expressed in the singular include the plural and vice versa and the use of the
16 neuter, masculine, or feminine gender is for convenience only and include the
17 neuter, masculine or feminine gender, as appropriate.
18

19 Headings of articles and sections herein and the table of contents hereof are
20 solely for convenience of reference, do not constitute a part hereof and do not
21 affect the meaning, construction or effect hereof.
22

23 All references herein to "Articles," "Sections" and other subdivisions are to
24 the corresponding Articles, Sections or subdivisions of this Resolution; the words
25 "herein," "hereof," "hereby," "hereunder" and other words of similar import refer
26 to this Resolution as a whole and not to any particular Article, Section or
27 subdivision hereof.
28

ARTICLE III

THE BONDS

32
33
34 **Section 3.01. Authorization.** The Board hereby authorizes the issuance of
35 the Bonds in one or more series under and subject to the terms of the Bond Law and
36 this Resolution, for the purpose of raising money to finance school facilities in
37 accordance with the Authorization and to pay Costs of Issuance. The aggregate
38 principal amount of the Bonds shall not exceed \$45,901,029.75. This Resolution
39 constitutes a continuing agreement between the District and the Owners of all of
40 the Bonds issued or to be issued hereunder and then Outstanding to secure the full

1 and final payment of principal of and interest and premium, if November 9, 2010 Bonds
2 which may be Outstanding hereunder, subject to the covenants, agreements,
3 provisions and conditions herein contained.
4

5 The Bonds will be issued in one or more series designated "Santa Ana Unified
6 School District, Election of 2008, General Obligation Bonds," with the first series
7 of bonds to be designated "Series D" and each series thereafter lettered
8 sequentially. The Bonds may be issued as any combination of Tax-Exempt Bonds,
9 Build America Bonds and Qualified School Construction Bonds.
10

11 **Section 3.02. Terms of the Bonds.**
12

13 (a) *Form; Numbering.* The Bonds will be dated as of the Closing Date, and
14 may be issued either in the form of Current Interest Bonds or in the form of
15 Capital Appreciation Bonds, as shall be designated in the Purchase Contract. The
16 Bonds will be issued as fully registered bonds without coupons, in denominations of
17 \$5,000 each (or, in the case of Capital Appreciation Bonds, denominations of \$5,000
18 Maturity Value), or any integral multiple thereof, but in an amount not to exceed
19 the aggregate Principal Amount or Maturity Value of Bonds maturing in the year of
20 maturity of the Bond for which the denomination is specified. Bonds shall be
21 lettered and numbered as the Paying Agent may prescribe.
22

23 (b) *CUSIP Identification Numbers.* "CUSIP" identification numbers shall be
24 imprinted on the Bonds, but such numbers do not constitute a part of the contract
25 evidenced by the Bonds and any error or omission with respect thereto will not
26 constitute cause for refusal of any purchaser to accept delivery of and pay for the
27 Bonds. Any failure by the District to use CUSIP numbers in any notice to Owners of
28 the Bonds will not constitute an event of default or any violation of the
29 District's contract with the Owners and will not impair the effectiveness of any
30 such notice.
31

32 (c) *Maturities.* The Bonds shall mature on the dates and in the Principal
33 Amounts and Maturity Amounts as set forth in the Purchase Contract, provided that
34 the final maturity of the Bonds shall not exceed forty years from the Closing Date,
35 and with respect to Qualified School Construction Bonds, shall be no later than the
36 final date allowed for Qualified School Construction Bonds under the applicable
37 provisions of the Tax Code.
38

39 (d) *Current Interest Bond Provisions.* If some or all Bonds of a series
40 issued hereunder are issued as Current Interest Bonds, interest thereon (including

November 1, 2010
Interest payment upon maturity or redemption) will be payable by check of the Paying Agent mailed on each Interest Payment Date to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of business on the 15th calendar day of the preceding month. However, at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Current Interest Bonds, which request is on file as the 15th calendar day of the month preceding an Interest Payment Date, interest on such Current Interest Bonds shall be paid on each succeeding Interest Payment Date to the account specified in such written request.

Each Current Interest Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such Interest Payment Date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the 15th calendar day of the preceding month, in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated on or before July 15, 2011, in which event it will bear interest from the dated date of the Bonds. However, if at the time of authentication of a Current Interest Bond interest is in default thereon, such Current Interest Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(e) *Capital Appreciation Bond Provisions.* If some or all Bonds or a series issued hereunder are issued as Capital Appreciation Bonds, interest thereon will compound on each Compounding Date at the respective yields to maturity to be determined upon the sale thereof. The principal of and interest on the Capital Appreciation Bonds shall be payable solely at maturity or earlier redemption thereof to the Owners thereof upon presentation and surrender thereof at the Office of the Paying Agent.

Interest on each Capital Appreciation Bond will accrue from the Compounding Date next preceding the date of authentication thereof unless (i) it is authenticated as of a Compounding Date, in which event interest will accrue from such Compounding Date, or (ii) it is authenticated prior to a Compounding Date and after the close of business on the 15th calendar day of the preceding month, in which event interest will accrue from such Compounding Date, or (iii) it is authenticated on or before January 15, 2011, in which event interest will accrue from the dated date of the Bonds.

1 (f) *Payment of Principal.* Principal of the Current Interest Bonds, and the
2 Maturity Value of the Capital Appreciation Bonds, are payable in lawful money of
3 the United States of America upon presentation and surrender at the Office of the
4 Paying Agent.

5
6 (g) *Provisions of Purchase Contract to Control.* Notwithstanding the foregoing
7 provisions of this Section 3.02 and the provisions of Section 3.03 hereof, any of
8 the terms of the Bonds may be established or modified under the Purchase Contract.
9 In the event of a conflict or inconsistency between this Resolution and the
10 Purchase Contract relating to the terms of the Bonds, the provisions of the
11 Purchase Contract shall be controlling.

12
13 **SECTION 3.03. *Redemption.***

14
15 (a) *Redemption Dates and Prices.* The Bonds shall be subject to redemption
16 prior to maturity on the dates and at the redemption prices which are set forth in
17 the final form of the Purchase Contract.

18
19 (b) *Selection of Bonds for Redemption.* Whenever less than all of the
20 Outstanding Bonds of any one maturity are designated for redemption, the Paying
21 Agent shall select the Outstanding Bonds of such maturity to be redeemed by lot in
22 any manner deemed fair by the Paying Agent. For purposes of such selection, each
23 Bond will be deemed to consist of individual Bonds of \$5,000 denominations each,
24 which may be separately redeemed.

25
26 (c) *Redemption Procedure.* The Paying Agent will cause notice of any
27 redemption to be mailed, by first class mail, postage prepaid, at least 30 days but
28 not more than 60 days prior to the date fixed for redemption, to (i) one or more of
29 the Information Services, and (ii) to the respective Owners of any Bonds designated
30 for redemption, at their addresses appearing on the Registration Books. Such
31 mailing is not a condition precedent to such redemption and the failure to mail or
32 to receive any such notice will not affect the validity of the proceedings for the
33 redemption of such Bonds. In addition, the Paying Agent will give notice of
34 redemption by telecopy or certified, registered or overnight mail to each of the
35 Securities Depositories at least two days prior to such mailing to the Bond Owners.

36
37 Such notice must state the redemption date and the redemption price and, if
38 less than all of the then Outstanding Bonds are to be called for redemption, shall
39 designate the serial numbers of the Bonds to be redeemed by giving the individual
40 number of each Bond or by stating that all Bonds between two stated numbers, both

November 8, 2010 by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Upon surrender of Bonds redeemed in part only, the District will execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, the Bonds called for redemption will cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice. The Paying Agent will cancel all Bonds redeemed under this Section 3.03 and will furnish a certificate of cancellation to the District.

SECTION 3.04. Form of Bonds. The Tax-Exempt Bonds will be substantially in conformity with Appendix A-1 and Appendix A-2, the Build America Bonds will be substantially in conformity with Appendix B, and the Qualified School Construction Bonds will be substantially in conformity with Appendix C, each incorporated herein by this reference as if set forth in full, with necessary or appropriate variations, omissions and insertions as may be permitted or required by this Resolution.

SECTION 3.05. Execution of Bonds. The Bonds shall be signed by the facsimile signature of the President of the Board and shall be attested by the facsimile signature of the Clerk of the Board. 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 manually signed by the Paying Agent as authenticating agent.

Only such Bonds as shall bear thereon a certificate of authentication and registration in the form set forth in Appendix A, Appendix B and Appendix C attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so

1 registered have been duly authenticated, registered and delivered hereunder and are
2 entitled to the benefits of this Resolution.

3
4 **SECTION 3.06. Transfer of Bonds.** Any Bond may, in accordance with its terms,
5 be transferred, upon the Registration Books, by the person in whose name it is
6 registered, in person or by his duly authorized attorney, upon surrender of such
7 Bond for cancellation at the Office at the Paying Agent, accompanied by delivery of
8 a written instrument of transfer in a form approved by the Paying Agent, duly
9 executed. The District may charge a reasonable sum for each new Bond issued upon
10 any transfer. Whenever any Bond or Bonds shall be surrendered for transfer, the
11 District shall execute and the Paying Agent shall authenticate and deliver a new
12 Bond or Bonds, for like aggregate principal amount.

13
14 **SECTION 3.07. Exchange of Bonds.** Bonds may be exchanged at the Office of the
15 Paying Agent for a like aggregate principal amount of Bonds of authorized
16 denominations. The District may charge a reasonable sum for each new Bond issued
17 upon any exchange (except in the case of any exchange of temporary Bonds for
18 definitive Bonds).

19
20 **SECTION 3.08. Registration Books.** The Paying Agent shall keep or cause to be
21 kept sufficient books for the registration and transfer of the Bonds, which shall
22 at all times be open to inspection by the District upon reasonable notice; and,
23 upon presentation for such purpose, the Paying Agent shall, under such reasonable
24 regulations as it may prescribe, register or transfer or cause to be registered or
25 transferred, on said books, Bonds as herein before provided.

26
27 **SECTION 3.09. Book-Entry System.** Except as provided below, the Owner of all
28 of the Bonds shall be DTC, and the Bonds shall be registered in the name of Cede &
29 Co., as nominee for DTC. The Bonds shall be initially executed and delivered in
30 the form of a single fully registered Bond in the full aggregate principal amount
31 of the Bonds. The Paying Agent and the District may treat DTC (or its nominee) as
32 the sole and exclusive owner of the Bonds registered in its name for all purposes
33 of this Resolution, and neither the Paying Agent nor the District shall be affected
34 by any notice to the contrary. The Paying Agent and the District shall not have
35 any responsibility or obligation to any Depository System Participant, any person
36 claiming a beneficial ownership interest in the Bonds under or through DTC or a
37 Depository System Participant, or any other person which is not shown on the
38 register of the District as being an owner, with respect to the accuracy of any
39 records maintained by DTC or any Depository System Participant or the payment by
40 DTC or any Depository System Participant by DTC or any Depository System

1 ~~Notwithstanding~~ any amount in respect of the principal of or interest on the Bonds.
2 The District shall cause to be paid all principal and interest on the Bonds only to
3 DTC, and all such payments shall be valid and effective to fully satisfy and
4 discharge the District's obligations with respect to the principal of and interest
5 with respect to the Bonds to the extent of the sum or sums so paid. Except under
6 the conditions Bond below, no person other than DTC shall receive a Bond. Upon
7 delivery by DTC to the District of written notice to the effect that DTC has
8 determined to substitute a new nominee in place of Cede & Co., the term "Cede &
9 Co." in this Resolution shall refer to such new nominee of DTC.

10
11 If the District determines that it is in the best interest of the beneficial
12 owners that they be able to obtain Bonds and delivers a written certificate to DTC
13 and the District to that effect, DTC shall notify the Depository System
14 Participants of the availability through DTC of Bonds. In such event, the District
15 shall issue, transfer and exchange Bonds as requested by DTC and any other owners
16 in appropriate amounts. DTC may determine to discontinue providing its services
17 with respect to the Bonds at any time by giving notice to the District and
18 discharging its responsibilities with respect thereto under applicable law. Under
19 such circumstances (if there is no successor securities depository), the District
20 shall be obligated to deliver Bonds as described in this Resolution. Whenever DTC
21 requests the District to do so, the District will cooperate with DTC in taking
22 appropriate action after reasonable notice to (a) make available one or more
23 separate Bonds evidencing the Bonds to any Depository System Participant having
24 Bonds credited to its DTC account or (b) arrange for another securities depository
25 to maintain custody of certificates evidencing the Bonds.

26
27 Notwithstanding any other provision of this Resolution to the contrary, so
28 long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all
29 payments of principal of and interest on such Bond and all notices with respect to
30 such Bond shall be made and given, respectively, to DTC as provided as in the
31 representation letter delivered on the Closing Date.

ARTICLE IV

SALE OF BONDS; APPLICATION OF PROCEEDS

SECTION 4.01. *Sale of Bonds; Approval of Sale Documents.*

(a) *Negotiated Sale of the Bonds.* Pursuant to Section 53508.7 of the Bond Law, the Board hereby approves the negotiated sale of the Bonds to the Underwriter pursuant to the Purchase Contract in substantially the form on file with the Clerk of the Board together with any changes thereto which are approved by a District Representative. A District Representative is hereby delegated the authority to accept an offer from the Underwriter to purchase the Bonds, provided that the amount of Underwriter's discount for the Bonds shall be not more than 0.90% of the par amount thereof and the average rate of interest to be borne by the Bonds shall not exceed 12.00% per annum. A District Representative is hereby authorized to execute and deliver the final form of the Bond Purchase Contract.

(b) *Approval of Official Statement.* The Board hereby approves and deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Bonds in the form on file with the Clerk of the Board. A District Representative is hereby authorized to execute an appropriate certificate stating that the Preliminary Official Statement has been deemed nearly final within the meaning of such Rule. Distribution of the Preliminary Official Statement by the Underwriter is hereby approved. A District Representative is hereby authorized and directed to approve any changes in or additions to the Final Official Statement, and the execution thereof by a District Representative shall be conclusive evidence of approval of any such changes and additions. The Board hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed in the name and on behalf of the District by a District Representative.

(c) *Actions to Close the Financing.* The Superintendent, the Assistant Superintendent, the Clerk of the Board and any and all other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents which they, or any of them, may deem necessary or advisable in order to consummate the issuance and sale of the Bonds. Whenever in this Resolution any action is authorized to be taken by an officer of the District and such officer is

November 9, 2010. Available, such action may be taken on behalf of the District by any designee of such officer.

(d) *Delivery of the Bonds.* A District Representative is hereby directed to cause the Bonds to be printed, signed and sealed, and to be delivered to the Underwriter upon the County Treasurer's receipt of the purchase price therefor and upon the Underwriter's performance of the conditions set forth in the Bond Purchase Contract.

SECTION 4.02. Application of Proceeds of Sale of Bonds. On the Closing Date, the proceeds of sale of any series of the Bonds shall be paid by the Underwriter to the County Treasurer, who shall transfer such proceeds as follows:

(a) The portion of the proceeds representing the premium (if any) received on the sale of such series of Bonds shall be deposited with the County Treasurer in the Debt Service Fund established for such series of Bonds.

(b) All remaining proceeds received by the County Treasurer from the sale of the Bonds shall be deposited in the Building Fund established for such series of Bonds, to be applied as set forth in Section 4.03.

SECTION 4.03. Building Fund. The Board hereby directs the County to establish, hold and maintain a fund for each series of the Bonds issued hereunder, each to be known as the "Santa Ana Unified School District, Election of 2008, Series __ Building Fund", with the appropriate series designation included therein, to be maintained by the County Treasurer as a separate account, distinct from all other funds of the County and the District, and to deposit therein proceeds of the Bonds to the extent required under Section 4.02(b). The County Treasurer shall maintain separate accounting for the proceeds of the Bonds deposited therein, including all earnings received from the investment thereof. Amounts on deposit in the Building Fund shall be expended by the District solely for the purposes for which the Bond proceeds are authorized to be expended under the Authorization (which includes related Costs of Issuance), and, with respect to Qualified school Construction Bonds, for purposes which are authorized for the expenditure of Qualified School Construction Bonds under the Tax Code. All interest and other gain arising from the investment of amounts deposited each the Building Fund shall be retained in such Building Fund and used for the purposes thereof.

1 With respect to the Building Fund established for Qualified School
2 Construction Bonds, upon the expiration of the Expenditure Period, all amounts
3 remaining on deposit in such Building Fund shall be withdrawn therefrom and applied
4 to the extraordinary mandatory redemption of the Bonds, as provided in the Purchase
5 Contract.

6
7 With respect to any Building Fund established for a series of the Bonds which
8 is not a series of Qualified School Construction Bonds, at the Written Request of
9 the District filed with the County Treasurer, any amounts remaining on deposit in
10 such Building Fund and not needed for the purposes thereof shall be withdrawn from
11 such Building Fund and transferred to the Debt Service Fund established for such
12 series of Bonds, to be applied to pay the principal of and interest on such Bonds,
13 or, in the case of Capital Appreciation Bonds, the Accreted Value thereof.

14
15 **SECTION 4.04. Estimated Costs of Issuance.** Governmental Financial Strategies
16 has been selected to act as financial advisor to the District, Jones Hall, A
17 Professional Law Corporation, has been selected as the District's bond and
18 disclosure counsel, and George K. Baum & Co. has been selected as the Underwriter
19 in connection with the issuance and sale of the Bonds. The estimated costs of
20 issuance associated with the bond sale is \$650,000, which includes fees of the
21 financial advisor, fees of bond counsel and disclosure counsel, costs of printing
22 the Official Statement, rating agency fees, paying agent fees and Underwriter's
23 discount.

24
25 Payment of the costs of issuing the Bonds shall be administered as provided
26 in the Purchase Contract. A District Representative is hereby authorized to
27 execute an agreement with respect to the administration of Costs of Issuance, if
28 and as necessary, to facilitate the administration and payment of Costs of
29 Issuance.

30
31 **SECTION 4.05. Taxable Status of Certain Series of Bonds.** The Board has
32 determined that interest payable on Bonds issued as Build America Bonds or
33 Qualified School Construction Bonds will be subject to federal income taxation, and
34 that the provisions of Section 5900 et seq. of the California Government Code apply
35 to such Bonds. At the determination of the Superintendent that it would be in the
36 best interests of the District to exercise any of the powers granted to it under
37 the such provisions, the District may take any action permitted thereunder whether
38 or not such action is otherwise authorized under this Resolution or conflicts with
39 any other provision of this Resolution.

Section 5.06. Official Actions. Each District Representative and their designees, and any and all other officers of the District, are authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

ARTICLE V

SECURITY FOR THE BONDS; PAYMENT OF DEBT SERVICE

SECTION 5.01. Security for the Bonds. The Bonds are general obligation bonds of the District, and the Board of Supervisors of the County has the power to levy *ad valorem* taxes upon all property within the District subject to taxation without limitation of rate or amount, for the payment of the Bonds and the interest thereon, in accordance with and subject to Sections 15250 and 15252 of the Bond Law.

SECTION 5.02. Pledge and Application of Bond Subsidy Payments. The Build America Bonds and the Qualified School Construction Bonds are further secured by and payable from the Bond Subsidy Payments received by the District with respect to such issue of Bonds. Promptly upon receipt of any Bond Subsidy Payments, the District shall cause such Bond Subsidy Payments to be paid to the County Treasurer for deposit into the applicable Debt Service Fund established under Section 5.05, or to the Paying Agent into the Debt Service Fund.

SECTION 5.03. Schedule of Mandatory Sinking Fund Payments for Qualified School Construction Bonds. In order to provide for the payment of the Qualified School Construction Bonds at maturity, the Board hereby authorizes a District Representative to determine a schedule of Mandatory Sinking Fund Payments for such Bonds. The aggregate amount of all such Mandatory Sinking Fund Payments shall be calculated to be sufficient to pay the principal amount of such Bonds when due. The final schedule of Mandatory Sinking Fund Payments, if any, shall be set forth in the Purchase Contract.

1 **SECTION 5.04. *Levy of Ad Valorem Property Taxes for Payment of Bonds*** 10 The
2 Board hereby directs the County to levy *ad valorem* taxes without limitation as to
3 rate or amount, as provided in Section 15250 of the Education Code, so as to enable
4 the District to punctually pay, or cause to be paid, the principal of and interest
5 on each series of the Bonds, including all annual Mandatory Sinking Fund Payments,
6 if any, required to pay the principal of Qualified School Construction Bonds at
7 maturity or upon the prior redemption thereof, in conformity with the terms of the
8 Bonds and of this Resolution. Nothing herein contained prevents the District from
9 making advances of its own moneys, howsoever derived, to any of the uses or
10 purposes permitted by law.

11
12 With respect to Qualified School Construction Bonds, in order to provide the
13 benefits to the taxpayers of the District of the Bond Subsidy Payments and the
14 investment of amounts on deposit in the Sinking Fund, if any, the Board hereby
15 directs the County to levy an amount of annual *ad valorem* taxes in each Fiscal Year
16 which is sufficient, together with the amounts held in the applicable Debt Service
17 Fund at the time of such tax levy, to (a) pay interest coming due and payable on
18 such Bonds prior to the receipt of the next tax levy, and (b) cause the balance on
19 deposit in the Sinking Fund to equal the Required Sinking Fund Balance as of the
20 date prior to the receipt of the next tax levy.

21
22 **SECTION 5.05. *Establishment and Administration of Debt Service Funds.*** The
23 Board hereby directs the County to establish, hold and maintain a fund for each
24 series of the Bonds issued hereunder, each to be known as the "Santa Ana Unified
25 School District, Election of 2008 General Obligation Bonds, Series __ Debt Service
26 Fund," with the appropriate series designation included therein, to be maintained
27 by the County Treasurer as a separate account, distinct from all other funds of the
28 County and the District, and to deposit therein proceeds of the Bonds to the extent
29 required under Section 4.02(a).

30
31 All taxes levied by the County, at the request of the District, for the
32 payment of principal of and interest on each series of Bonds issued hereunder in
33 accordance with this Resolution, including amounts levied to make Mandatory Sinking
34 Fund Payments, shall be deposited in the applicable Debt Service Fund by the County
35 promptly upon apportionment of said levy. In addition, the County shall deposit
36 into the applicable Debt Service Fund all Bond Subsidy Payments, if paid to the
37 County with respect to such series of Bonds. The Debt Service Fund is hereby
38 pledged for the payment of the principal of and interest on (or the Accreted Value
39 in the case of Capital Appreciation Bonds) the Bonds when due. Amounts in each
40 Debt Service Fund, to the extent necessary to pay the interest on the applicable

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Bonds when due, shall be transferred by the County to the Paying Agent as required.

With respect to Qualified School Construction Bonds, if a Sinking Fund is established pursuant to Section 5.06, amounts on deposit in such Debt Service Fund shall be transferred to the Sinking Fund annually, on each date on which a Mandatory Sinking Fund Payment is due, in an amount required to cause the balance in the Sinking Fund to equal the Required Sinking Fund Balance.

Any moneys remaining in each Debt Service Fund after the applicable series of Bonds have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District as provided in Section 15234 of the Bond Law. As provided in Section 15232 of the Bond Law, amounts in the Debt Service Fund shall also be applied to pay the expense of paying the Bonds elsewhere than at the office of the County Treasurer, and all such amounts shall be collected as additional *ad valorem* property taxes levied in accordance with Section 4.04.

SECTION 5.06. Sinking Fund for Qualified School Construction Bonds. In order to provide for the payment of the Qualified School Construction Bonds at maturity, the Board hereby authorizes a District Representative to determine a schedule of Mandatory Sinking Fund Payments for the Qualified School Construction Bonds. The final schedule of Mandatory Sinking Fund Payments, if any, will be set forth in the Purchase Contract.

The Board may direct the County to establish, hold and maintain the "Sinking Fund", to be maintained by the County Treasurer as a separate account, distinct from all other funds of the County and the District. An amount equal to the Required Sinking Fund Balance will be maintained on deposit in the Sinking Fund at all times. The Sinking Fund is pledged for the payment of the principal of the Qualified School Construction Bonds when due, including the principal coming due and payable on any mandatory redemption of any Qualified School Construction Bonds. Amounts in the Sinking Fund, to the extent necessary to pay the principal of the Qualified School Construction Bonds when due, will be transferred by the County to the Paying Agent as required. The Sinking Fund constitutes a reserve fund for the Qualified School Construction Bonds and shall be maintained in accordance with Section 5.04(c)(L).

1 **SECTION 5.07. Investments.** Proceeds of the Bonds held by the County Treasurer
2 will be invested at the County Treasurer's discretion pursuant to law and the
3 investment policy of the County, unless otherwise requested in writing by the
4 District as follows:

5
6 (i) At the written request of the District, given by District
7 Representative, the County Treasurer may invest all or any portion
8 of any Building Fund established hereunder in the Local Agency
9 Investment Fund in the treasury of the State of California.

10
11 (ii) At the written request of the District, given by District
12 Representative, all or any portion of any Building Fund established
13 hereunder may be invested on behalf of the District in investment
14 agreements, including guaranteed investment contracts, which comply
15 with the requirements of each rating agency then rating the
16 applicable series of Bonds.

17
18 The District covenants that all investments of amounts deposited in any fund
19 or account created by or pursuant to this Resolution, or otherwise containing gross
20 proceeds of Bonds (within the meaning of Section 148 of the Code) will be acquired,
21 disposed of, and valued (as of the date that valuation is required by this
22 Indenture or the Code) at Fair Market Value.

23 24 25 **ARTICLE VI**

26 27 **OTHER COVENANTS OF THE DISTRICT**

28
29 **SECTION 6.01. Punctual Payment.** The Board will direct the County to levy ad
30 valorem taxes, as provided in Section 15250 of the Education Code, so as to enable
31 the District to punctually pay, or cause to be paid, the principal of and interest
32 on the Bonds, including any Mandatory Sinking Fund Payments, in conformity with the
33 terms of the Bonds and of this Resolution. Nothing herein contained prevents the
34 District from making advances of its own moneys howsoever derived to any of the
35 uses or purposes permitted by law.

36
37 **SECTION 6.02. Books and Accounts; Financial Statement.** The District will
38 keep, or cause to be kept, proper books of record and accounts, separate from all
39 other records and accounts of the District in which complete and correct entries
40 are made of all transactions relating to the expenditure of the proceeds of the

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Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than 10% in aggregate principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

SECTION 6.03. Protection of Security and Rights of Bond Owners. The District will preserve and protect the security of the Bonds and the rights of the Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. Following the issuance of the Bonds by the District, the Bonds shall be incontestable by the District.

SECTION 6.04. Tax Covenants. In order to provide assurances that each series of Bonds will constitute Tax-Exempt Bonds, Build America Bonds or Qualified School Construction Bonds, as applicable, at all times during the term thereof, the District hereby makes the following covenants:

(a) *Tax Covenants Relating to Tax-Exempt Bonds.* For any Bonds issued as Tax-Exempt Bonds, the District covenants as follows:

A. Private Activity Bond Limitation. The District covenants that it will assure that the proceeds of the Tax-Exempt Bonds are not so used as to cause the Tax-Exempt Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

B. Federal Guarantee Prohibition. The District covenants that it will not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Tax-Exempt Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

C. Rebate Requirement. The District covenants that it will take any and all actions necessary to assure compliance with Section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such Section is applicable to the Tax-Exempt Bonds.

D. No Arbitrage. The District has covenanted that it will not take, or permit or suffer to be taken any action with respect to the proceeds of the Tax-Exempt Bonds which, if such action had been

1 reasonably expected to have been taken, or had been taken, and
2 intentionally taken, on the date of issuance of the Tax-Exempt Bonds
3 would have caused the Bonds to be "arbitrage bonds" within the meaning
4 of Section 148 of the Code.

5
6 E. Maintenance of Tax-Exemption. The District covenants that
7 it will take all actions necessary to assure the exclusion of interest
8 on the Tax-Exempt Bonds from the gross income of the Owners of the Tax-
9 Exempt Bonds to the same extent as such interest is permitted to be
10 excluded from gross income under the Code as in effect on the date of
11 issuance of the Tax-Exempt Bonds.

12
13 (b) *Tax Covenants Relating to Build America Bonds.* For any Bonds
14 issued as Direct Pay Build America Bonds, the District covenants as follows:

15
16 A. Election to Apply Section 54AA(d) of the Code. The District
17 hereby irrevocably elects to apply the provisions of Section 54AA(d) of
18 the Code to the Build America Bonds and intends that the Bonds be
19 treated as "Build America Bonds". In addition, the District hereby
20 irrevocably elects to treat the Build America Bonds as "Qualified
21 Bonds" within the meaning of Section 54AA(g)(2) of the Code. The
22 District intends that the Build America Bonds will be eligible for
23 direct payment by the federal government of the Bond Subsidy Payments
24 equal to 35% of interest payable on the Build America Bonds.

25
26 B. Filing of Forms To Receive Bond Subsidy Payment. The District
27 (or an outside agent, if appointed in writing by the District) will,
28 within the 45-day period beginning on the date that is 90 days before
29 the next Interest Payment Date, file Form 8038-CP or any successor form
30 designated by the federal government, requesting payment of the Bond
31 Subsidy Payments with respect to the next interest payment on the Build
32 America Bonds. If the Paying Agent is appointed to assist the District
33 by completing and submitting form 8038-CP, the District agrees to enter
34 into at the time of such appointment an agreement between the Paying
35 Agent and the District providing for such services.

36
37 C. Limitation on Original Issue Premium. All Build America Bonds
38 of each maturity of the issue will be offered to the ultimate
39 purchasers thereof (not including bond houses, brokers or similar
40 persons or organizations acting in the capacity of underwriters or

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wholesalers) at the price of par and, at least ten percent (10%) of the first bonds sold in each maturity of the issue will be actually sold at a price not excess of the stated redemption price at maturity of the Build America Bond x .0025 x the number of complete years to maturity from the date of issue of the Build America Bonds to the date of said maturity.

D. Private Activity Bond Limitation. The District will assure that the proceeds of the Bonds are not so used as to cause the Build America Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

E. Financing Capital Expenditures, No Working Capital. All Available Project Proceeds of the Build America Bonds will be spent on capital expenditures with a reasonably expected economic life of one year or more.

F. Limitation on Issuance Costs. No proceeds of the Bonds and investment earnings thereon, in an amount in excess of two percent (2%) of the proceeds of the sale of the Build America Bonds, will be used to pay costs of issuing of the Build America Bonds. If the fees of the original purchaser of the Build America Bonds are retained as a discount on the purchase of any series of the Bonds, such retention will be deemed to be an expenditure of proceeds of the Build America Bonds for said fees.

G. Federal Guarantee Prohibition. The District will not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Build America Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code. For this purpose, the Bond Subsidy Payment will not be treated as a federal guaranty.

H. Rebate Requirement. The District will take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Build America Bonds.

1 I. No Arbitrage. The District will not take, on or after November 9, 2010, any action with
2 to be taken by the County Treasurer or otherwise, any action with
3 respect to the proceeds of the Build America Bonds which, if such
4 action had been reasonably expected to have been taken, or had been
5 deliberately and intentionally taken, on the date of issuance of the
6 Build America Bonds would have caused the Build America Bonds to be
7 "arbitrage bonds" within the meaning of section 148 of the Code.
8

9 J. Expenditure of Proceeds to Assure BABs Eligible For Bond
10 Subsidy Payment. The District will take all actions necessary to assure
11 that the proceeds of the Build America Bonds are expended and all
12 federal tax requirements are met so as to cause the Bonds to be treated
13 as Build America Bonds and Qualified Bonds and therefore be eligible
14 for the Bond Subsidy Payment within the meaning of Sections 54AA and
15 6431 of the Code.
16

17 (c) Tax Covenants Relating to Qualified School Construction Bonds.
18 For any Bonds issued as Direct Pay Qualified School Construction Bonds, the
19 District covenants as follows:
20

21 A. Allocation of Federal QSCB Limitation. The District has
22 received an allocation of qualified school construction bond authority
23 for calendar year 2010 in the amount of \$17,539,000 from the Department
24 of the Treasury, included in the transcript for the Qualified School
25 Construction Bonds.
26

27 B. Designation of Bonds as Qualified School Construction
28 Bonds. The District hereby designates the Qualified School
29 Construction Bonds as "Qualified School Construction Bonds" for
30 purposes of Section 54F(a)(3) of the Code. The District also hereby
31 irrevocably elects to apply the provisions of Section 6431(f) of the
32 Tax Code to the Qualified School Construction Bonds and intends that
33 the Qualified School Construction Bonds be treated as specified tax
34 credit bonds within the meaning of Section 6431(f)(2) of the Code. The
35 District intends that the Qualified School Construction Bonds will be
36 eligible for direct payment by the federal government of the Bond
37 Subsidy Payments in the amounts described in Section 6431(f)(1)(C) of
38 the Code.
39
40

November 9, 2010 C. Filing of Forms To Receive Bond Subsidy Payments. The District (or an outside agent, if appointed in writing by the District) will, within the 45-day period beginning on the date that is 90 days before the next Interest Payment Date, file Form 8038-CP or any successor form designated by the federal government, requesting payment of the Bond Subsidy Payments with respect to the next interest payment on the Qualified School Construction Bonds. If the Paying Agent is appointed to assist the District by completing and submitting form 8038-CP, the District agrees to enter into at the time of such appointment an agreement between the Paying Agent and the District providing for such services.

D. Qualified Issuer. The District is local government qualified to issue the Qualified School Construction Bonds under Section 54F(a)(2) of the Tax Code. The District has established and currently operates the various public school sites with respect to which the Available Project Proceeds will be spent.

E. Qualified School Construction Project. The District will assure that all of the Available Project Proceeds of the Qualified School Construction Bonds will be used for Qualified Purposes in accordance with Section 54F(a)(1) of the Tax Code.

F. Compliance with Expenditure Period Limitations. The District reasonably expects to expend all of the Available Project Proceeds for Qualified Purposes within the Expenditure Period. To the extent that less than 100% of the Available Project Proceeds are expended for Qualified Purposes by the end of the Expenditure Period, all nonqualified bonds (as determined under Section 142 of the Code) will be redeemed within 90 days of the end of the Expenditure Period, in accordance with the requirements of Section 54A(d)(2)(B) of the Code in the time and manner prescribed by the Code.

G. Binding Commitment to Spend Available Project Proceeds. The District will, within six months of the Closing Date, enter into a substantial binding obligation to a third party to spend at least 10% of the Available Project Proceeds for Qualified Purposes.

H. Financing Capital Expenditures, No Work on Capital Available Project Proceeds of the Qualified School Construction Bonds will be spent on capital expenditures with a reasonably expected economic life of one year or more.

I. Limitation on Issuance Costs. No proceeds of the Bonds (or any Bonds issued hereunder) and investment earnings thereon, in an amount in excess of 2% of the proceeds of the sale of the Bonds, will be used to pay costs of issuing of the Bonds. If the fees of the Underwriter are retained as a discount on the purchase of the Bonds, such retention will be deemed to be an expenditure of proceeds of the Bonds for said fees.

J. No Arbitrage. The District will not take, or permit or suffer to be taken by the Paying Agent, the County Treasurer or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code as modified by Section 54A(d)(4) of the Tax Code.

K. Rebate Compliance. The District will take any and all actions necessary to assure compliance with Section 148(f) of the Tax Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds. For purposes of this paragraph, investments of Available Project Proceeds during the Expenditure Period are deemed to comply with the requirements and limitations of Section 148 of the Tax Code.

L. Limitation on Reserve Funds. No fund the proceeds of which are pledged to, or are reasonably expected to be used directly or indirectly to pay, principal or interest on the Bonds or are reserved or otherwise set aside such that there is a reasonable assurance that such amounts will be available to pay principal or interest on the Qualified School Construction Bonds will be funded with respect to the Qualified School Construction Bonds except as follows: (i) the fund is funded at a rate not more rapid than equal annual installments, (ii) such fund is funded in a manner reasonably expected to result in an amount not greater than an amount necessary to repay the issue, and

November 9, 2010 (i) the yield on the fund is not greater than the rate determined under 54A(d)(5)(B) of the Code.

M. Prohibition on Financial Conflicts of Interest. The District hereby covenants and agrees to comply with all State and local law requirements governing conflicts of interest as such requirements may relate, directly or indirectly, to the Qualified School Construction Bonds. The District hereby covenants and agrees to comply with any conflict of interest rules prescribed by the IRS or United States Department of Treasury governing the appropriate Member of Congress, Federal, State, and local officials, and their spouses as such rules may apply to the Qualified School Construction Bonds.

N. Davis-Bacon Act Requirements. The District hereby covenants and agrees to comply with the wage rate requirements of Title 40, Subtitle II, Part A, Chapter 31, Subchapter IV of the United States Code as such requirements relate to the proceeds of the Qualified School Construction Bonds.

SECTION 6.05. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate does not constitute a default by the District hereunder or under the Bonds; however, any Participating Underwriter (as that term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 6.06. Non-Liability of the County. The Board hereby acknowledges that the County has not assisted the District, nor has it participated in any way, in (a) the selection of the Underwriter, Bond Counsel or financial advisor or (b) the structuring of the Bonds. In addition, the County has not approved the Official Statement, and County does not assume any responsibility for the adequacy or accuracy of the statements contained therein.

SECTION 6.07. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the

performance of this Resolution, and for the better assuring and confirming, unto the Owners of the Bonds of the rights and benefits provided in this Resolution.

ARTICLE VII

THE PAYING AGENT

SECTION 7.01. Appointment of Paying Agent. The Bank of New York Mellon Trust Company, N.A. is hereby appointed to act as Paying Agent for the Bonds and, in such capacity, shall also act as registration agent and authentication agent for the Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the District by executing and delivering to the District a certificate or agreement to that effect.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least \$50,000,000, and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 7.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent will become effective upon acceptance of appointment by the successor Paying Agent.

SECTION 7.02. Paying Agent May Hold Bonds. The Paying Agent may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

1 November 2017. **Section 7.03. Liability of Agents.** The recitals of facts, covenants and
2 agreements in this Resolution and in the Bonds constitute statements, covenants and
3 agreements of the District, and the Paying Agent assumes no responsibility for the
4 correctness of the same, nor makes any representations as to the validity or
5 sufficiency of this Resolution or of the Bonds, nor shall incur any responsibility
6 in respect thereof, other than as set forth in this Resolution. The Paying Agent
7 is not liable in connection with the performance of its duties hereunder, except
8 for its own negligence or willful default.

9
10 In the absence of bad faith, the Paying Agent may conclusively rely, as to
11 the truth of the statements and the correctness of the opinions expressed therein,
12 upon certificates or opinions furnished to the Paying Agent and conforming to the
13 requirements of this Resolution.

14
15 The Paying Agent is not liable for any error of judgment made in good faith
16 by a responsible officer in the absence of the negligence of the Paying Agent.

17
18 No provision of this Resolution requires the Paying Agent to expend or risk
19 its own funds or otherwise incur any financial liability in the performance of any
20 of its duties hereunder, or in the exercise of any of its rights or powers, if it
21 has reasonable grounds for believing that repayment of such funds or adequate
22 indemnity against such risk or liability is not reasonably assured to it.

23
24 The Paying Agent may execute any of the powers hereunder or perform any
25 duties hereunder either directly or by or through agents or attorneys and the
26 Paying Agent is not responsible for any misconduct or negligence on the part of any
27 agent or attorney appointed with due care by it hereunder.

28
29 **SECTION 7.04. Notice to Paying Agent.** The Paying Agent may rely and is
30 protected in acting or refraining from acting upon any notice, resolution, request,
31 consent, order, certificate, report, warrant, bond or other paper or document
32 believed by it to be genuine and to have been signed or presented by the proper
33 party or proper parties. The Paying Agent may consult with counsel, who may be
34 counsel to the District, with regard to legal questions, and the opinion of such
35 counsel shall be full and complete authorization and protection in respect of any
36 action taken or suffered by it hereunder in good faith and in accordance therewith.

37
38 Whenever in the administration of its duties under this Resolution the Paying
39 Agent deems it necessary or desirable that a matter be proved or established prior
40 to taking or suffering any action hereunder, such matter (unless other evidence in

1 respect thereof is specifically prescribed in this Resolution) may be the absence
2 of bad faith on the part of the Paying Agent, be deemed to be conclusively proved
3 and established by a certificate of the District, and such certificate shall be
4 full warrant to the Paying Agent for any action taken or suffered under the
5 provisions of this Resolution upon the faith thereof, but in its discretion the
6 Paying Agent may, in lieu thereof, accept other evidence of such matter or may
7 require such additional evidence as to it may seem reasonable.

8
9 **SECTION 7.05. Compensation; Indemnification.** The District shall pay to the
10 Paying Agent from time to time reasonable compensation for all services rendered
11 under this Resolution, and also all reasonable expenses, charges, counsel fees and
12 other disbursements, including those of their attorneys, agents and employees,
13 incurred in and about the performance of their powers and duties under Resolution.
14 The District further agrees to indemnify the Paying Agent against any liabilities
15 which it may incur in the exercise and performance of its powers and duties
16 hereunder which are not due to its negligence or bad faith.

17 18 19 **ARTICLE VIII**

20 21 **AMENDMENT OF THIS RESOLUTION**

22
23 **SECTION 8.01. Amendments Effective Without Consent of the Owners.** The Board
24 may amend this Resolution from time to time, without the consent of the Owners of
25 the Bonds, for any one or more of the following purposes:

26
27 (a) To add to the covenants and agreements of the District in this
28 Resolution, other covenants and agreements to be observed by the District
29 which are not contrary to or inconsistent with this Resolution as theretofore
30 in effect;

31
32 (b) To confirm, as further assurance, any pledge under, and to
33 subject to any lien or pledge created or to be created by, this Resolution,
34 of any moneys, securities or funds, or to establish any additional funds or
35 accounts to be held under this Resolution;

36
37 (c) To cure any ambiguity, supply any omission, or cure or correct
38 any defect or inconsistent provision in this Resolution, in a manner which
39 does not materially adversely affect the interests of the Bond Owners in the
40 opinion of Bond Counsel filed with the District; or

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(d) To make such additions, deletions or modifications as may be necessary or desirable to assure the status of the Bonds as Qualified School Construction Bonds for which Bond Subsidy Payments are eligible to be received.

SECTION 8.02. Amendments Effective With Consent of the Owners. The Board may amend this Resolution from time to time for any purpose not set forth in Section 8.01, with the written consent of the Owners of a majority in aggregate principal amount of the Bonds Outstanding at the time such consent is given.

Any of the following amendments of this Resolution may be made only with the prior written consent of the Owners or all Outstanding Bonds: (a) a change in the terms of maturity of the principal of any Outstanding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, (b) a reduction of the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or (c) a reduction in the amount of moneys pledged for the repayment of the Bonds. No amendment may be made to the rights or obligations of any Paying Agent without its written consent.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, gives any person other than the District, the County, the Paying Agent and the Owners of the Bonds, any right, remedy, claim under or by reason of this Resolution. The covenants, stipulations, promises or agreements in this Resolution are for the sole and exclusive benefit of the Owners of the Bonds.

SECTION 9.02. Defeasance of Bonds.

(a) Discharge of Resolution. Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(i) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Bonds; or

(iii) by delivering such Bonds to the Paying Agent for cancellation by it.

If the District pays all Outstanding Bonds and also pays or causes to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Bonds have not been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In that event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it under this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in Section 3.03 or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying