



BOARD OF EDUCATION REGULAR MEETING

Celebration – API Success (5:00 p.m.)

September 17, 2009

5:30 p.m. – Public Session

Public Comment to Precede Action Sessions

Closed Session to Commence following Action Sessions

*Location: Colton JUSD Student Services Center
Board Room
851 South Mt. Vernon Avenue
Colton, California*

AGENDA

I. CALL TO ORDER

Roll Call

- Mrs. Marge Mendoza-Ware (President) _____
- Mr. Mel Albiso (Vice President) _____
- Mr. David R. Zamora (Clerk) _____
- Mr. Robert D. Armenta, Jr. _____
- Mrs. Patt Haro _____
- Mr. Frank A. Ibarra _____
- Mr. Kent Taylor _____

- Mr. James A. Downs _____
- Mr. Jerry Almendarez _____
- Mrs. Mollie Gainey-Stanley _____
- Mr. Mike Snellings _____
- Mr. Jaime R. Ayala _____
- Mrs. Bertha Arreguín _____
- Ms. Helen Rodriguez _____
- Mrs. Alice Grundman _____
- Mr. Todd Beal _____
- Mrs. Ingrid Munsterman _____
- Ms. Julia Nichols _____
- Ms. Sosan Schaller _____
- Dr. Patrick Traynor _____
- Ms. Katie Orloff _____
- Ms. Jennifer Rodriguez _____

Strategic Plan -- Mission Statement

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

II. PUBLIC SESSION 5:30 p.m. Renewal of the Pledge of Allegiance

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

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

The Board President clarifies the process regarding public comment and requests that the appropriate “Public Comment Card” be filled out. At the appropriate time during the Hearing Session, each speaker will be invited to the podium and should begin by stating his or her name and residing city. *No more than three minutes will be allotted to any speaker and no more than fifteen minutes per subject unless authorized by the Board President* (BP 1245).

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

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

III. HEARING SESSION / PUBLIC SESSION

1. Recognition of Advanced Placement Teachers at Bloomington and Colton High Schools
 - Michael Bedard, US History, BHS
 - Daniel Johnson, World History, BHS
 - Francisco Villegas, Calculus, BHS
 - Yolanda Ortiz, Spanish, BHS
 - Holly Lacy, Economics, CHS
 - Daniel Johnston, Calculus, CHS
2. District Sunshine Proposal with ACE and CSEA – Ingrid Munsterman
3. Gifted and Talented Education – Mollie Gainey-Stanley
4. Public Comment: **Specific Consent, Action, Study/Info or Closed Session Item**
(blue card; list agenda item # and subject)
5. Public Comment: **Item Not on the Agenda**
(white card; list topic)

IV **ACTION SESSION**

A. Consent Items

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

On motion of Board Member _____ and _____, the Board approved Consent Items #A-1 through #A-8.

1. Approval of Minutes (September 3, 2009)
2. Approval of Consultants for Assembly Presentation
3. Approval of Consultants for Staff Development
4. Approval of Agreement (#09/10-0438) with the San Bernardino County Superintendent of Schools (*KidsNCare*) for the AB 212 Educational Stipend Program (July 1, 2009 through June 30, 2010)
5. Acceptance of Award for AVID Advanced Placement Incentive Grant Program (APIP) for Bloomington High School and Bloomington Middle School (2009-10)
6. Acceptance of Gifts
7. Authorization to “Piggyback” on the Pomona Valley School Co-Op Purchasing Group Bid #1 (09-10)FS for the Purchase of Food Service Supplies for the 2009-10 School Year
8. Authorization to “Piggyback” on the Pomona Valley School Co-Op Purchasing Group Bid #2 (09-10)FS for the Purchase of Snack Foods and Beverages for the 2009-10 School Year

B. Action Items

1. Approval of Personnel Employment
2. Approval of Conference Attendance
3. Approval of Classified Reclassification as Recommended by the Committee
4. Approval of Purchase Orders
5. Approval of Disbursements
6. Approval of Arbitrage Calculation Service Agreement with Eide Bailly, LLP for General Obligation Bonds, Series 2002A, Series 2004B, and Series 2006C

7. Approval of 2008-09 Unaudited Actuals Report
8. Adoption of Resolution No. 09-37 for Revised 2008-09 Actual Gann Limit and Projected 2009-10 Gann Limit
9. Adoption of Resolution No. 09-38 Authorizing the Issuance of Colton JUSD (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series A
10. Approval of Memorandum of Understanding with Western University of Health Services for Participation in Community Health Nursing from August 24, 2009 through August 24, 2010
11. Approved Ratification Agreement #08/09-0804 for Web-IEP with East Valley Special Education Local Plan Area (EVSELPA) for December 8, 2008 through June 30, 2009
12. Approval of Amendment of Administrative Regulation: *AR 6172 Gifted and Talented Student Program*

C. Action Items—Resolutions

1. Adoption of Resolution, “Character Education Month,” October 2009
2. Adoption of Resolution “P.R.O.U.D. Act”
3. Adoption of Resolution “Save our Schools Act”
4. Adoption of Resolution “Dream Act”

V. STUDY, INFORMATION & REVIEW SESSION

1. Personnel -- Resignations
2. Budget Update – Jaime Ayala
3. Facilities Update – Jaime Ayala
4. ACE Representative
5. CSEA Representative
6. MAC Representative
7. ROP Board Members
8. Superintendent’s Communiqué / Correspondence / Communications
9. Board Member Comments

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

1. Student Discipline

2. Personnel

◆ Public Employee: Discipline / Dismissal / Release / Reassignment (Gov. Code 54957)

◆ Public Employee: Performance Evaluation: Title: Superintendent

3. Conference with Legal Counsel—Anticipated Litigation

Significant exposure to litigation pursuant to Government Code Section 54956.9(b)

Potential Case: One

4. Conference with Labor Negotiator

Agency: Jerry Almendarez Assistant Superintendent, Human Resources

Ingrid Munsterman, Director, Human Resources

Employee Organizations: Association of Colton Educators (ACE)

California School Employees' Assoc. (CSEA)

Management Association of Colton (MAC)

VII. PUBLIC SESSION -- ACTION REPORTED FROM CLOSED SESSION

VIII. ADJOURNMENT

BOARD AGENDA

REGULAR MEETING
September 17, 2009

CONSENT ITEM

Board of Education

- PRESENTED BY:** James A. Downs, Superintendent
- SUBJECT:** **Approval of Minutes:**
Regular Meeting (September 3, 2009)
- GOAL:** Student Performance, Personnel Development, Facilities/Support Services, Budget Planning, School Safety & Attendance, Community Relations, & Parent Involvement
- STRATEGIC PLAN:** Strategy #1 – Communication Strategy #4 – Facilities
Strategy #2 – Curriculum Strategy #5 – College Career
Strategy #3 – Decision Making Strategy #6 – Character
- RECOMMENDATION:** That the Board approve the minutes of the Board of Education meeting held on September 3, 2009, as presented.

**BOARD OF EDUCATION
Minutes**

**Regular Meeting
September 3, 2009
5:30 p.m.**

The Board of Education of the Colton Joint Unified School District met in Regular Session on Thursday, September 3, 2009, 5:30 p.m. in the Board Room at the CJUSD Student Services Center, 851 So. Mt. Vernon Avenue, Colton, California.

Trustees Present

Mrs. Marge Mendoza-Ware	President (excused at 6:34 p.m.)
Mr. Mel Albiso	Vice President
Mr. David R. Zamora	Clerk
Mr. Robert D. Armenta Jr.	
Mr. Patt Haro	
Mrs. Frank A. Ibarra	
Mr. Kent Taylor	

Trustee Absent

Staff Members Present /*Excused

Mr. James A. Downs *	Mrs. Alice Grundman
Mr. Jerry Almendarez	Mrs. Ingrid Munsterman
Mr. Mike Snellings	Ms. Julia Nichols
Mr. Jaime R. Ayala	Ms. Sosan Schaller
Ms. Mollie Gainey-Stanley	Dr. Patrick Traynor
Mrs. Bertha Arreguín	Ms. Helen Rodriguez
Mr. Todd Beal	Ms. Katie Orloff
Mrs. Jennifer Jaime	Ms. Jennifer Rodriguez

Board President Marge Mendoza-Ware called the meeting to order at 5:30 p.m. Gil Navarro and former CHS students, led in the Renewal of the Pledge of Allegiance to the Flag of the United States of America. Spanish interpreter/translation services were available.

Hearing Session

1. Amanda Corridan, Coordinator, Child Welfare and Attendance, recognized the following elementary schools for maintaining an attendance rate above 95% for the 2008-09 school year.
 - Crestmore
 - US Grant
 - Jurupa Vista
 - McKinley
 - Sycamore Hills
 - Terrace View
 - Zimmerman

Mrs. Corridan announced that district-wide a concerted effort has been made to improve attendance. In the 2008-09 school year district attendance has improved one percent overall.

Mr. Todd Beal, Director, Administrative Services, stated that the District's attendance committee, made up of teachers, administrators, students, parents, and community, set a goal of 95% attendance district-wide for 2008-09. Although only seven schools reached that goal, several others were not far behind. He noted the tremendous improvement made by secondary schools.

Board Members Albiso and Taylor would like the district to implement an incentive program for sites who reach the district attendance goal. They also thanked all schools for working hard to achieve 95% attendance and encouraged the secondary sites to continue the good work.

1. Public Comment: Specific Consent, Action, Study/Info or Closed Session Item:

- a) Gil Navarro, education advocate, spoke to Action Item B-5, Adoption of MOU between Colton JUSD, EMQ Families First and the San Bernardino County Department of Behavioral Health for programs at Washington Alternative School. Mr. Navarro stated that upon approval, this MOU brings a great opportunity to identify students with mental health issues. This will also allow the district to work with students addressing their concerns.
- b) Robert "Bob" Meyers, teacher, BHS, commented on Consent Item A-6, approval of agreement with CGP Education Inc. to custom publish a support program for Algebra I, Algebra II and Geometry. Mr. Meyers is pleased to see this item on the agenda tonight and thanks the Board for their consideration.

2. Public Input: Items Not on the Agenda

- a) Carmen Reyes, SBVC student, CHS graduate, asked that the district make a concerted effort to inform eligible students of the benefits offered by AB540.
- b) Ale Cuevas, CHS graduate, expressed disappointment because her high school counselor did not inform her of AB540 offerings.
- c) Luis Galicia, CHS senior, stated that he was unaware that San Bernardino Valley College offered concurrent enrollment for current high school students. He asked the Board to ensure that all high school counselors inform students of AB540 and concurrent enrollment at SBVC.
- d) Maria Galicia, SBVC student, CHS graduate, explained that she spent several thousand dollars attending a private college because she was unaware of AB540. Ms. Galicia would like for all eligible students to receive information about AB540 so they will not incur the financial burdens as she did.
- e) Andrea Galicia, SBVC student, CHS graduate, also spoke in support of informing students and parents of AB540 opportunities. She stated that while attending CHS she was never given information about the AB540 benefits she was entitled to.
- f) Gil Navarro, education advocate, stated that Colton JUSD counselors are not doing a terrible job however; they need to make a uniform effort to inform students and parents about AB540 opportunities. He would also like for high school counselors to relay information about the concurrent enrollment program at SBVC.

Board Member Albiso thanked the students for addressing their concerns before the Board. He asked for Board consensus to approve a student intern program to inform current high school students about AB540 opportunities. The Board unanimously consented; the Human Resources Division will research possible program models and report back in board correspondence.

Board Member Taylor spoke in support of the student intern program. He suggested the district look into stimulus and/or Title I funds to support this project.

- g) Guillermina Martinez, parent, BHS, requested the assistance of the Board to remove her son from the ELD program at Bloomington High School. She met with the school counselor in an attempt to transfer her son to a college preparatory English class, however her request was unsatisfied.

Mr. Almendarez and Ms. Gainey-Stanley will contact Mrs. Martinez on Friday, September 4, 2009 to resolve this matter. The outcome of this matter will be communicated to the Board through Board correspondence.

Board Member Ibarra expressed disappointment with the action taken by the school counselor and asked Mr. Almendarez to address this concern with the counselor and school administration.

Board Member Albiso asked the district to look into existing programs that lend extra support to English learners who are struggling academically.

- h) Manuela Sosa, Colton resident, commented on the need for school counselors to inform parents and students on the benefits of AB540
- i) Chris Gabriel, district nurse, thanked the Board and cabinet for placing student health and safety as a top priority. She extended her appreciation for the hiring of a new health assistant.

Consent Items #150 On motion of Board Member Taylor, seconded by Board Member Zamora, and carried on a 7-0 vote, the Board approved Consent Items #A-1, 2, 4-5, and 7 as presented. Consent Item A-6 was approved on the condition that staff clarify the contract language with regard to the terms of the cost summary. The Board further requested the district to carefully review the materials prior to distribution.

At the request of the district item A-3 was withdrawn.

150.1 A-1 Approved the minutes of the August 20, 2009 Board meeting as presented

- 150.2** A-2 Approved contract with enVision Consulting Group, Inc. for K-12 preparation of the 2008-09 School Accountability Report Cards (SARCs) for publication in 2009-10; \$9,500 General fund.
- (withdrawn) ~~A-3 Approved Consultants for staff development as presented; \$25,000 Title I funds, \$4,750 Title III funds.~~
- 150.3** A-4 Approved student field trips as presented; various site funds. (See Exhibit A)
- 150.4** A-5 Approved consultants for assembly presentations as presented; various site funds. (See Exhibit B)
- 150.5** A-6 Approved Agreement with CGP Education Inc. to custom publish a support program for Algebra I, Algebra II and Geometry (2009-11) as presented; \$66,835 per year, to be paid from American Recovery Reinvestment Act (ARRA) and Individuals with Disabilities Education Act, Part B, Section 611, Local Assistance Early Intervening Services (IDEA) funds.
- 150.6** A-7 Accepted gifts as presented. (See Exhibit C)
- Action Items** #152 On motion of Board Member Zamora, seconded by Board Member Albiso, and carried on a 7-0 vote, the Board approved Action Items #B-1 through #B-7 as presented. Action Item B-4 was pulled for separate action.
- 152.1** B-1 Approved personnel employment as presented. (See Exhibit D)
- 152.2** B-2 Approved purchase orders in the amount of \$1,702,824.51; various funds.
- 152.3** B-3 Approved disbursements batch #0214 through #0298 for the sum of \$6,417,776.55; payment as listed; all pertinent information on file in business office.
- 152.4** B-5 Adopted Memorandum of Understanding between EMQ Families First and the San Bernardino County Department of Behavioral Health for Washington High School for 2009-10. No cost to the district.
- Action Items** #153 On motion of Board Member Zamora, seconded by Board Member Ibarra, and carried on a 7-0 vote, the Board approved Action Item #B-4 on the condition that an additional crossing guard is added at Paul J. Rogers Elementary School.
- 153.1** B-4 Approved amendment to the agreement with All City Management Services, Inc., to provide school crossing guard services for the 2009-10 fiscal year. The District's estimated annual cost is \$289,275 to be paid from General funds (after contributions from cities of Fontana and Grand Terrace).
- Action Items Resolutions** #154 On motion of Board Member Albiso, seconded by Board Member Zamora, and carried on a 7-0 vote, the Board approved Action Item #C-1 as presented.
- 154.1** C-1 Adopted Resolution, "National Hispanic Heritage Month," September 15 thru October 15, 2009

Study, Information and Review Session

1. Personnel – Resignations

2. Proposal for Facilities Management Services:

Mr. Ayala requested Board consensus to move forward with the facilities program management services contract. The facilities management firm will be responsible for ensuring construction projects proceed smoothly and that all compliance requirements are met.

The district issued proposal requests from facilities management firms and received three qualified responses. Based on the proposals submitted, interviews of the firms and subsequent references checks, staff recommends that the district employ Seville Construction Services. Upon direction from the board, staff will meet with Seville to determine the level of service required and fees for said services will be negotiated.

The Board unanimously consented for Mr. Ayala to move forward with the negotiations.

3. Budget Update:

Mr. Ayala reported that staff has completed the 2008-09 Unaudited Actual Report. The report will be presented for approval at the September 17th board meeting.

School Services of California is schedule to present on September 29th at 5:30 p.m. in the Board Room. Details regarding the presentation will be sent from Mr. Ayala's office.

4. Facilities Update:

District construction projects are moving forward as scheduled and within their respective budgets.

Legal counsel is drafting a resolution authorizing the issuance of Colton JUSD Election of 2008 General Obligation Bonds, Series A. This resolution will be presented for adoption at the September 17th board meeting.

5. **ACE** – President Karen Houck, thanked Mr. Ayala for coordinating the presentation by School Services of California. She also thanked the district for the invitation to sit on the interview panel for the facilities planning, construction, and maintenance and operations administrator position. Mrs. Houck also questioned the need to fill this position. ACE looks forward to working with MAC to plan a bowling competition.

6. **CSEA** – No report

7. **MAC** – President Angie Dischinger congratulated all secondary schools for a great start to the 2009-10 school year. She commented on the combined effort of classified, certificated, and management staff in making the first day of school a success. Mrs. Dischinger commended David Thurston and the entire Information Technology department for Zangle training and their patience and understanding with Zangle related questions. MAC is looking forward to celebrating the rise in API scores district wide.

8. **ROP- No report.**

9. Superintendent's Communiqué / Correspondence / Communications:

Mr. Almendarez announced that Superintendent Downs is recovering well; he will return to work on Monday, September 14th. He recognized that all schools met their API targets for 2009. Mr. Almendarez commented on the six individuals from CJUSD who will be honored by Assembly Member Wilmer Amina Carter's 3rd Annual 30 Under 30 recognition breakfast. He highlighted the following: Reading Buddies Program at U.S. Grant Elementary School, CST growth for every 7th grade math teacher at THMS, decrease in suspensions for 2008-09. Mr. Almendarez also announced the Summer Graduation Ceremony for the Class of 2009 to be held September 24, 2009 at 6:30 p.m. at the Whitmer Auditorium, Colton High School.

10. **Robert Armenta** thanked Mollie Gainey-Stanley for a guided tour of the following elementary schools: Grimes, Lewis, Lincoln, Smith, and Wilson. He commended the site administrators for their leadership and improved test scores. He also commented on the well kept grounds at all sites and thanked the custodial staff. Mr. Armenta congratulated all employees for a job well done and noted that great things are happening within our district.

Zamora – No comment

Frank Ibarra gave thanks to Mollie Gainey-Stanley for the opportunity to meet and discuss Algebra and Geometry programs at secondary level. He also thanked Mr. Ayala for his commitment to facilities and for communicating and preparing the board so they can make sound decisions. Mr. Ibarra commented on the clean facilities at the Colton High School Memorial Stadium and acknowledged Mr. Ayala and Mr. Verdi for their combined efforts.

Patt Haro attended Back to School Night activities at Grimes Elementary School and Ruth O. Harris Middle School. Mrs. Haro looks forward to Ruth O. Harris' participation in 2009-10 District Science Fair. She thanked Mr. Ayala for surveying the property at Jurupa Vista and making arrangements to provide shade for the playground. Mrs. Haro attended Wilson Wildcat Writers Awards Assembly and commented on the parental involvement. She asked for the community to pray for Michael Bayless, BMS teacher, who was injured in an automobile accident.

Kent Taylor congratulated teachers and administration at all schools for meeting their API targets. He is looking forward to API Growth celebration at the next board meeting. Mr. Taylor asked principals at all sites to recognize API growth with appropriate celebrations. He thanked Mollie Gainey-Stanley for the leadership she has displayed in her new position. Mr. Taylor asked that the district look into online resources for students and parents offered by Holt, Rinehart and Winston.

Mel Albiso commented on the rise in test scores and increased attendance district wide. He encouraged the district to share the success of our schools with the community through local publications.

Closed Session At 7:01 p.m., Board Vice President Albiso announced that the Board would recess to Closed Session to discuss items on the closed session agenda:

- Student Discipline
- Personnel
- Real Property Issues
- Labor Negotiators

Board Reconvened—Closed Session Items Reported

The Board meeting reconvened at 7:35 p.m. and Board Vice President Albiso reported on action taken in Closed Session:

#155

Student Discipline

On motion of Board Member Zamora, seconded by Board Member Taylor, and carried on a 6-0-1 vote, Mendoza-Ware absent, the Board approved student discipline items 1-4 and 6 as recommended. Discipline item 5 (#136489) was placed on suspended expulsion.

- | | |
|-----------|-----------|
| 1. 114188 | 4. 117941 |
| 2. 129950 | 5. 136489 |
| 3. 114566 | 6. 96269 |

Personnel – No Report

Conference with Real Property Negotiator (Gov. Code 54956.8) – No Report

Conference with Labor Negotiator– No Report

Adjournment

At 7:39 p.m., the Board adjourned to the next Regular Board of Education Meeting on September 17, 2009, at the Colton JUSD Student Services Center, 851 South Mt. Vernon Avenue, Colton, California.

EXHIBIT A – Field Trips: Regular Meeting September 3, 2009

Site	Date	Depart	Return	Destination	Activity/Background	Grade	Teacher	Cost	Funding	Strategic Plan*
Terrace View	4/15/10 to 4/16/10** (Th/F)	8:30 a.m.	10:00 a.m.	Dana Point Harbor Dana Point, CA (District)	<i>Before the Mast Overnight</i> Students will participate in a hands-on living history experience.	4	Liese Harris-Lesh (34) + 4	\$3,250.00	ASB	Strategy #1
Colton High School	11/5/09 to 11/8/09** (Th/F/S/S)	8:00 a.m.	6:00 p.m.	Mira Mesa High School San Diego, CA (District)	<i>Mira Mesa Invitational Band Competition</i> Student will compete in field show and parade events.	9-12	Luis Gonzales Carey Akins (72) + 25 parents	\$14,700.00	Students (\$14,400) ASB (\$300)	Strategy #1

EXHIBIT B – Assemblies: Regular Meeting September 3, 2009

Site	Date	Time	Program/Purpose	Location	Consultant(s)	Cost	Funds	Strategic Plan*
Grand Terrace	2009-10 school year TBD	TBD	<i>Meet the Masters</i> To provide an interactive, multi-media art education program for students, and in-service and materials for teachers.	Grand Terrace	Meet the Masters Fontana, CA	\$1,816.00	Discretionary	Strategy #1
Birney	10/16/09 4/23/10	8:00 a.m. and 9:00 a.m.	<i>Matter of Fact and Dry Ice</i> To provide 5 th grade students with a hands-on science experience.	Birney	Mad Science of the Inland Empire Riverside, CA	\$1,520.00	Economic Impact Aid (EIA)	Strategy #1

EXHIBIT C – Gifts: Regular Meeting September 3, 2009

SITE	DONOR	DONATION / PURPOSE	AMOUNT
CJUSD	James A. Downs 1212 Valencia Drive Colton, CA 92324	Check #1274	\$135.65
Grand Terrace Elementary	Grand Terrace Elementary P.T.A. 12066 Vivienda Avenue Grand Terrace, CA 92313	Check #1359 AR - \$1,000.00 Projector Screen - \$6,000.00	\$7,000.00
Grimes Elementary	James A. Downs 1212 Valencia Drive Colton, CA 92324	Check #1265	\$100.00
Grimes Elementary	Edison International Employee Contributions Campaign P.O. Box 3288 Princeton NJ 08543-3288	Check #117409 - \$60.00 Check # 151806 Students: Marissa Riddle's Classroom (\$30.00) Alyssa Riddle (\$30.00)	\$60.00
Jurupa Vista Elementary	James A. Downs 1212 Valencia Drive Colton, CA 92324	Check #1273	\$100.00
Ruth O. Harris Middle School	James A. Downs 1212 Valencia Drive Colton, CA 92324	Check #1264	\$100.00
Rogers Elementary	Sugey Ochoa 574 San Benito Avenue Colton, CA 92324	Two boxes of spiral bound notebooks -	\$70.00 value

EXHIBIT D – Employment: Regular Meeting September 3, 2009

I-A	Certificated Regular Staff	Subject	Site
1.	Castleman, Derek	Science	Slover Mtn
2.	Espino, Elizabeth	English/Language Arts (temp)	CMS
3.	Gilbert, Kristine	English/Language Arts (temp)	CMS
4.	Healey, John	Math	ROHMS
5.	Leyva, Rebecca	Science (temp)	THMS
6.	Martin, Corrine	Math	BHS
7.	Martin, Tiffany	Math	BMS
8.	Martinez, Jr., Jose	Opportunity Teacher	Washington
9.	Miller, Rosemary	English	CHS
10.	Nepomuceno, Jair	Math	BMS
11.	Orrence, Amanda	Math	BMS
12.	Ritzi, Brandi	Math	BHS
13.	Rohman, Jennifer	SDC/LH	D'Arcy
14.	Ruiz, Luis	Math	BHS
15.	Saucedo, Miguel	Math (temp)	CMS
16.	Staples, James	Math	CMS
17.	Sutherland, Matthew	Math	BHS
18.	Wang, Stephanie	SDC/SH	Reche Canyon
I-B	Certificated – Activity/Coaching Assignments		
1.	Goldkorn, Peter	Basketball– Head JV	CHS
I-D	Certificated – Substitute		
1.	Bridwell, Robert		
2.	Carli, Brian (rehired)		
3.	Davis, Cynthia		
4.	Gonzales, Maira/former Buenrostro (rehired)		
5.	Gonzalez, Patricia (rehired)		
6.	Pierce, Tara		
7.	Rangel, Richard (former Special Ed IA)		
8.	Sandoval, Mark (rehired)		
9.	Veizer, Anna (rehired)		
II-A	Classified – Regular Staff	Position	Site
1.	Kisinger, Rick L.	Dispatcher	Transportation
2.	Rossano, Michael J.	Campus Supervisor	BHS
II-B	Classified – Activity/Coaching Assignments	Position	
1.	Lewis-Campbell, Shariff	Football – Asst. Varsity (walk-on)	BHS
2.	Morales, Ruben	Football – Asst. JV (walk-on/returning)	CHS

EXHIBIT D – Employment: Regular Meeting September 3, 2009

II-C	Classified – Hourly	Position	
1.	Calderilla, Emily	Noon Aide	Lincoln
2.	Caruthers, Che-Ellis	AVID Tutor	ROHMS
3.	Garcia, Tisha	Noon Aide	Grand Terrace
4.	Hughes, Susan	Noon Aide	Grimes
5.	Mohammad, Adeba	AVID Tutor	BHS
6.	Taylor, Christia	AVID Tutor	CMS
7.	Walls, Regina	Noon Aide	Lewis
II-D	Classified – Substitute	Position	
1.	Childs-Reyes, Michelle	Sub Bus Driver	
2.	Lewis-Campbell, Shariff	Sub Campus Supervisor	
3.	Lopez, Rosa M	Sub Noon Aide	Lincoln
4.	Ontiveros, Luis	Sub Bus Driver	

BOARD AGENDA

**REGULAR MEETING
September 17, 2009**

CONSENT ITEM

TO: **Board of Education**

PRESENTED BY: Mollie Gainey-Stanley, Assistant Superintendent
Educational Services Division

SUBJECT: **Approval of Consultants for Assembly Presentation**

GOAL: Improved Student Performance

STRATEGIC PLAN: Strategy #1 - Communication

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

ASSEMBLIES/PROGRAMS: Regular Meeting: September 17, 2009

Site	Date	Time	Program/Purpose	Location	Consultant(s)	Cost	Funds	Strategic Plan*
Jurupa Vista	9/23/09	6:00 p.m. to 7:00 p.m.	<i>Danza Azteca Xochipilli</i> To provide students and parents with a visual and performing arts experience in celebration of Hispanic Heritage Month.	Jurupa Vista	Orange County Performing Arts Center Costa Mesa, CA	\$650.00	Donations	Strategy #1
Jurupa Vista	10/22/09	1:30 p.m. to 2:15 p.m.	<i>Pierre Cruzatte: A Musical Journey Along the Lewis and Clark Trail</i> To provide a living American history experience for GATE students through music and monologue.	Jurupa Vista	Daniel Slosberg Los Angeles, CA	\$350.00	GATE	Strategy #1

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

BOARD AGENDA

**BOARD MEETING
September 17, 2009**

CONSENT ITEM

TO: **Board of Education**

PRESENTED BY: Mollie Gainey-Stanley, Assistant Superintendent
Educational Services Division

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

GOAL: Improved Student Performance

STRATEGIC PLAN: Strategy #1 - Communication

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

CONSULTANTS: Regular Meeting September 17, 2009

Site	Date	Time	Program/Purpose	Location	Consultant(s)	Cost	Funds	Strategic Plan*
McKinley	2009-2010 School Year	7:25 a.m. to 2:40 p.m.	<i>Get Ahead Writing</i> To provide support for 2 nd to 4 th grade students and teachers to improve direct instruction on writing standards to increase student performance.	McKinley	Christina Supe Get Ahead Writing, LLC Fullerton, CA	\$15,000.00	Title I	Strategy #1
Grimes	2009-2010 School Year	TBD	<i>Dual Immersion</i> To evaluate, monitor, and provide professional development for the successful implementation of the Two Way Immersion program.	Grimes	San Bernardino County Superintendent of Schools San Bernardino, CA	\$4,750.00	Title III	Strategy #1
PPS/Special Education	2009-2010 School Year	TBD	<i>Speech & Language Pathologist Service</i> To provide speech therapy to district students. Currently, the district has a shortage of qualified speech and language therapists. This provider will assist with the caseload obligation until qualified candidates are hired.	District Schools	Star Therapy Services, Inc. Redlands, CA	\$97,125.00	General Fund and Special Education	Strategy #1
PPS/Special Education	2009-2010 School Year	TBD	<i>Speech & Language Pathologist Service</i> To provide speech therapy to district students. Currently, the district has a shortage of qualified speech and language therapists. This provider will assist with the caseload obligation until qualified candidates are hired.	District Schools	Hill Rehabilitations Services, Inc. Rancho Cucamonga, CA	\$97,125.00	General Fund and Special Education	Strategy #1

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

CONSULTANTS: Regular Meeting September 17, 2009

San Salvador	10/30/09	8:00 a.m. to 1:00 p.m.	<i>Adult, Child & Infant CPR/First Aid</i> To provide 39 staff members with training and certification in Adult, Child & Infant CPR and First Aid to meet Community Care Licensing requirements.	San Salvador	Sabouchi Safety Services Rancho Santa Margarita, CA	\$2,340.00	Child Development	Strategy #1
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*Strategy #1: We will establish an effective internal and external communications system to keep all partners informed about our mission, objectives, strategies, successes, and strengths.

BOARD AGENDA

**REGULAR MEETING
September 17, 2009**

CONSENT ITEM

TO: Board of Education

PRESENTED BY: Mollie Gainey-Stanley, Assistant Superintendent
Educational Services Division

SUBJECT: Approval of Agreement (#09/10-0438) with the San Bernardino County Superintendent of Schools (*KidsNCare*) for the AB 212 Educational Stipend Program (July 1, 2009 through June 30, 2010)

GOAL: Improved Student Performance

STRATEGIC PLAN Strategy #2 - Curriculum

BACKGROUND: As a California Department of Education contractor, the Colton Joint Unified School District is eligible to participate in the AB 212 Education Stipend Program on behalf of KidsNCare and is asking for a formal agreement between the two agencies.

AB 212 provides funding to develop and maintain a childcare worker retention program. Funding is allocated to employees that have earned a minimum of twelve college-level Early Childhood Education (ECE) units, work directly with subsidized children twenty or more hours per week in a classroom setting, and have been continuously employed for at least the last nine months in a State subsidized program. Qualifying staff will receive a stipend based upon their level of Child Development Permit.

BUDGET IMPLICATIONS: Stipends to be paid from AB212 funding.

RECOMMENDATION: That the Board approve the agreement (#09/10-0438) with the San Bernardino County Superintendent of Schools KidsNCare for the AB 212 Educational Stipend Program. (July 1, 2009 through June 30, 2010)

**OFFICE OF THE
SAN BERNARDINO COUNTY SUPERINTENDENT OF SCHOOLS
601 North E Street
San Bernardino, CA 92410-3093**

**MEMORANDUM OF UNDERSTANDING (MOU)
#09/10-0438**

This **Memorandum of Understanding (MOU)**, entered into on this 15th day of August 2009, by and between the San Bernardino County Superintendent of Schools on behalf of KidsNCare, herein after referred to "KNC", the CEL (Centralized Eligibility List) Administrator for the San Bernardino County and Colton JUSD, herein after referred to as "Agency", a contractor with the California Department of Education (CDE), providing child care and development services to children and families within San Bernardino County,

RECITALS

WHEREAS, the Budget Act of 2005-06, Senate Bill 77 (Chapter 38, Statutes of 2005) provided funding to develop and maintain a CEL in each county of the State; and

WHEREAS, Senate Bill 68 (Chapter 78, Statutes of 2005) added California Education Code §8227(a) "To the extent that funding is made available for this purpose, the alternative payment agency in each county shall design, maintain, and administer a system to consolidate local child care waiting lists so as to establish a countywide centralized eligibility list" and (e)(1) "To be eligible to enter into an agreement with the department (CDE) to provide subsidized child care, a contractor shall participate in and use the centralized eligibility list."

NOW THEREFORE, KNC and Agency agree to the following:

I. PROGRAM GOALS

- A. Increase collaboration between agencies, providers, and families by simplifying the eligibility list registration process for families.
- B. Increase access to all programs for which children and their families are eligible.
- C. Maintain a countywide list of eligible families or children, from which agencies can draw to fill program vacancies.
- D. Update and maintain accurate information of available, eligible families or children.
- E. Ensure that all eligible families have equal access to subsidized childcare and reduce the need for families to register at multiple agencies, multiple times, and to eliminate duplicative counts of families or children needing services in San Bernardino County.
- F. Identify need within San Bernardino County for childcare and provide accurate reports to CDE concerning those needs.

II. RESPONSIBILITIES

- A. KidsNCare (KNC) (System Administrator)
 - 1. KNC shall be responsible to design, maintain, and administer a system to consolidate local childcare waiting lists to establish a countywide CEL.
 - 2. KNC shall provide:
 - a. access to an internet-based CEL database system through a software vendor;
 - b. access to data hosting and backup;
 - c. initial hardware as requested. Hardware may include the following: monitor, modem, and CPU;
 - d. initial orientation at a central location and on-going training as determined by KNC for the use of the CEL, including the provision of initial and updated training materials;

- e. initial data entry or electronic migration of Agency lists onto CEL database and ongoing database maintenance;
- f. assistance and troubleshooting of CEL Database issues and end-user support for the CEL Database, including informing CEL users of changes and updates;
- g. liaison with CEL Database software vendor, including maintaining, managing and revision of software; and
- h. written policy and procedures for the use of CEL.

B. Agency

1. Agency shall be responsible to the CEL Administrator to do the following:
 - a. follow CEL Procedures Manual as developed by the CEL Steering Committee;
 - b. agree to be identified as a participating Agency on the application and through any media coverage the project may solicit;
 - c. provide KNC with data of all existing families and children seeking subsidized child care by input into the CEL Database,
 - d. will not maintain an individual agency waiting list.
 - e. specify program sites for family or children registration into the CEL;
 - f. make staff, at a minimum the Agency lead, available for training on the use of the CEL;
 - g. notify KNC of any updates and changes in Agency user(s), programs, or other profile information;
 - h. participate in feedback process, including, but not limited to attending meetings, completing surveys and/or questionnaires, or other informal communication such as telephone, facsimile, or e-mail;
 - i. maintain the following office equipment (whether provided by CEL Administrator or Agency):
 - 1) a workstation meeting, at a minimum, the following system requirements:
 - Web Browser: Internet Explorer version 6.0 or above;
 - Screen Resolution: 1024 x768 recommended minimum;
 - Security: SSL 64/128-bit encryption enabled; and
 - Crystal Report Viewing/Printing: Active X enabled on IE browsers and Java enabled on all other browsers;
 - 2) if equipment is provided by CEL, the Agency shall contact KNC for repair or warranty work;
 - 3) establish and maintain a web browser through a DSL or Cable internet connection;
 - 4) maintain an open e-mail account, and provide address to KNC; and
 - 5) maintain an operating telephone system.
2. Agency shall assist children and families in San Bernardino County by use of the CEL in the following manner:
 - a. provide information regarding San Bernardino County CEL and its services;
 - b. collect necessary information and accurately input family and children's data on CEL Database or provide application; and
 - c. refer families and children in San Bernardino County to appropriate Resource and Referral Program, as necessary.
3. Agency shall use the CEL Database to fill Agency enrollment in order to serve the most eligible families and children.

III. TERMS

- A. This MOU shall be effective July 1, 2009 through June 30, 2010. This MOU may be terminated early by CEL Administrator in the event funding is decreased or eliminated.
- B. The term of this MOU may be extended by mutual agreement of both parties and affixed hereto as an amendment with signatures of both parties.
- C. No fee shall be required to participate in the CEL Program.
- D. All family and client information shall be maintained with strict confidentiality in accordance to California Code of Regulations, Title 5.
- E. Agency shall only utilize equipment provided by the CEL Administrator for the purposes of this MOU. The Agency shall not allow any unauthorized access to equipment and CEL Database.
- F. It is understood that each program operates as an individual Agency and that this MOU establishes no dual employee relationship.
- G. This MOU constitutes the entire agreement between the parties, supersedes all prior agreements, oral or written, and may be modified or amended only by instrument in writing and signed by both parties. If either party shall commence any legal proceedings against the other with respect to any of the terms and conditions of this MOU, the non prevailing party shall pay to the other all expenses of the litigation, including reasonable attorneys' fees. The parties agree that the proper place of venue shall be in the City of San Bernardino. San Bernardino County, California.

IV. DEFAULT AND REMEDIES

- A. If Agency fails to comply with any of the material requirements of this MOU or any requirements of the California State Department of Education (CDE), KNC shall report such default CDE.
- B. In the event of such default, KNC shall provide written notice to Agency specifying the default. Agency shall have five calendar days to cure the default.
- C. In the event that default has not been cured, KNC may terminate this agreement. In the event of termination, all property owned by KNC shall be returned to KNC within 48 hours.

V. NOTICE

- A. Notice regarding termination or default shall be provided in written form by way of first class postage prepaid mail to the following:

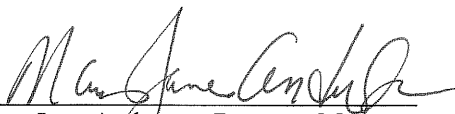
If to KNC:
 Attn: James Moses
 KidsNCare
 144 N. Mountain View Avenue
 San Bernardino, CA 92408

If to Agency:
 Attn: Karen Gladue
 Colton JUSD
 900 West "C" Street
 Colton, CA 92324

IN WITNESS WHEREOF, the parties have caused this MOU to be duly executed on the day and year first written above.

SAN BERNARDINO COUNTY

COLTON JOINT UNIFIED SCHOOL DISTRICT



 Mary Jane Andersen, Program Manager
 Purchasing/Contracts

Date: 8/24/09

Date: _____

BOARD AGENDA

REGULAR MEETING
September 17, 2009

CONSENT ITEM

TO: Board of Education

PRESENTED BY: Mollie Gainey-Stanley, Assistant Superintendent
Educational Services Division

SUBJECT: Acceptance of Award for AVID Advanced Placement Incentive Grant Program (APIP) for Bloomington High School and Bloomington Middle School (2009-10)

GOAL: Improved Student Performance

STRATEGIC PLAN Strategies #2 – Curriculum

BACKGROUND: In 2007, Bloomington High School and Bloomington Middle School were awarded a federal grant through AVID. The purpose of the grant was to increase participation rates in Advanced Placement courses, increase passage rates on AP exams, increase the rigor of curriculum preparing students for advanced study and to close achievement gaps in traditionally underrepresented student populations.

The grant has been extended for an additional year, with a small amount provided to cover the cost of staff development to be required by the grantors. Both principals and their site AVID coordinators have agreed to participate in the additional year of the grant and additional staff development requirements.

BUDGET

IMPLICATIONS: \$25,000 - Total amount received.

RECOMMENDATION: That the Board accept the award for AVID Advanced Placement Incentive Grant Program (APIP) for Bloomington High School and Bloomington Middle School. (2009-10)

BOARD AGENDA

**REGULAR MEETING
September 17, 2009**

CONSENT ITEM

TO: **Board of Education**

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

SUBJECT: **Acceptance of Gifts**

GOAL: Community Relations

STRATEGIC PLAN: Strategy #6 - Character

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

SITE	DONOR	DONATION / PURPOSE	AMOUNT
Grant Elementary	Grant Elementary Green Club 550 West Olive Street, Colton, CA 92324	Cash Site discretionary	\$40.70
Grant Elementary	Edison International Employee Contributions Campaign Mr. Carlos Villalba 283 West D Street, Colton, CA 92324	Check #150869	\$120.00
Grimes Elementary	Edison International Employee Contributions Campaign Anonymous Donor P.O. Box 3288, Princeton, NJ 08543-3288	Check # 151392	\$30.00
Reche Canyon Elementary	Jamba Juice 6475 Lugonia Avenue, Redlands, CA 92374	Check #0949650	\$60.45
Rogers Elementary	Life Touch 11000 Viking Drive Suite 500E Eden Prairie, MN 55344	Check #1800383	\$358.88
Terrace View Elementary	Edison International Employee Contributions Campaign Jacqueline Aguilar 840 S. Dallas Avenue San Bernardino, CA 92410	Check #117755 Check # 151527 For Mrs. Salas – 3 rd Grade Class	\$100.02
Terrace View Elementary	Walmart Foundation 702 S. W. 8 th Street, Bentonville, AR 72716	Check #1591639 For field trips and instructional materials	\$1,000.00
Terrace View Elementary	Terrace View P.T.A. 22731 Grand Terrace Road Grand Terrace, CA 92313	Check#2577 For instructional materials and the Performing Arts Magnet Program.	\$5,000.00
Terrace View Elementary	Darrell Rosenbrock CJUSD - M & O Employee	Cash Library Improvement – Reading Books	\$715.00
Terrace View Elementary	Colton Federal Credit Union 466 N. La Cadena Drive, Colton, CA 92324	Check #150356 Library Improvement – Reading Books	\$25.00
Terrace View Elementary	Association of Colton Educators 190 W. H Street #101 Colton, CA 92324	Check 6916 Library Improvement – Reading Books	\$100.00
Terrace View Elementary	Management Association Colton (MAC) 1212 Valencia Drive, Colton, CA 92324	Check #1111 Library Improvement – Reading Books	\$100.00
Terrace View Elementary	David & Claudia Motylewski 648 Fairway Drive, Redlands, CA 92373	Check #317 Library Improvement – Reading Books	\$25.00
Terrace View Elementary	CSEA Chapter #244 18821 10 th Street Bloomington, CA 92316	Check #0106 Library Improvement – Reading Books	\$100.00

BOARD AGENDA

REGULAR MEETING
September 17, 2009

CONSENT ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Authorization to “Piggyback” on the Pomona Valley School Co-Op Purchasing Group Bid #1 (09-10)FS for the Purchase of Food Service Supplies for the 2009-10 School Year
- GOAL:** Support Services/Budget Planning
- STRATEGIC PLAN:** Strategic Parameter #7 – Fiscal Responsibility
- BACKGROUND:** Colton Joint Unified School District is a member of the Pomona Valley School Co-op Purchasing Group which is comprised of 13 school districts throughout the Inland Empire. This group prepares three bids each year (canned foods; paper and food service supplies; and snack foods and beverages) with one of the districts serving as the lead agency for each bid. The remaining districts within the co-op then piggyback onto that bid.
- Val Verde Unified School District, the lead agency for the food service supply bid, awarded a competitive bid to the lowest responsive and responsible bidder, on an item-by-item basis, to the following respondents: American Paper & Plastics, P&R Paper Supply Company, Team Distribution, and Sysco Food Services of LA, Inc. The prices and terms of this bid are favorable and it would be in the District’s best interest to “piggyback” on this bid in accordance with Public Contract Code 20118.
- BUDGET IMPLICATIONS:** The District’s estimated annual cost of \$300,000 for the purchase of food service supplies to be paid from the Nutrition Services’ fund.
- RECOMMENDATION:** That the Board authorize the District to “Piggyback” on the Pomona Valley School Co-op Purchasing Group Bid #1(09-10)FS for the purchase of food service supplies for the 2009-10 school year.

VAL VERDE UNIFIED SCHOOL DISTRICT

PERRIS, CALIFORNIA 92571

REGULAR MEETING OF THE BOARD OF EDUCATION

Tuesday, July 14, 2009

CLOSED SESSION 4:30 P.M.

REGULAR MEETING 6:00 P.M.

VAL VERDE HIGH SCHOOL
972 WEST MORGAN STREET
PERRIS, CA 92571

MINUTES

BOARD MEMBERS PRESENT

Wraymond Sawyerr, President
Marla Kirkland, Vice President
Stacey Guzman, Clerk
Fredy R. De Leon, J.D., Member
D. Shelly Yarbrough, Member

DISTRICT ADMINISTRATION PRESENT

Michael Boyd, Deputy Superintendent, Business Services
Patricia Ralphs, Administrator, Human Resources
Norman Towels, Ph.D., Assistant Superintendent, Student Services

OTHERS ATTENDING

Allan Frisby, Manager, Maintenance & Operations
Paz Enciso, Principal, Manuel L. Real Elementary School
Bill Batey, Moreno Valley City Council
Liz Murray, Val Verde Elementary School
Anu Menon, Principal, Val Verde Elementary School
Marian Quintanar, Red Maple Elementary School
Jim & Lori McMurray, Rainbow Ridge Elementary School
Andrea Cardosa, Assistant Principal, Tomas Rivera Middle School
Julie Vela, Food Services
Gerald Carlon, CSEA / Maintenance & Operations
Vicki Butler, Director, Special Education
Olivia Martinez, District Translator
Sue Kester
Robert Quanstrom, Director, Food Services
Socorro Nunez, Val Verde High School
Kim DuCloux, May Ranch Elementary School
Ekko DePriest, Triple Crown Elementary School
Ann Vessey, RCOE

Ayes: 5 Noes: 0 Absent: 0 Abstentions: 0 Motion Carried

- 10.5 It was moved by Member Yarbrough and seconded by Member Kirkland to adopt Resolution #09-10-02 Calling for Layoff of Classified Employee Due to Lack of Work and Lack of Funds.

Adoption of Res #09-10-02 Layoff of Classified Employee

Roll Call

Member Sawyerr: No Member Kirkland: Aye Member Guzman: Aye
Member De Leon: No Member Yarbrough: Aye

Ayes: 3 Noes: 2 Absent: 0 Abstentions: 0 Motion Carried

- 10.6 It was moved by Member Yarbrough and seconded by Member Kirkland to adopt Resolution #09-10-04 to Provide Childcare and Development Services for State Preschool.

Adoption of Res #09-10-04 to Provide Childcare & Development Services for Preschool

Roll Call

Member Sawyerr: Aye Member Kirkland: Aye Member Guzman: Aye
Member De Leon: Aye Member Yarbrough: Aye

Ayes: 5 Noes: 0 Absent: 0 Abstentions: 0 Motion Carried

- 10.7 It was moved by Member De Leon and seconded by Member Guzman to ratify the Award of Bid for the Purchase of Data Network Infrastructure and Cabling System and Surveillance Camera System District Wide to the Lowest Responsible and Responsive Bidder.

Ratification of Bid Award for Data Network Infrastructure & Cabling System for Surveillance Camera System District Wide

Ayes: 5 Noes: 0 Absent: 0 Abstentions: 0 Motion Carried

- 10.8 It was moved by Member Kirkland and seconded by Member Yarbrough to approve the Award of Bid for Food Service Supplies.

Approval of Bid Award for Food Service Supplies

Ayes: 5 Noes: 0 Absent: 0 Abstentions: 0 Motion Carried

- 10.9 It was moved by Member Yarbrough and seconded by Member Guzman to approve the Award of Milk, Dairy, Fruit Juices and Ice Cream Products Bid to the Lowest Responsible and Responsive Bidder.

Approval of Bid Award for Milk, Dairy, Fruit Juices & Ice Cream Products

Ayes: 5 Noes: 0 Absent: 0 Abstentions: 0 Motion Carried

- 10.10 **ITEM PULLED:** Approval to Award Fresh Bread Products Bid to the Lowest Responsible and Responsive Bidder

ITEM PULLED

- 10.11 **ITEM PULLED:** Approval to Award Bottled Water for Vending Services and Ala Carte Sales Bid to the Lowest Responsible and Responsive Bidder

ITEM PULLED

- 10.12 **ITEM PULLED:** Approval to Award Branded Pizza Products – Ready to Serve Bid to the Lowest Responsible and Responsive Bidder

ITEM PULLED

- 10.13 **ITEM PULLED:** Approval to Award Frozen Food Products Bid to the Lowest Responsible and Responsive Bidder

ITEM PULLED

- 10.14 **ITEM PULLED:** Approval to Award Fresh Produce Bid to the Lowest Responsible and Responsive Bidder **ITEM PULLED**

ITEMS REQUESTED FOR NEXT REGULAR AGENDA

Measure J Update

Memo regarding portables

1.5 ratification

Independent study / El Potrero

**Items for
Next Regular
Agenda**

11.0 ADJOURNMENT

It was moved by Member Yarbrough and seconded by Member Guzman to adjourn the meeting at 8:50 p.m.

Adjournment

Ayes: 5 Noes: 0 Absent: 0 Abstentions: 0 Motion Carried

Respectfully Submitted:

Michael F. Boyd, Deputy Superintendent

Minutes Adopted: August 11, 2009

BOARD AGENDA

REGULAR MEETING
September 17, 2009

CONSENT ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Authorization to “Piggyback” on the Pomona Valley School Co-Op Purchasing Group Bid #2 (09-10)FS for the Purchase of Snack Foods and Beverages for the 2009-10 School Year
- GOAL:** Support Services/Budget Planning
- STRATEGIC PLAN:** Strategic Parameter #7 – Fiscal Responsibility
- BACKGROUND:** Colton Joint Unified School District is a member of the Pomona Valley School Co-op Purchasing Group which is comprised of 13 school districts throughout the Inland Empire. This group prepares three bids each year (canned foods; paper and food service supplies; and snack foods and beverages) with one of the districts serving as the lead agency for each bid. The remaining districts within the co-op then piggyback onto that bid.
- Riverside Unified School District, the lead agency for the snack foods and beverages bid, awarded a competitive bid to A&R Wholesale Distributors, Inc., the lowest responsive and responsible bidder. The prices and terms of this bid are favorable and it would be in the District’s best interest to “piggyback” on this bid in accordance with Public Contract Code 20118.
- BUDGET IMPLICATIONS:** The District’s estimated annual cost of \$480,000 for the purchase of snack foods and beverages to be paid from the Nutrition Services’ fund.
- RECOMMENDATION:** That the Board authorize the District to “Piggyback” on the Pomona Valley School Co-op Purchasing Group Bid #2(09-10)FS for the purchase of snack foods and beverages for the 2009-10 school year.



Riverside Unified School District

3380 14th Street • Riverside, CA • 92501

Board Meeting Agenda July 7, 2009

Topic: Award of Bid for Bid No. 2(09-10)FS "Snack Food and Beverages"

Presented by: Rodney K. Taylor, Director Nutrition Services

Responsible
Cabinet Member: Mike Fine, Deputy Superintendent, Business Services and Governmental Relations

Type of Item: Consent

Short Description: Nutrition Services is a member of the Pomona Valley Cooperative Purchasing Group. Nutrition Services took responsibility to conduct the bid for Snack Food and Beverages for the cooperative purchasing group.

DESCRIPTION OF AGENDA ITEM:

Riverside Unified School District Nutrition Services is a member of the Pomona Valley Co-op Purchasing Group which supports food service purchasing needs. Notice inviting bids were publicly advertised during the weeks of May 19, 2009 and May 26, 2009. Seven bid packages for Bid No. 2(09-10)FS were mailed to vendors requesting bid. On June 3, 2009, three complete bids were received. It is recommended that the contract be awarded to A&R Wholesale Distributors, the lowest responsive and responsible bidder from July 1, 2009 until June 30, 2010.

Contract Term shall be for one (1) year with the option to renew for up to (2) additional years.

FISCAL IMPACT: The total dollar amounts anticipated to be expended by the Nutrition Services Department is \$3,000,000.00 for the initial three year term.

RECOMMENDATION: It is recommended that the Board of Education award Bid No. 2(09-10)FS "Snack Food and Beverages" to A&R Wholesale Distributors in Anaheim, CA.

ADDITIONAL MATERIAL: Reconciled Bid Form

Attached: Yes

- | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------|
| C.4 Rejection of Claim | Deputy Supt.
Business | Consent 77 |
| - Tyler Nelson | | |
| <i>The above referenced claim for damages has been received and the District's claims administrator recommends rejection of the claim at this time.</i> | | |
| C.5 Denial of Application to Present a Late Claim | Deputy Supt.
Business | Consent 78 |
| - Picone, Susan | | |
| <i>An Application to Present a Late Claim for damages has been received and the District's claims administrator and legal counsel recommends denial of the Application to Present a Late Claim.</i> | | |
| C.6 Bid Awards: | Deputy Supt.
Business | Consent 79-85 |
| Bid No. 2(09-10)FS "Snack Food and Beverages" | | |
| <i>Nutrition Services is a member of the Pomona Valley Cooperative Purchasing Group. Nutrition Services took responsibility to conduct the bid for snack food and beverages for the cooperative purchasing group.</i> | | |
| Bid No. 5(09-10)NS "Fruit Juice Base Frozen Beverage" | | |
| <i>Nutrition Services bid consists of purchasing and delivering 100% fruit juice base for frozen beverages to all Riverside Unified School District sites for the 2009-10 school year.</i> | | |
| C.7 Change Orders | Deputy Supt.
Business | Consent 86-111 |
| Change Order No. 1, No. 2, and No. 3 – Purchase Order C6000566-Bid No. 2008/08-54 Frank Augustus Miller Middle School – Electrical | | |
| <i>A change is recommended in the scope of work to modify various electrical jobs at Frank Augustus Miller Middle School.</i> | | |
| Change Order No. 1 and No. 2 – Purchase Order C60000564- Bid No. 2007/08-38 Frank Augustus Miller Middle School – Concrete | | |

BOARD AGENDA

**REGULAR MEETING
September 17, 2009**

ACTION ITEM

TO: Board of Education
PRESENTED BY: Jerry Almendarez, Assistant Superintendent, Human Resources Division
SUBJECT: Approval of Personnel Employment
GOAL: Human Resources Development
STRATEGIC PLAN: Strategy #1 - Communication

I-A Certificated – Regular Staff

- 1. Jones, Alisha Elementary Teacher (temp) – Wilson
- 2. Love, Heather Elementary Teacher (temp) – Birney

I-D Certificated – Substitute Teacher

- 1. Carpenter, Monica (rehired)
- 2. Clevinger, Faith (rehired)
- 3. Dybowski, Deborah (rehired)
- 4. Fresques, Jay
- 5. Spencer, Debra (rehired)

II-A Classified – Regular

- 1. Aguirre, Albert Bus Driver – Transportation
- 2. Astorga, Victor Bus Driver – Transportation
- 3. Ayala, Jerry Special Ed. Inst. Asst. – BHS
- 4. Barajas, Antoinette Bus Driver – Transportation
- 5. Calderon, Abraham Special Ed. Inst. Asst. – BHS
- 6. Lopez, Luz Elena Bus Driver – Transportation
- 7. Welch, Jeri Health Assistant – Terrace View

II-D Classified – Substitute

- 1. Jones, Karilee Sub Special Ed. Inst. Asst.
- 2. Romero, Roseanna Sub Bus Driver

RECOMMENDATION: That the Board approve employment of personnel as presented.

ACTION: On motion of Board Member _____ and
_____, the Board approved the
recommendations for employment.

BOARD AGENDA

**REGULAR MEETING
September 17, 2009**

ACTION ITEM

TO: Board of Education
PRESENTED BY: Jerry Almendarez, Assistant Superintendent, Human Resources Division
SUBJECT: Approval of Conference Attendance
GOAL: Human Resources Development
STRATEGIC PLAN: Strategy #1 - Communication

Ignacio Cabrera – **BHS** Principal College Readiness Leadership Inst.
Sept. 29-Oct. 2, 2009
San Diego, CA
APIP funds: \$4,705.75
Dan Trevarthen Assistant Principal
Lisa Padilla Curriculum Program Specialist
Stacie Ziegler Teacher

Nuh Kimbwala – **BMS** Principal College Readiness Leadership Inst.
Sept. 29-Oct. 2, 2009
San Diego, CA
APIP funds: \$3,647.30
Paul Lucero
Marisa Lopez-Sevilla
Yvette Roman Teachers

Todd Beal – **SSC/Administrative Svcs.** Director CASCWA Conference
Sept. 30-Oct. 2, 2009
Palm Springs, CA
NCLB funds: \$1,027.99
Amanda Corridan Coordinator
Oleg Llaurado Probation Officer

Celia Gonzales – **DO/Staff Development** Coordinator CAASEEP Fall Professional
Development Institute
October 11-14, 2009
Monterey, CA
Title I funds: \$2,683.00

Total : \$12,064.04

RECOMMENDATION: That the Board approve conference attendance as presented.

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

BOARD AGENDA

REGULAR MEETING
September 17, 2009

ACTION ITEM

TO: Board of Education

PRESENTED BY: Jerry Almendarez, Assistant Superintendent, Human Resources Division

SUBJECT: Approval of Classified Reclassification as Recommended by the Committee

GOAL: Personnel Development

STRATEGIC PLAN: Strategy #1 - Communication

BACKGROUND: Each year, the District and CSEA meets to review reclassification requests of classified employees. Article 7.3 of the CSEA Agreement states that as a result of the gradual increase of duties being performed by a unit member and where the duties will be extended on a continuing basis, the incumbent shall be entitled to have the position considered for an upgrade to a higher classification.

All reclassification requests are reviewed by a Reclassification Committee composed of three CSEA appointees and three District appointees. The committee reviews each request and makes a recommendation to the Board of Education for its approval or disapproval. Reclassifications shall be effective retroactive to July 1, 2009.

The committee presents the following recommendations to the Board for approval:

Administrative Assistant I: Five (5) incumbents (EIN 5346, 4410, 4605, 7498 and 508) submitted reclassification requests. The committee recommends no change to the current classification for these employees.

Graphics Technician: One incumbent (EIN 426) submitted reclassification request. The committee recommends the job description for this position be updated and that the position remain at Range 48 of the classified salary schedule.

District Attendance Technician: Two (2) incumbents (EIN 7165 and 1374) submitted reclassification requests. The committee recommends the position be reclassified to the new position of *Child Welfare and Attendance Technician* and that the position be placed at Range 47 of the classified salary schedule.

Office Assistant II: One (1) incumbent (EIN 5098) submitted a reclassification request. The committee recommends no change to the classification held by this employee.

Student Records Technician: One (1) incumbent (EIN 909) submitted a reclassification request. The committee recommends no change to the current classification held by these employees.

BUDGET

IMPLICATIONS: \$4,920 on-going from the General Fund

RECOMMENDATION: That the Board approve the classified reclassifications as recommended by the committee.

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

BOARD AGENDA

**REGULAR MEETING
September 17, 2009**

ACTION ITEM

TO: **Board of Education**

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

SUBJECT: **Approval of Purchase Orders**

GOAL: **Student Performance / Personnel Development**

STRATEGIC PLAN: Strategy #1 - Communication

RECOMMENDATION: That the Board approve Purchase Orders in excess of \$10,000 for a total of \$167,882.73 as listed.

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

Attachment to Board Agenda

<u>P.O.</u>	<u>VENDOR</u>	<u>DESCRIPTION</u>	<u>RESOURCE CODE*</u>	<u>AMOUNT</u>
011074	McGraw Hill	Txtbks./J. Vista	0356	\$21,889.81
011104	McGraw Hill	Txtbks./C. Ranch	0356	\$20,386.11
011105	McGraw Hill	Txtbks./Grant	0356	\$21,049.63
011106	McGraw Hill	Txtbks./Rogers	0356	\$21,135.18
011094	AT & T Mobility	Cell Phones/Variou	1100	\$40,740.00
011111	Fox Occupational Med. Ctr.	Empl. Phys./HR	0000	\$18,000.00
011143	AT & T/MCI	Telephone/Variou	0395	\$14,682.00
011240	Office Depot	Speedy Inst. Matls./Adm. Svs.	5630	\$10,000.00
TOTAL				\$167,882.73

***LEGEND**

0000	Revenue Limit/Unrestricted	3315	Sp Ed-Idea Presch Entl Non Ris
0001	Child Dev. Facilities	3319	ARRA Idea Pt B, Sec619 Preschl
0100	Microsoft Voucher Prg-Schools	3320	Sp Ed-Idea Presch Loc Entl Ris
0105	Microsoft Voucher Prg-Other	3322	ARRA Idea Pt B, Early Intervnt
0356	RS7156 IMFRP	3324	ARRA Idea Pt B, Sec611 Preschl
0110	E-Rate Technology Program	3340	Sp Ed-Idea Inservice Training
0115	Best Practices Cohort	3345	Sp Ed-Idea Presch Staff Devel
0305	RS6405 Schl Safety & Violence Prv	3550	Voc. Prgs - Voc & Appl Secndry & Ad
0325	RS7325 Stff Dev:Admin Training	3710	NCLB: title IV, Pt A Drug Free
0330	RS2430 Community Day Schl	4035	NCLB: Title II Part A
0340	RS7140 GATE	4036	NCLB Title II, Part A Prin Trn
0350	RS6350 CRY-ROP	4045	NCLB: Title II Part D
0355	RS7055 CASHEE Intensive Inst.	4203	NCLB: Title III LEP Stdnt Prg.
0356	RS7156 IMFRP	5035	CD -Blk Grnt-25% Qlity/Discrtn
0360	RS6760 Arts & Music BG	5080	CD-Dep Care-Pub Law-Chld Care
0367	RS6267 NB Certification	5095	CD Infant/Tddler Capacity Bldg
0370	RS7294 Stff Dev: Mth 7 Read SB472	5210	Head Start
0371	RS7271 PAR	5310	Child Nutrition-School Program
0380	RS7080 7-12 Counselors	5315	Child Nutrition: ARRA Equip
0385	RS6285 CBET	5630	NCLB: Title X Mck-Vnto Homeless
0390	RS7390 AB825 Pupl Rentention BG	5640	Medi-Cal Billing Option
0391	RS6091 CAL-SAFE Supp Svs	5850	Smaller Learning Community
0392	RS6092 CAL-SAFE Child Care	6010	After Schl Ed & Safety (Ases)
0393	RS7393 AB825 Staff Dev BG	6055	Child Care & Dev- State Preschool
0394	RS7394 AB825 Targeted Inst. Imp	6060	Child Care and Dev.-Alt Pymnt Prg.
0395	RS7395 AB825 Schl & Lib Imp BG	6130	Child Care Center-Based Resrve
0396	RS7396 Schl Site Disc Blk Grnt	6275	Teacher Recruitment & Retention
0750	Mandated Costs Incentive	6286	English Lang. Learner Train
0790	Donations, Misc.	6300	Lottery: Instructional Matl
1100	State Lottery Revenue	6360	ROP/C-Handicapped Pupils
1300	Class Size Reduction K-3	6405	School Violence - School Safety
3010	NCLB: Title 1, Pt A Grnt Low Inc.	6500	Special Ed.
3011	NCLB: ARRA Title I, Pt A Basic	6520	Sp Ed-Project Workability
3025	NCLB: Title 1, Pt D SBPRT2 N&D	6530	Sp Ed-Low Incidence
3185	NCLB: Title 1, Pt A, PI Corr Actn	6535	Sp Ed Personnel Development
3200	St Fi St Fiscal StabilZtn Fund (ARRA)	6660	CIG/TBCO PDTS SRTX Fnd-Entl Gr
3310	Sp Ed-Idea Bas Grnt Entl	7010	Agricultural Vocational Ed
3311	Sp Ed-Idea B, Sec611, Prvt Schls	7090	Economic Impact Aid- SCE
3313	ARRA Idea Pt B, Sec611 Local	7091	Economic Impact Aid-LEP
3314	ARRA Idea Pt B,Sec611 Prvt Sch	7230	Transport.- Home to School

7240	Transportation Spec. Ed.
7400	QEIA-Quality Educ. Invstmnt Act
8150	RMA-Ongoing Major Maint.
9005	Medi-Cal Admin. Activities (MAA)
9010	Other Local
9015	APIP (Advncd Plcmt Incentv Prg)

BOARD AGENDA

**REGULAR MEETING
September 17, 2009**

ACTION ITEM

TO: **Board of Education**

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

SUBJECT: **Approval of Disbursements**

GOAL: Budget Planning

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

RECOMMENDATION: That the Board approve disbursements paid as listed, from Batch #0299 through Batch #0350 for the sum of **\$989,150.57**.

The Board of Trustees payment report is available at the Board of Education meeting for review.

ACTION: On motion of Board Member _____ and _____, the Board approved the disbursements as listed.

BOARD AGENDA

**REGULAR MEETING
September 17, 2009**

ACTION ITEM

TO: Board of Education

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

SUBJECT: Approval of Arbitrage Calculation Service Agreement with Eide Bailly, LLP for General Obligation Bonds, Series 2002A, Series 2004B, and Series 2006C

GOAL: Budget Planning

STRATEGIC PLAN: Strategy #1- Communication

BACKGROUND: When school districts borrow money utilizing tax-exempt financing such as General Obligation Bonds, they become subject to variety of Federal rules which restrict the use of tax-exempt financing to prevent arbitrage rebate calculation. The Tax Reform Act of 1986 imposes strict rules on issuance of tax exempt bonds by placing restrictions on the extent to which a school district may retain interest earning on the proceeds.

The District has issued three series of General Obligation Bonds upon the passage of 2001 Measure B for the total amount of 101,999,877. Whenever bond proceeds are not spent immediately the potential exists for investments to earn interest higher than borrowing rate, resulting in earning referred to as arbitrage. Per attached agreements, the Eide Bailly, LLP will assist in evaluating the District's compliance with the Federal arbitrage rebate regulations under 148(f) of the Internal Revenue Code of 1986 and file required forms `if necessary.

BUDGET IMPLICATIONS: Not to Exceed \$10,500 (\$3,500 per Series) to be paid from Bond Fund

RECOMMENDATION: That the Board approve arbitrage calculation service agreement with Eide Bailly, LLP for General Obligation Bonds, Series 2002A, Series 2004B, and 2006C

ACTION: On motion of Board Member _____ and _____, the Board approved the arbitrage calculation service agreement with Eide Bailly, LLP for General Obligation Bonds, Series 2002A, Series 2004B, and Series 2006C.



CPAs & BUSINESS ADVISORS

August 21, 2009

Jamie R. Ayala
Assistant Superintendent
Business Services Division
1212 Valencia Drive
Colton, CA 92324

Dear Mr. Ayala:

Pursuant to the terms of this letter it is agreed that Eide Bailly LLP will provide rebate calculation services as described herein in connection with the Colton Joint Unified School District (San Bernardino & Riverside Counties, California) Election of 2001 General Obligation Bonds, Series 2002A for \$28,700,000.00 (the "Bonds") issued or being issued by Colton Joint Union School District (the "Issuer").

Scope of Services

We will provide a calculation of the amount, if any, subject to rebate under §148(f) of the Internal Revenue Code of 1986 (the "Code"). We will provide this information to the law firm of Arntson & Stewart, P.C. in order that they may render an opinion that the calculations have been performed in accordance with §148(f) of the Code and the regulations promulgated thereunder. Such calculations will be based on information to be supplied to us by the Issuer or the Trustee with respect to the Bonds. As required by §148(f) of the Code, the calculations will determine the excess of the amount earned on all non-purpose investments, over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Bonds (the "Excess") plus any income attributable to the Excess.

The calculations hereunder will be provided on the later of 45 days after the first anniversary of the issuance of the Bonds or 30 days from the date on which we receive all of the data from the Trustee or the Issuer necessary to make such calculations. We will provide subsequent calculations to you within 30 days of the date on which we receive the related data. We will provide you with forms detailing the data to be supplied.

You should be aware that our services under this agreement will not include an opinion as to the tax-exempt status of the bonds or as to compliance with the terms of the covenants and documents under which the Bonds were issued.

The rebate calculation services described here involve only the calculation of the rebate amount described above, in accordance with applicable law, based solely on the information supplied to us. Should you desire that we make a review of the Bond documents or otherwise provide advice or interpretation with respect to the Bond issue, we would be willing to do on an hourly rate basis. Eide Bailly's calculation and services under this agreement are provided solely to the party or parties hereto; the owners of the Bonds are not third party beneficiaries of such services and neither they nor other third parties may rely on such services.

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www.eidebailly.com

4310 17th Ave. S. ■ P.O. Box 2545 ■ Fargo, ND 58108-2545 ■ Phone 701.239.8500 ■ Fax 701.239.8600 ■ EOE

Fees

It is agreed that for providing the calculation services under this agreement, you shall pay Eide Bailly LLP a five year calculation fee of \$1,300. This fee will be due upon the completion of the calculations. A legal opinion of the arbitrage calculations will be rendered by Arntson & Stewart, P.C. for an additional fee of \$400. If the Bond has elected in the Bond documents, the 24-month or 18-month spend out election, there will be an additional calculation fee of \$600 per calculation period. For advanced refunding issues with transferred proceeds calculations, there will be an additional fee of \$600. For co-mingled funds, there will be an additional fee of \$600.

Termination

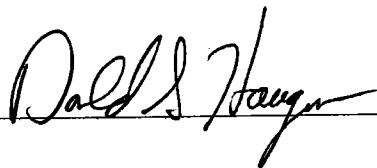
You may terminate our services at any time for cause by providing us written notice 30 days in advance of such termination. You may not terminate our services without cause prior to the date on which we provide the calculations required in connection with the initial anniversary of the issuance of the Bonds; thereafter you may terminate our services without cause at any time upon 120 days written notice to us.

We may not resign our duties to perform calculation services prior to providing the calculations required in connection with the initial anniversary of the issuance of the Bonds, thereafter we may resign upon 120 days written notice to the Trustee or the Issuer.

If the foregoing is in accordance with your understanding, please return one signed copy of this letter to us.

EIDE BAILLY LLP

By



Accepted by (Trustee or Issuer):

Authorized Officer



CPAs & BUSINESS ADVISORS

August 21, 2009

Jamie R. Ayala
Assistant Superintendent
Business Services Division
1212 Valencia Drive
Colton, CA 92324

Dear Mr. Ayala:

Pursuant to the terms of this letter it is agreed that Eide Bailly LLP will provide rebate calculation services as described herein in connection with the Colton Joint Unified School District (San Bernardino & Riverside Counties, California) Election of 2001 General Obligation Bonds, Series 2006C for \$50,122,151.25 (the "Bonds") issued or being issued by Colton Joint Union School District (the "Issuer").

Scope of Services

We will provide a calculation of the amount, if any, subject to rebate under §148(f) of the Internal Revenue Code of 1986 (the "Code"). We will provide this information to the law firm of Arntson & Stewart, P.C. in order that they may render an opinion that the calculations have been performed in accordance with §148(f) of the Code and the regulations promulgated thereunder. Such calculations will be based on information to be supplied to us by the Issuer or the Trustee with respect to the Bonds. As required by §148(f) of the Code, the calculations will determine the excess of the amount earned on all non-purpose investments, over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Bonds (the "Excess") plus any income attributable to the Excess.

The calculations hereunder will be provided on the later of 45 days after the first anniversary of the issuance of the Bonds or 30 days from the date on which we receive all of the data from the Trustee or the Issuer necessary to make such calculations. We will provide subsequent calculations to you within 30 days of the date on which we receive the related data. We will provide you with forms detailing the data to be supplied.

You should be aware that our services under this agreement will not include an opinion as to the tax-exempt status of the bonds or as to compliance with the terms of the covenants and documents under which the Bonds were issued.

The rebate calculation services described here involve only the calculation of the rebate amount described above, in accordance with applicable law, based solely on the information supplied to us. Should you desire that we make a review of the Bond documents or otherwise provide advice or interpretation with respect to the Bond issue, we would be willing to do on an hourly rate basis. Eide Bailly's calculation and services under this agreement are provided solely to the party or parties hereto; the owners of the Bonds are not third party beneficiaries of such services and neither they nor other third parties may rely on such services.

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Fees

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Termination

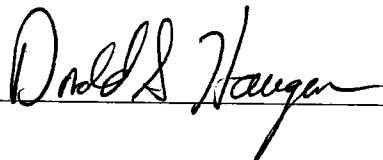
You may terminate our services at any time for cause by providing us written notice 30 days in advance of such termination. You may not terminate our services without cause prior to the date on which we provide the calculations required in connection with the initial anniversary of the issuance of the Bonds; thereafter you may terminate our services without cause at any time upon 120 days written notice to us.

We may not resign our duties to perform calculation services prior to providing the calculations required in connection with the initial anniversary of the issuance of the Bonds, thereafter we may resign upon 120 days written notice to the Trustee or the Issuer.

If the foregoing is in accordance with your understanding, please return one signed copy of this letter to us.

EIDE BAILLY LLP

By



Accepted by (Trustee or Issuer):

Authorized Officer



CPAs & BUSINESS ADVISORS

August 21, 2009

Jamie R. Ayala
Assistant Superintendent
Business Services Division
1212 Valencia Drive
Colton, CA 92324

Dear Mr. Ayala:

Pursuant to the terms of this letter it is agreed that Eide Bailly LLP will provide rebate calculation services as described herein in connection with the Colton Joint Unified School District (San Bernardino & Riverside Counties, California) Election of 2001 General Obligation Bonds, Series 2004B for \$23,177,726.00 (the "Bonds") issued or being issued by Colton Joint Union School District (the "Issuer").

Scope of Services

We will provide a calculation of the amount, if any, subject to rebate under §148(f) of the Internal Revenue Code of 1986 (the "Code"). We will provide this information to the law firm of Arntson & Stewart, P.C. in order that they may render an opinion that the calculations have been performed in accordance with §148(f) of the Code and the regulations promulgated thereunder. Such calculations will be based on information to be supplied to us by the Issuer or the Trustee with respect to the Bonds. As required by §148(f) of the Code, the calculations will determine the excess of the amount earned on all non-purpose investments, over the amount which would have been earned if such non-purpose investments were invested at a rate equal to the yield on the Bonds (the "Excess") plus any income attributable to the Excess.

The calculations hereunder will be provided on the later of 45 days after the first anniversary of the issuance of the Bonds or 30 days from the date on which we receive all of the data from the Trustee or the Issuer necessary to make such calculations. We will provide subsequent calculations to you within 30 days of the date on which we receive the related data. We will provide you with forms detailing the data to be supplied.

You should be aware that our services under this agreement will not include an opinion as to the tax-exempt status of the bonds or as to compliance with the terms of the covenants and documents under which the Bonds were issued.

The rebate calculation services described here involve only the calculation of the rebate amount described above, in accordance with applicable law, based solely on the information supplied to us. Should you desire that we make a review of the Bond documents or otherwise provide advice or interpretation with respect to the Bond issue, we would be willing to do on an hourly rate basis. Eide Bailly's calculation and services under this agreement are provided solely to the party or parties hereto; the owners of the Bonds are not third party beneficiaries of such services and neither they nor other third parties may rely on such services.

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Fees

It is agreed that for providing the calculation services under this agreement, you shall pay Eide Bailly LLP a five year calculation fee of \$1,300. This fee will be due upon the completion of the calculations. A legal opinion of the arbitrage calculations will be rendered by Arntson & Stewart, P.C. for an additional fee of \$400. If the Bond has elected in the Bond documents, the 24-month or 18-month spend out election, there will be an additional calculation fee of \$600 per calculation period. For advanced refunding issues with transferred proceeds calculations, there will be an additional fee of \$600. For co-mingled funds, there will be an additional fee of \$600.

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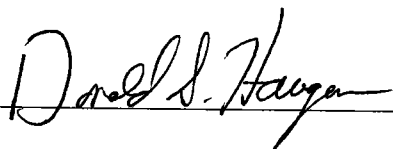
You may terminate our services at any time for cause by providing us written notice 30 days in advance of such termination. You may not terminate our services without cause prior to the date on which we provide the calculations required in connection with the initial anniversary of the issuance of the Bonds; thereafter you may terminate our services without cause at any time upon 120 days written notice to us.

We may not resign our duties to perform calculation services prior to providing the calculations required in connection with the initial anniversary of the issuance of the Bonds, thereafter we may resign upon 120 days written notice to the Trustee or the Issuer.

If the foregoing is in accordance with your understanding, please return one signed copy of this letter to us.

EIDE BAILLY LLP

By



Accepted by (Trustee or Issuer):

Authorized Officer

BOARD AGENDA

**REGULAR MEETING
September 17, 2009**

ACTION ITEM

TO: **Board of Education**

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

SUBJECT: **Approval of 2008-09 Unaudited Actuals Report**

GOAL: Budget Planning

STRATEGIC PLAN: Strategy #1 – Communication

BACKGROUND: The Unaudited Actuals report is the District’s 2008-09 financial statements for each fund. Education Code Section 42100 requires the governing board of each district to approve an annual statement of all receipts and expenditures of the district for the preceding fiscal year and file the statements with the Superintendent of Public Instruction (SPI). The format that these are presented in is the Standardized Account Code Structure or the “SACS Forms”. This is a format prescribed by the SPI. Legally, the Board is required to have a full copy of the report within its Board packet as the assertion of the certification is that the Board is approving the whole document and has had access to it.

BUDGET IMPLICATIONS: None

RECOMMENDATION: That the Board approves the 2008-09 Unaudited Actuals Report.

ACTION: On motion of Board Member _____ and _____, the Board approved 2008-09 Unaudited Actuals Report.

COLTON JOINT UNIFIED SCHOOL DISTRICT
SELECTED STATISTICS FROM THE 2008-09 UNAUDITED ACTUALS

Total General Fund (unrestricted and restricted) revenues in 2008-09 are \$198,294,079 and \$194,474,013 in expenditures and other financing sources/uses. The combined unrestricted and restricted General Fund Ending Balance as of June 30, 2009 is \$37,014,880. The Components of Ending Fund Balance are:

Reserve for Revolving Cash	\$50,000
Reserve for Stores	\$172,056
Reserve for Prepaid Expenditures (SERP)	\$1,109,378
Legally Restricted Balances (categorical)	\$10,634,484
Reserve for Economic Uncertainties @ 3%	\$5,835,028
Special Reserve for Reche Canyon Elementary	\$494
Designation for E-Rate Balance	\$396,655
Designation for Best Practices Cohort	\$114,929
School Site Discretionary Block Grant	\$352,800
Designation Mandated Cost Carryover	\$2,548,770
Designation for Site Lottery Carryover	\$1,575,177
Future Operational Budget	<u>\$14,225,109</u>
Total General Fund Ending Balance	\$37,014,880

**THE INDIVIDUAL FUNDS ACTIVITY RECAP
2008-09**

<u>Fund</u>	<u>Beginning Bal</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Ending Bal</u>
General	\$33,194,815	\$198,294,078	\$194,474,013	\$37,014,880
Adult	\$88,591	\$281,501	\$370,092	\$0
Child Development	\$417,584	\$3,237,804	\$3,323,280	\$332,108
Nutrition Services	\$1,644,914	\$9,992,761	\$9,813,231	\$1,824,444
Deferred Maintenance	\$2,425,265	\$72,618	\$66,998	\$2,430,886
Special Reserve for Other Than Capital Outlay	\$3,402,736	\$98,098	\$0	\$3,500,834
Bond	\$48,036,272 *	\$1,076,308	\$11,835,063	\$37,277,517
Developer Fees	\$11,171,443	\$2,228,371	\$2,920,557	\$10,479,257
State Building	\$13,542,291	\$51,953,254	\$6,992	\$65,488,553
Special Reserve for Capital Outlay	\$5,887,351	\$169,749	\$0	\$6,057,100
Bond Repayment	\$7,743,346	\$7,113,288	\$6,792,623	\$8,064,012
CFD #2	\$931,108	\$367,358	\$268,805	\$1,029,662
CFD #3	\$492,421	\$145,814	\$18,686	\$619,548
Self Insurance	\$18,796,863	\$3,020,825	\$2,980,236	\$18,837,452
Total	\$147,838,000	\$278,051,829	\$232,870,576	\$193,019,253

*Adjusted Beginning Balance

SELECT SUPPLEMENTAL FORMS

2008-09

[Form A – ADA and Form RL – Revenue Limit]

2008-09 Period 2 (P-2) Average Daily Attendance (ADA) is 22,757.74. However, based on prior year funding guarantee for declining enrollment the District's revenue limit funding is calculated on 22,772.84 ADA. District's 2008-09 Base Revenue Limit is \$6,121.64 per ADA; funded Base Revenue Limit due to state cuts is \$5,641.46. As a result, District's Revenue Limit shortfall in 2008-09 is \$10,935,062.

[Form L – Lottery]

Total 2008-09 Unrestricted Lottery revenues are \$4,214,932 and the District spent \$2,639,755. The Designated Lottery Reserve as of June 30, 2009 is \$1,575,177. Lottery funds are mainly spent at school sites on daily operating expenditures.

[Form CEA – Current Expense Formula/Minimum Classroom Compensation]

The District complies with Ed Code 41372 by spending 60.27% (requirement is 55% for unified school districts) of its general fund budget on direct classroom labor.

[Form DEBT – Schedule of Long-Term Liabilities]

The District's General Long-Term Debt increased from \$136,685,927 at the beginning of the year to \$141,890,090 by the end of the year. This net increase of \$5,204,163 is mainly due to Other Post Employment Benefits (OPEB) obligations as result of the 2008-09 Supplemental Employee Retirement Plan (SERP).

[Form CAT – Schedule for Categoricals]

Form CAT is an analysis of the District's categorical programs detailing award amounts, revenues, and expenditures. As of June 30, 2009, the Legally Restricted Ending Balance is \$10,634,484. \$8,833,500 of this amount is the State Fiscal Stabilization Fund portion of the American Recovery and Reinvestment Act (ARRA).

BOARD AGENDA

**REGULAR MEETING
September 17, 2009**

ACTION ITEM

TO: Board of Education

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

SUBJECT: Adoption of Resolution No.09-37 for Revised 2008-09 Actual Gann Limit and Projected 2009-10 Gann Limit

GOAL: Budget Planning

STRATEGIC PLAN: Strategy #1 - Communication

BACKGROUND: Annually the Board must adopt an appropriation limit (Gann Limit) for the new fiscal year and revise the appropriation limit for the fiscal year that just ended. The State Department of Finance is then notified of the actions because the State Gann Limit and school district Gann Limit are intertwined.

The attached presents the Gann Limit recalculation for 2008-09 and the preliminary limit for 2009-10.

BUDGET IMPLICATIONS: None

RECOMMENDATION: That the Board adopt the Resolution No. 09-37 for Revised 2008-09 Actual Gann Limit and Projected 2009-10 Gann Limit.

ACTION: On motion of Board Member _____ and _____, the Board adopted Resolution No. 09-37 for Revised 2008-09 Actual Gann Limit and Projected 2009-10 Gann Limit.

COLTON JOINT UNIFIED SCHOOL DISTRICT

**RESOLUTION 09-37
ESTABLISHING 2009-10 APPROPRIATION LIMIT AND
RE-ESTABLISHING 2008-09 APPROPRIATION LIMIT**

WHEREAS, in November of 1979, the California electorate did adopt Proposition 4, commonly called the Gann Amendment, which added Article XIII-B to the California Constitution; and,

WHEREAS, the provisions of that Article establish maximum appropriation limitations, commonly called "Gann Limits," for public agencies, including school districts; and,

WHEREAS, the District must establish a revised Gann limit for the 2008-09 (\$107,309,643) fiscal year and a projected Gann Limit for the 2009-10 (\$107,111,163) fiscal year in accordance with the provisions of Article XIII-B and applicable statutory law;

NOW, THEREFORE, BE IT RESOLVED that this Board does provide public notice that the attached calculations and documentation of the Gann limits for the 2008-09 and 2009-10 fiscal years are made in accord with applicable constitutional and statutory law;

AND BE IT FURTHER RESOLVED that this Board does hereby declare that the appropriations in the Budget for the 2008-09 and 2009-10 fiscal years do not exceed the limitations imposed by Proposition 4;

AND BE IT FURTHER RESOLVED that the Superintendent provides copies of this resolution along with the appropriate attachments to interested citizens of this District.

DULY ADOPTED by the Board of Education of the Colton Joint Unified School District of San Bernardino County, State of California, with a vote of ____ ayes, ____ noes, and ____ absent, and signed by the President and attested by the Secretary this 17th day of September, 2009.

President, Board of Education

Attest:

Secretary, Board of Education

BOARD AGENDA

REGULAR MEETING
September 17, 2009

ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Jaime R. Ayala, Assistant Superintendent, Business Services Division
- SUBJECT:** Adoption of Resolution No. 09-38 Authorizing the Issuance of Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series A
- GOAL:** Student Performance, Facilities/Support Services, Budget Planning, School Safety & Attendance, Community Relations & Parent Involvement
- STRATEGIC PLAN:** Strategy #4 - Facilities
- BACKGROUND:** On November 4, 2008, the Bond Measure received an affirmative vote of more than fifty-five percent of the voters of the District. As a result, the District is now authorized to issue \$225,000,000 in General Obligation Bonds that will allow for local classroom repair, modernization and construction. Upon adoption of the Resolution, the District will be ready to proceed with the issuance of the first series of such bonds in the aggregate principal amount not to exceed \$60,000,000. The Resolution authorizes the issuance of all or a portion of the Bonds as Current Interest Bonds, Capital Appreciation Bonds or taxable "Build America Bonds" pursuant to the American Reinvestment and Recovery Act of 2009. Also, even though the District was not granted a District Allocation of Qualified School Construction Tax Credit Bonds, this resolution authorizes the issuance of such bonds should the District receive an allocation as a result of surplus allocation being distributed by the California Department of Education.
- BUDGET IMPLICATIONS:** No impact to the general fund.
- RECOMMENDATION:** That the Board adopt Resolution No. 09-38 authorizing the issuance of the Colton Joint Unified School District Election of 2008 General Obligation Bonds, Series A.
- ACTION:** On motion of Board Member _____ and _____, the Board adopted Resolution No. 09-38 authorizing the issuance of the Colton Joint Unified School District Election of 2008 General Obligation Bonds, Series A.

COLTON JOINT UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 09-38

RESOLUTION AUTHORIZING THE ISSUANCE OF COLTON JOINT UNIFIED SCHOOL DISTRICT (SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA) ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES A

WHEREAS, a duly called election (the "Election") was held in the Colton Joint Unified School District (hereinafter referred to as the "District"), San Bernardino and Riverside Counties (collectively hereinafter referred to as the "Counties"), State of California, on November 4, 2008, at which the following proposition (the "Bond Measure") was submitted to the qualified electors of the District:

"LOCAL CLASSROOM REPAIR, SCHOOL CONSTRUCTION/EDUCATION IMPROVEMENT MEASURE.

To reduce overcrowding, improve every neighborhood school, attract quality teachers and qualify for state matching grants, build middle and high schools, improve libraries, science/computer labs, repair restrooms, increase security, after-school program and joint-use space, drop-off zone safety, and acquire, construct, repair equipment/sites/facilities, shall Colton Unified School District issue \$225,000,000 in bonds, at legal rates, requiring citizen oversight, audits and no money for administrators' salaries?"

WHEREAS, at such election, the Bond Measure received the affirmative vote of more than fifty-five percent of the voters of the District voting on the proposition as certified by the Registrar of Voters of each of the Counties in the official canvassing of votes;

WHEREAS, at this time this Board of Education of the District (the "Board") has determined that it is necessary and desirable to issue a first series of such Bonds in the aggregate principal amount not to exceed \$60,000,000 (the "Bonds"); and

WHEREAS, the Board of Supervisors of San Bernardino County (the "County") has provided by resolution pursuant to Education Code Section 15140(b) that the District may sell the Bonds on its own behalf; and

WHEREAS, this Board desires to authorize the issuance of the Bonds in one or more series of taxable or tax-exempt bonds;

WHEREAS, this Board further desires to authorize the issuance of all or a portion of the Bonds as taxable "Build America Bonds" pursuant to the American Reinvestment and Recovery Act of 2009 ("ARRA");

WHEREAS, ARRA also grants a national allocation of \$11 billion to provide for the issuance of qualified school construction tax credit bonds ("QSC Bonds") to provide financing for the construction, reconstruction and repair of public school facilities, in accordance with the qualified tax credit bond program found in Section 54A of the Internal Revenue Code of 1986, as amended (the "Code"),

WHEREAS, this Board has adopted a resolution authorizing District officials to submit an application requesting that a portion of said national allocation be granted to the District (the "District Allocation");

WHEREAS, the District was not granted a District Allocation by the California Department of Education at the lottery held on August 25, 2009;

WHEREAS, if the District Allocation is received as a result of surplus allocation being distributed by the California Department of Education, this Board desires to authorize the issuance of all or a portion of the Bonds as QSC Bonds pursuant to a paying agent agreement (the "QSC Bonds Paying Agent Agreement") to be entered into among the District and U.S. Bank National Association, as Bond Registrar, the form of which has been submitted to and is on file with Clerk of the Board or Secretary of the Board.

WHEREAS, the District has not received a qualified or negative certification in its most recent interim report; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE COLTON JOINT UNIFIED SCHOOL DISTRICT, SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA, AS FOLLOWS:

SECTION 1. Purpose. To raise money for the purposes authorized by the voters of the District at the Election (the "Projects"), and to pay all necessary legal, financial, engineering and contingent costs in connection therewith, the Board hereby authorizes the issuance of the Bonds and orders such Bonds sold at a negotiated sale such that the Bonds shall be dated as of a date to be determined by the Board, shall have a true interest cost not to exceed that authorized at the Election, shall be payable upon such terms and provisions as shall be set forth in the Bonds, and shall be in an aggregate principal amount not-to-exceed \$60,000,000.

This Board hereby authorizes the issuance of all or a portion of the Bonds as Build America Bonds. With respect to Bonds issued as Build America Bonds, the District expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the Bonds on or about each semi-annual interest payment date for the Bonds. The District hereby directs the Authorized Officers (defined herein), prior to each Bond Payment Date, to submit or cause to be submitted to the United States Department of the Treasury a subsidy reimbursement request in accordance with applicable Federal regulations. Upon receipt of such subsidy, the District shall deposit or cause to be deposited any such cash subsidy payments into the Debt Service Fund for the Bonds maintained by the Treasurer-Tax Collector of San Bernardino County (the "County Treasurer".

This Board further authorizes the issuance of all or a portion of the Bonds as QSC Bonds, such issuance being conditioned on the receipt by the District of the District Allocation. To the extent that any portion of the Bonds are issued as QSC Bonds, the Board authorizes this resolution to be amended by the QSC Bonds Paying Agent Agreement or by the Purchase Contract.

SECTION 2. Bond Registrar. This Board does hereby appoint U.S. Bank National Association, or such other financial institution named as such in the Official Statement, to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the “Bond Registrar”) for the Bonds.

SECTION 3. Terms and Conditions of Sale. The Bonds shall be sold at a negotiated sale upon the direction of the Superintendent of the District (the “Superintendent”) or Assistant Superintendent, Business Services of the District (the “Assistant Superintendent”). The Board hereby authorizes the sale of the Bonds at a negotiated sale, which is determined to provide more flexibility in the timing of the sale, an ability to implement the sale in a shorter time period, an increased ability to structure the Bonds to fit the needs of particular purchasers, and a greater opportunity for the Underwriters to pre-market the Bonds to potential purchasers prior to the sale, all of which will contribute to the District’s goal of achieving the lowest overall cost of funds. The Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below. The Bonds may be issued in the form of Taxable Bonds or Tax-Exempt Bonds.

SECTION 4. Approval of Purchase Contract. The form of Bond Purchase Contract (the “Purchase Contract”) by and between the District and RBC Capital Markets Corporation as representative of itself, Piper Jaffray & Co. and E. J. De La Rosa & Co., Inc. (together, the “Underwriters”), for the purchase and sale of the Bonds, substantially in the form on file with the Secretary of the Board, is hereby approved and the Superintendent, the Assistant Superintendent and such other officers or employees of the District as the Superintendent may designate (each, an “Authorized Officer”), each alone, are hereby authorized and requested to acknowledge the execution of such Purchase Contract, if necessary; provided, however, that the maximum true interest cost on the Bonds shall not exceed the maximum rate permitted by law and the Underwriters’ discount, excluding original issue discount and expenses and costs of issuance paid by the Underwriters, thereon shall not exceed 1.0% of the aggregate principal amount of Bonds issued. The Authorized Officers, each alone, are further authorized to determine the principal amount of the Bonds to be specified in the Purchase Contract for sale by the District up to \$60,000,000 and to enter into and execute the Purchase Contract with the Underwriters, if the conditions set forth in this Resolution are satisfied. The Board estimates that the costs associated with the issuance of the Bonds, including compensation to the Underwriters and any such costs which the Underwriters agree to pay pursuant to the Purchase Contract (excluding fees of the Bond Insurer, if any), will equal approximately 2.0% of the principal amount of the Bonds.

SECTION 5. QSC Bonds Paying Agent Agreement. If the District determines to issue any portion of the Bonds as QSC Bonds, the Authorized Officers are authorized to prepare a QSC Bonds Paying Agent Agreement providing for the issuance of the QSC Bonds, subject to the limitations set forth in this Resolution. Any Authorized Officer is hereby authorized to execute and deliver the QSC Bonds Paying Agent Agreement in its final form, and such execution shall constitute conclusive evidence of the approval of the QSC Bonds Paying Agent Agreement by the Board.

SECTION 6. Certain Definitions. As used in this Resolution, the terms set forth below shall have the meanings ascribed to them (unless otherwise set forth in the Purchase Contract):

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

(b) “Accretion Rate” means, unless otherwise provided by the Purchase Contract, that rate which, when applied to the Denominational Amount of any Capital Appreciation Bond and compounded semiannually on each February 1 and August 1 (commencing February 1, 2010), produces the Accreted Value on the maturity date.

(c) “Accreted Value” means with respect to the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount thereof, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1 (commencing on February 1, 2010 (unless otherwise provided in the Purchase Contract)) with respect to the Capital Appreciation Bonds which mature on August 1 of a given year at the stated Accretion Rate to maturity thereof, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

(d) “Bond Insurer” means any insurance company which issues a municipal bond insurance policy insuring the payment of Denominational Amount and Accreted Interest of and interest on the Bonds.

(e) “Bond Payment Date” means (unless otherwise provided by the Purchase Contract), February 1 and August 1 of each year commencing February 1, 2010 with respect to the Current Interest Bonds; and, with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

(f) “Bond Registrar” means U.S. Bank National Association, or any successor thereto.

(g) “Capital Appreciation Bonds” means the Bonds the interest component of which is compounded semiannually on each February 1 and August 1 (commencing on February 1, 2010 (unless otherwise provided in the Purchase Contract)) to maturity as shown in the table of Accreted Value for such Bonds in the Official Statement.

(h) “Code” means the Internal Revenue Code of 1986, as amended.

(i) “Current Interest Bonds” means the Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

(j) “Denominational Amount” means, with respect to the Capital Appreciation Bonds, the initial principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

(k) “Depository” means the securities depository acting as Depository pursuant to Section 7(c) hereof.

(l) “DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the Bonds.

(m) “Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated

interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, (iii) the investment is a United States Treasury Security—State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

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

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

(p) “Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 7(c) hereof.

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

(r) “Official Statement” means the Official Statement for the Bonds, as described in Section 18 hereof.

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

(t) “Permitted Investments” means (i) any lawful investments permitted by Section 16429.1 and Section 53601 of the Government Code, including Non-AMT Bonds and Qualified Non-AMT Mutual Funds, (ii) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code, but without regard to any limitations in such Section concerning the percentage of moneys available for investment being invested in a particular type of security, (iii) a guaranteed investment contract with a provider rated in at least the second highest category by each rating agency then rating the Bonds and approved by the Bond Insurer, if any, (iv) the Local Agency Investments Fund of the California State Treasurer, (v) State and Local Government Series Securities, and (vi) the San Bernardino County Treasury Pooled Investment Fund.

(u) “Principal” or “Principal Amount” means, with respect to any Current Interest Bond, the principal or principal amount thereof and, with respect to any Capital Appreciation Bond, the Denominational Amount.

(v) “Projects” shall have the meaning given to that term in Section 1 of this Resolution.

(w) “Projects Costs” means all of the expenses of and incidental to the construction and/or acquisition of the Projects, including Costs of Issuance.

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

(y) “Qualified Permitted Investments” means (i) Non-AMT Bonds, (ii) Qualified Non-AMT Mutual Funds, (iii) other Permitted Investments authorized by the Bond Insurer, if any, and an opinion of Bond Counsel to the effect that such investment would not adversely affect the tax-exempt status of the Bonds, and (iv) Permitted Investments of proceeds of the Bonds, and interest earned on such proceeds, held not more than thirty days pending reinvestment or Bond redemption. A guaranteed investment contract or similar investment agreement (e.g. a forward supply contract, GIC, repo, etc.) does not constitute a Qualified Permitted Investment.

(z) “Rating Agencies” means Standard & Poor’s Rating Services and Moody’s Investors Services.

(aa) “Record Date” means the 15th day of the month preceding each Bond Payment Date.

(bb) “Securities Depository” means The Depository Trust Company, 55 Water Street, New York, New York 10041, Tel: (212) 855-1000 or Fax: (212) 855-7320.

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

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

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

(ff) “Transfer Amount” means, with respect to any Outstanding Current Interest Bond, the Principal Amount and, with respect to any Capital Appreciation Bond, the Maturity Value.

SECTION 7. Terms of the Bonds.

(a) Denomination, Interest, Dated Dates. The Bonds shall be issued as any combination of Current Interest Bonds and Capital Appreciation Bonds registered as to both principal and interest, in the denominations of, with respect to the Current Interest Bonds, \$5,000 Denominational Amount or any integral multiple thereof (except for one odd denomination if necessary), and with respect to the Capital Appreciation Bonds, \$5,000 Maturity Value, or any integral multiple thereof (except for one odd denomination if necessary). Unless otherwise specified in the QSC Bonds Paying Agent Agreement the QSC Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof (except for one odd denomination if necessary). Unless otherwise specified in the related Purchase Contract or the QSC Bond Paying Agent Agreement, the Bonds will be initially registered to “Cede & Co.,” the nominee of the Depository Trust Company, New York, New York.

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

Each Current Interest Bond shall be dated the date of delivery or such date as shall appear in the Purchase Contract, or the Official Statement (the "Dated Date"), and shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2010, in which event it shall bear interest from Dated Date.

The Bonds shall bear or accrete interest at a rate or rates such that the interest rates or true interest cost shall not exceed the maximum limit permitted by law. Interest shall be payable on the respective Bond Payment Dates. Interest on the Current Interest Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

The QSC Bonds shall bear interest as provided in the QSC Bonds Paying Agent Agreement.

The Capital Appreciation Bonds shall mature in the years and shall be issued in the aggregate Denominational Amount, with Maturity Values as set forth in the Purchase Contract and shall have Accretion Rates and shall have Denominational Amounts per each five thousand dollars (\$5,000) in Maturity Value as shown in the Accreted Value Table attached to the Official Statement; provided, that in the event that the amount shown in such Accreted Value Table and the Accreted Value calculated by the District and approved by the Bond Insurer by application of the definition of Accreted Value set forth in Section 6 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond.

The QSC Bonds shall mature on the date, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the QSC Bonds Paying Agent Agreement. No QSC Bond shall mature prior to August 1, 2010, and no QSC Bond shall mature later than the date which is 25 years from the date of the QSC Bonds; provided that each QSC Bond shall mature or be subject to mandatory tender not later than the date required under the Tax Credit Program (the "Tax Credit Expiration Date"). No QSC Bond shall have principal maturing on more than one principal maturity date. The Purchase Contract may provide that no QSC Bonds shall be issued.

With respect to Bonds issued as Build America Bonds, the District expects to receive a cash subsidy payment from the United States Department of the Treasury equal to 35% of the interest payable on the Bonds on or about each Bond Payment Date. The District shall, prior to each Bond Payment Date, submit or cause to be submitted to the United States Treasury a subsidy reimbursement request in accordance with applicable Federal regulations. Upon receipt of such subsidy, the District shall deposit or cause to be deposited any such cash subsidy payments into the Debt Service Fund (defined herein).

(b) Redemption.

(i) Terms of Redemption. The Bonds shall be subject to redemption prior to maturity as provided in the Purchase Contract, QSC Bonds Paying Agent Agreement or the Official Statement.

(ii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the redemption of Bonds and less than all Outstanding Bonds are to be redeemed, the Bond Registrar identified below, upon written instruction from the District, shall select Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Bond Registrar shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Bond Registrar shall determine; provided, however, that the portion of any Current Interest Bond to be redeemed in part

shall be in the Principal Amount of \$5,000 or any integral multiple thereof and the portion of any Capital Appreciation Bond to be redeemed in part shall be in integral multiples of the Accreted Value per \$5,000 Maturity Value thereof.

(iii) Notice of Redemption. When redemption is authorized or required pursuant to Section 7(b) hereof, the Bond Registrar, upon written instruction from the District, shall give notice (a “Redemption Notice”) of the redemption of the Bonds. Such Redemption Notice shall specify: the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, the date of redemption, the place or places where the redemption will be made, including the name and address of the Bond Registrar, the redemption price, the CUSIP numbers (if any) assigned to the Bonds to be redeemed, the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part. Such Redemption Notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

The Bond Registrar shall take the following actions with respect to such Redemption Notice:

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

(b) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, (ii) telephonically confirmed facsimile transmission, or (iii) overnight delivery service, to the Securities Depository.

(c) At least 30 but not more than 45 days prior to the redemption date, such Redemption Notice shall be given by (i) registered or certified mail, postage prepaid, or (ii) overnight delivery service, to one of the Information Services.

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

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

(v) Effect of Notice of Redemption. Notice having been given as aforesaid, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside in the District’s Debt Service Fund, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, money for the redemption of all the Bonds to be redeemed as provided in Section 7(b) hereof, together with interest accrued to such redemption date, shall be held by the Bond Registrar so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Bond Registrar for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 7 shall be cancelled upon surrender thereof and be delivered to or upon the order of the District. All or any portion of a Bond purchased by the District shall be cancelled by the Bond Registrar.

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

(c) Book-Entry System.

(i) Definitions. As used in this Section, the terms set forth below shall have the meanings ascribed to them:

“Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to this Section.

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

(ii) Election of Book-Entry System. Unless otherwise specified in the related Purchase Contract or QSC Bonds Paying Agent Agreement, the Bonds shall initially be delivered in the form of a separate single fully-registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination (except for any odd denomination Bond). The ownership of each such Bond shall be registered in the Bond Register (as defined below) in the name of the Nominee, as nominee of the Depository and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 7(c)(ii)(4).

With respect to book-entry Bonds, the District and the Bond Registrar shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the District and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds, (ii) the delivery to any Participant or any other person, other than an owner as shown in the Bond Register, of any notice with respect to book-entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be prepaid in the event the District redeems the Bonds in part, or (iv) the payment by the Depository or any Participant or any other person, of any amount with respect to Accreted Value, Principal, premium, if any,

or interest on the book-entry Bonds. The District and the Bond Registrar may treat and consider the person in whose name each book-entry Bond is registered in the Bond Register as the absolute owner of such book-entry Bond for the purpose of payment of Accreted Value or Principal of and premium and interest on and to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all Accreted Value or Principal of and premium, if any, and interest on the Bonds only to or upon the order of the respective owner, as shown in the Bond Register, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of Accreted Value or Principal of, and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner, as shown in the Bond Register, shall receive a certificate evidencing the obligation to make payments of Accreted Value or Principal of, and premium, if any, and interest on the Bonds. Upon delivery by the Depository to the owner and the Bond Registrar, of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to the Record Date, the word Nominee in this Resolution shall refer to such nominee of the Depository.

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

2. Selection of Depository. In the event (i) the Depository determines not to continue to act as securities depository for book-entry Bonds, or (ii) the District determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Bonds or the District, then the District will discontinue the book-entry system with the Depository. If the District determines to replace the Depository with another qualified securities depository, the District shall prepare or direct the preparation of a new single, separate, fully registered bond for each maturity date of such book-entry Bond, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (4) hereof. If the District fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Register in the name of the Nominee, but shall be registered in whatever name or names the owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of this Section 7(c).

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

4. Transfer of Bonds to Substitute Depository.

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

(1) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to Section 7(c)(ii)(4)(A)(2) (“Substitute Depository”); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

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

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

(B) In the case of any transfer pursuant to Section 7(c)(ii)(4)(A)(1) or (2), upon receipt of all outstanding Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar designating the Substitute Depository, a single new Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Bonds then outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to Section 7(c)(ii)(4)(A)(3), upon receipt of all outstanding Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar, new Bonds, which the District shall prepare or cause to be prepared, shall be executed and delivered in such denominations and registered in the names of such persons as are requested in such written request of the District, provided that the Bond Registrar shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the District.

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

(D) The District and the Bond Registrar shall be entitled to treat the person in whose name any Bond is registered as the owner thereof for all purposes of this Resolution and any applicable laws, notwithstanding any notice to the contrary received by the Bond Registrar or the District; and the District and the Bond Registrar shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of

the Bonds. Neither the District nor the Bond Registrar shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Bond Registrar may rely conclusively on its records as to the identity of the owners of the Bonds.

SECTION 8. Execution of the Bonds. The Bonds shall be signed by the President of the Board, or other member of the Board authorized to do so by resolution of the Board, by their manual or facsimile signature and countersigned by the manual or facsimile signature of the Clerk of the Board or Secretary of the Board, all in their official capacities; provided that the QSC Bonds shall be executed as provided in the QSC Bonds Paying Agent Agreement. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

SECTION 9. Bond Registrar; Transfer and Exchange. So long as any of the Bonds remains outstanding, the District will cause the Bond Registrar to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in this Section. Subject to the provisions of Section 11 below, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond for all purposes of this Resolution. Payment of or on account of the Principal or Accreted Value of and premium, if any, and interest on any Bond shall be made only to or upon the order of that person; neither the District nor the Bond Registrar shall be affected by any notice to the contrary, but the registration may be changed as provided in this Section. All such payments shall be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

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

If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Bond of like series, tenor and Transfer Amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Bond Registrar of the Bond so mutilated. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Bond Registrar and, if such evidence be satisfactory to the Bond Registrar and indemnity for the Bond Registrar and the District satisfactory to the Bond Registrar shall be given by the owner, the District, at the expense of the Bond owner, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Bond of like Series and tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Bond Registrar may pay the same without surrender thereof upon receipt of indemnity satisfactory to the

Bond Registrar and the District). The Bond Registrar may require payment of a reasonable fee for each new Bond issued under this paragraph and of the expenses which may be incurred by the District and the Bond Registrar.

If manual signatures on behalf of the District are required in connection with an exchange or transfer, the Bond Registrar shall undertake the exchange or transfer of Bonds only after the new Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Bonds, the District shall sign and the Bond Registrar shall authenticate and deliver Bonds in accordance with the provisions of this Resolution. All fees and costs of transfer shall be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer shall be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under this Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Bond Registrar for payment, retirement, exchange, replacement or transfer shall be cancelled by the Bond Registrar. The District may at any time deliver to the Bond Registrar for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds shall be promptly cancelled by the Bond Registrar. Written reports of the surrender and cancellation of Bonds shall be made to the District by the Bond Registrar on or before February 1 and August 1 of each year. The cancelled Bonds shall be retained for six years, then returned to the District or destroyed by the Bond Registrar as directed by the District.

Neither the District nor the Bond Registrar will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

With respect to the Bonds issued as "Build America Bonds" for purposes of the Recovery Act, the District expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on such Bonds on or about each Bond Payment Date. The District directs the Bond Registrar, prior to each Bond Payment Date, to submit to the United States Treasury a subsidy reimbursement request in accordance with applicable Federal regulations. Upon receipt of such subsidy, the District shall deposit or cause to be deposited any such cash subsidy payments into the Debt Service Fund established pursuant to Section 13 hereof.

SECTION 10. Payment. Payment of interest on any Current Interest Bond on any Bond Payment Date shall be made to the person appearing on the registration books of the Bond Registrar as the Owner thereof as of the Record Date immediately preceding such Bond Payment Date, such interest to be paid by check mailed to such Owner on the Bond Payment Date at his address as it appears on such registration books or at such other address as he may have filed with the Bond Registrar for that purpose on or before the Record Date. The Owner in an aggregate Principal Amount of \$1,000,000 or more may request in writing to the Bond Registrar that such Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date. The principal, and redemption price, if any, payable on the Current Interest Bonds and the Accreted Value and redemption price, if any, on the Capital Appreciation Bonds shall be payable upon maturity or redemption upon surrender at the principal office of the Bond Registrar. The interest, Accreted Value, Principal and premiums, if any, on the Bonds shall be payable in lawful money of the United States of America. The Bond Registrar is hereby authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District.

SECTION 11. Forms of Bonds. The Bonds shall be in substantially the forms as set forth in Exhibit A hereto, allowing those officials executing the Bonds to make the insertions and deletions necessary to conform the Bonds to this Resolution and the Purchase Contract.

SECTION 12. Delivery of Bonds. The proper officials of the District shall cause the Bonds to be prepared and, following their sale, shall have the Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Bonds, to the Underwriters upon payment of the purchase price therefor.

SECTION 13. Deposit of Proceeds of Bonds. (a) The proceeds from the sale of the Bonds, to the extent of the Denominational Amount and the Principal Amount thereof, shall be paid to the County to the credit of the fund hereby created and established and to be known as the "Colton Joint Unified School District Election of 2008 General Obligation Bonds, Series A Building Fund" (the "Building Fund") of the District, shall be kept separate and distinct from all other District and County funds, and those proceeds shall be used solely for the purpose for which the Bonds are being issued and provided further that such proceeds shall be applied solely to authorized purposes which relate to the Projects. The accrued interest and any premium received by the District from the sale of the Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "Colton Joint Unified School District Election of 2008 General Obligation Bonds, Series A Debt Service Fund" (the "Debt Service Fund") for the Bonds and used only for payment of Accreted Value or Principal of and interest on the Bonds. Interest earnings on moneys held in the Building Fund shall be retained in the Building Fund. Interest earnings on moneys held in the Debt Service Fund shall be retained in the Debt Service Fund. Any amounts that remain in the Building Fund at the completion of the Projects, at the written direction of the District, shall be transferred to the Debt Service Fund to be used to pay the Principal of, premium, if any, and interest on the Bonds, subject to any conditions set forth in the Tax Certificate. Any excess proceeds of the Bonds not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Debt Service Fund and applied to the payment of Accreted Value or Principal of and interest on the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

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

(1) Covenant Regarding Investment of Proceeds.

(A) Permitted Investments. Beginning on the delivery date, and at all times until expenditure for authorized purposes, not less than 95% of the proceeds of the Bonds deposited in the Building Fund, including investment earnings thereon, will be invested in Qualified Permitted Investments which are rated in at least the second highest rating

category by one of the two Rating Agencies. Notwithstanding the preceding provisions of this Section, for purposes of this paragraph, amounts derived from the disposition or redemption of Qualified Permitted Investments and held pending reinvestment or redemption for a period of not more than 30 days may be invested in Permitted Investments. The District hereby authorizes investments made pursuant to this Resolution with maturities exceeding five years.

(B) Recordkeeping and Monitoring Relating to Building Fund.

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

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

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

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

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

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

SECTION 14. Rebate Fund. The following provisions shall apply to any Bonds issued as Tax-Exempt Bonds.

(a) The District shall create and establish a special fund designated the “Colton Joint Unified School District Election of 2008 General Obligation Bonds, Series A Rebate Fund” (the “Rebate Fund”). All amounts at any time on deposit in the Rebate Fund shall be held in trust, to the extent required to satisfy the requirement to make rebate payments to the United States (the “Rebate Requirement”) pursuant to Section 148 of the Code, and the Treasury Regulations promulgated thereunder (the “Treasury

Regulations”). Such amounts shall be free and clear of any lien hereunder and shall be governed by this Section and by the Tax Certificate to be executed by the District.

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

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

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

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

(2) not later than 60 days after the payment of all Bonds, an amount equal to 100% of the “rebate amount” calculated as of the date of such payment (and any income attributable to the “rebate amount” determined to be due and payable) in accordance with Section 1.148-3 of the Treasury Regulations.

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

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

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

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

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

SECTION 15. Security for the Bonds. There shall be levied on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Bonds are outstanding in an amount sufficient to pay the principal and Accreted Value of and interest on the Bonds when due, which moneys when collected will be placed in the Debt Service Fund of the District, which fund is irrevocably pledged for the payment of the principal and Accreted Value of and interest on the Bonds when and as the same fall due.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal and Accreted Value of and interest on the Bonds as the same become due and payable, shall be transferred by the Treasurer-Tax Collector of the County to the Bond Registrar which, in turn, shall pay such moneys to DTC to pay the principal and Accreted Value of and interest on the Bonds. DTC will thereupon make payments of principal and Accreted Value and interest on the Bonds to the DTC Participants who will thereupon make payments of principal and Accreted Value and interest to the beneficial owners of the Bonds. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, pursuant to the Education Code Section 15234.

SECTION 16. Arbitrage Covenant. The District covenants that it will restrict the use of the proceeds of the Bonds in such manner and to such extent, if any, as may be necessary, so that the Bonds will not constitute arbitrage bonds under Section 148 of the Code and the applicable regulations prescribed under that Section or any predecessor section. Calculations for determining arbitrage requirements are the sole responsibility of the District.

SECTION 17. Conditions Precedent. The Board determines that all acts and conditions necessary to be performed by the Board or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

SECTION 18. Official Statement. The Preliminary Official Statement relating to the Bonds, substantially in the form on file with the Secretary of the Board is hereby approved and the Authorized Officers, each alone, are hereby authorized and directed, for and in the name and on behalf of the District, to deliver such Preliminary Official Statement to Underwriters to be used in connection with the offering

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

SECTION 19. Insurance. In the event the District purchases bond insurance for the Bonds, and to the extent that the Bond Insurer makes payment of the principal, interest or Accreted Interest on the Bonds, it shall become the owner of such Bonds with the right to payment of principal, interest or Accreted Interest on the Bonds, and shall be fully subrogated to all of the Owners’ rights, including the Owners’ rights to payment thereof. To evidence such subrogation (i) in the case of subrogation as to claims that were past due interest components, the Bond Registrar shall note the Bond Insurer’s rights as subrogee on the registration books for the Bonds maintained by the Bond Registrar upon receipt of a copy of the cancelled check issued by the Bond Insurer for the payment of such interest to the Owners of the Bonds, and (ii) in the case of subrogation as to claims for past due Principal or Accreted Value, the Bond Registrar shall note the Bond Insurer as subrogee on the registration books for the Bonds maintained by the Bond Registrar upon surrender of the Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

SECTION 20. Defeasance. All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Debt Service Fund (as hereinafter defined) is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal and interest and premium, if any; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal and interest represented thereby and redemption premiums, if any) at or before their maturity date;

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

For purposes of this Section, Government Obligations shall mean:

Direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or “prerefunded” municipal

obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service.

SECTION 21. Nonliability of Counties. Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the Counties, nor their officials, officers, employees or agents shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Bonds are not a debt of the Counties or a pledge of the Counties' full faith and credit, and the Bonds and any liability in connection therewith shall be paid solely from the moneys of the District.

SECTION 22. Indemnification of Counties. The District shall defend, indemnify and hold harmless the Counties, their officials, officers, agents and employees ("Indemnified Parties") against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Parties may become subject based in whole or in part upon any acts or omission related to the Bonds, except with regard to the Counties' responsibilities under Section 24 hereof. The District shall also reimburse the Indemnified Parties for any legal or other costs and expenses incurred in connection with investigating or defending any such claims or liabilities.

SECTION 23. Reimbursement of the Counties Costs. The District shall reimburse the Counties for all costs and expenses incurred by the Counties, their officials, officers, agents and employees in issuing or otherwise in connection with the Bonds.

SECTION 24. Request to Counties to Levy Tax. The Board of Supervisors and officers of the Counties are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the Board of Supervisors of each of the Counties to annually levy a tax upon all taxable property in the District sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds.

SECTION 25. Other Actions. (a) Officers of the Board and District officials and staff are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to proceed with the issuance of the Bonds and otherwise carry out, give effect to and comply with the terms and intent of this Resolution. Such actions heretofore taken by such officers, officials and staff are hereby ratified, confirmed and approved.

(b) The Board hereby appoints RBC Capital Markets Corporation, as representative of itself, Piper Jaffray & Co. and E. J. De La Rosa & Co., Inc. as the Underwriters, Stradling, Yocca, Carlson & Rauth, a Professional Corporation, as bond counsel and Orrick Herrington & Sutcliffe LLP as disclosure counsel, with respect to the issuance of the Bonds.

(c) The provisions of this Resolution may be amended by the Purchase Contract and the Official Statement.

SECTION 26. Resolution to County Treasurer-Tax Collector. The Secretary of this Board is hereby directed to provide a certified copy of this Resolution to the Treasurer-Tax Collector of San Bernardino County immediately following its adoption.

SECTION 27. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section. Noncompliance with this Section shall not result in acceleration of the Bonds.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

SECTION 29. Effective Date. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this 17th day of September 2009, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

President, Board of Education
Colton Joint Unified School District

Attest:

Secretary, Board of Education
Colton Joint Unified School District

I, _____, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, which was duly adopted by the Board of Education of the Colton Joint Unified School District at a meeting thereof held on the 17th day of September 2009, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By: _____
Secretary

EXHIBIT A
FORMS OF BONDS

(Form of Current Interest Bond)

REGISTERED
NO.

REGISTERED
\$

COLTON JOINT UNIFIED SCHOOL DISTRICT
(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES A

<u>INTEREST RATE:</u> ___% per annum	<u>MATURITY DATE:</u> August 1, ____	<u>DATED AS OF:</u> _____, 2009	<u>CUSIP</u>
-----------------------------------------	-----------------------------------------	------------------------------------	--------------

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Colton Joint Unified School District (the "District") in San Bernardino and Riverside Counties, California (the "Counties"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the "Bond Payment Dates"), commencing February 1, 2010. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2010, in which event it shall bear interest from the Date of Delivery. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Bond Registrar, initially U.S. Bank National Association. Principal is payable upon presentation and surrender of this bond at the principal office of the Bond Registrar. Interest is payable by check or draft mailed by the Bond Registrar on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the "Record Date"). The Owner of Current Interest Bonds in the aggregate principal amount of \$1,000,000 or more may request in writing to the Bond Registrar that the Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the election and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a special election held on November 4, 2008, upon the question of issuing bonds in the amount of \$225,000,000 and the resolution of the Board of Education of the District adopted on September 17, 2009 (the "Bond Resolution"). This

bond and the issue of which this bond is one are payable as to both principal and interest solely from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

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

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

Neither the District nor the Bond Registrar will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Current Interest Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their fixed maturity dates. The Current Interest Bonds maturing on or after August 1, 20__ are subject to redemption on or after August 1, 20__ at the option of the District as a whole on any date, or in part on any Bond Payment Date at the following Redemption Prices (expressed as percentages of the Principal Amount of the Current Interest Bonds to be redeemed) plus interest accrued thereon to the dates fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
-------------------------	--------------------------

The Current Interest Bonds maturing on August 1, 20__ are subject to mandatory redemption from moneys in the Debt Service Fund prior to their stated maturity date, at the Principal Amount thereof without premium on each August 1, on and after August 1, 20__, in the Principal Amounts as set forth in the following table:

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

TOTAL	\$
-------	----

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

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

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

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

IN WITNESS WHEREOF, the Colton Joint Unified School District, San Bernardino and Riverside Counties, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Secretary to the Board of Education of the District, all as of the date stated above.

COLTON JOINT UNIFIED SCHOOL DISTRICT

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

COUNTERSIGNED:

(Facsimile Signature)
Secretary to the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2009

U.S. BANK NATIONAL ASSOCIATION, *as Paying Agent and Registrar*

Authorized Officer

ASSIGNMENT

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

Dated: _____

Signature Guaranteed:

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

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

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

LEGAL OPINION

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

(Facsimile Signature)
Secretary, Board of Education

(Form of Legal Opinion)

This bond is not subject to optional redemption prior to maturity.

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

Neither the District nor the Bond Registrar will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Bonds maturing on August 1, 20__ are subject to mandatory redemption from moneys in the Debt Service Fund prior to their stated maturity date, at the Accreted Value thereof without premium on each August 1, on and after August 1, 20__, in the Accreted Value as set forth in the following table:

Redemption Dates

Accreted Values

\$

TOTAL

\$

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

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

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

IN WITNESS WHEREOF, the Colton Joint Unified School District, San Bernardino and Riverside Counties, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Secretary to the Board of Education of the District, all as of the date stated above.

COLTON JOINT UNIFIED SCHOOL DISTRICT

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

COUNTERSIGNED:

(Facsimile Signature)
Secretary to the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2009.

U.S. BANK NATIONAL ASSOCIATION, *as Paying Agent and Registrar*

Authorized Officer

ASSIGNMENT

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

Dated: _____

Signature Guaranteed:

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

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

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

LEGAL OPINION

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

(Facsimile Signature)
Secretary, Board of Education

(Form of Legal Opinion)

(Form of Build America Bond)

REGISTERED
NO.

REGISTERED
\$

COLTON JOINT UNIFIED SCHOOL DISTRICT
(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)
ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES A-1
(BUILD AMERICA BONDS – DIRECT PAYMENT TO DISTRICT)
(FEDERALLY TAXABLE)

INTEREST RATE: MATURITY DATE: DATED AS OF: CUSIP
____% per annum August 1, ____ _____, 2009

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Colton Joint Unified School District (the “District”) in San Bernardino and Riverside Counties, California (the “Counties”), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon until the Principal Amount is paid or provided for at the Interest Rate stated above, on February 1 and August 1 of each year (the “Bond Payment Dates”), commencing February 1, 2010. This bond will bear interest from the Bond Payment Date next preceding the date of authentication hereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to the Bond Payment Date, inclusive, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2010, in which event it shall bear interest from the Date of Delivery. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. Principal and interest are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the “Registered Owner”) on the Register maintained by the Bond Registrar, initially U.S. Bank National Association. Principal is payable upon presentation and surrender of this bond at the principal office of the Bond Registrar. Interest is payable by check or draft mailed by the Bond Registrar on each Bond Payment Date to the Registered Owner of this bond (or one or more predecessor bonds) as shown and at the address appearing on the Register at the close of business on the 15th day of the calendar month next preceding that Bond Payment Date (the “Record Date”). The Owner of Current Interest Bonds in the aggregate principal amount of \$1,000,000 or more may request in writing to the Bond Registrar that the Owner be paid interest by wire transfer to the bank and account number on file with the Bond Registrar as of the Record Date.

This bond is one of an authorization of bonds approved to raise money for the purposes authorized by voters of the District at the election and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite vote of the electors of the District cast at a special election held on November 4, 2008, upon the question of issuing bonds in the amount of \$225,000,000 and the resolution of the Board of Education of the District adopted on September 17, 2009 (the “Bond Resolution”). This bond and the issue of which this bond is one are payable as to both principal and interest solely from the

proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount in accordance with California Education Code Sections 15250 and 15252.

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

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

Neither the District nor the Bond Registrar will be required (a) to issue or transfer any bond during a period beginning with the opening of business on the 15th business day next preceding either any Bond Payment Date or any date of selection of bonds to be redeemed and ending with the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) to transfer any bond which has been selected or called for redemption in whole or in part.

The Bonds maturing on or after August 1, 20__ are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 20__, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Upon the occurrence of an Extraordinary Event (as defined below) the Bonds shall be subject to extraordinary optional redemption, in whole or in part, on any date at a redemption price (“Series A-1 Extraordinary Optional Redemption Price”) equal to the greater of (i) the Issue Price of the principal amount of the Bonds to be redeemed, plus interest accrued to the redemption date, and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Bonds are to be redeemed, discounted to the date on which such Bonds are to be redeemed on a semi-annual basis, assuming 360-day year consisting of twelve 30- day months, at the Treasury Rate plus 1.00% and plus interest accrued to the redemption date. Such redemption may be made from the moneys deposited therefor in the Debt Service Fund.

“Extraordinary Event” means any event whereby Section 54AA or Section 6431 of the Code (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009 pertaining to “Qualified Build America Bonds”) is modified, amended or interpreted in a manner pursuant to which the subsidy payments (the “Subsidy Payments”) are reduced or eliminated.

“Treasury Rate” means, as of any redemption date of any Bonds, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to such redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to the maturity date of such Bonds; provided, however, that if the period from such redemption date to such maturity date is less than one year, the

weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Selection of maturities and the amounts of the Bonds of each maturity to be redeemed shall be determined by the Bond Registrar in such equitable manner as it may determine.

The Counties shall cause the tax levy imposed to pay the principal of and interest on the Bonds to be adjusted, as necessary, to reflect any reduction of Subsidy Payments.

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

<u>Redemption Date</u> <u>(August 1)</u>	<u>Principal Amount</u>
	\$
TOTAL	\$

⁽¹⁾ Maturity

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds or portions of bonds of such maturity to be redeemed shall be selected by lot by the District in such manner as the District in its discretion may determine; provided, however, that the portion of any bond to be redeemed shall be in the principal amount of Five Thousand Dollars (\$5,000) or some multiple thereof. If less than all of the bonds stated to mature on different dates shall be called for redemption, the particular bonds or portions thereof to be redeemed shall be called in any order of maturity selected by the District or, if not so selected, in the inverse order of maturity.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the bonds of this series, the rights, duties and obligations of the District, the Counties, the Bond Registrar and the Registered Owners, and the terms and conditions upon which the bonds are issued and secured, the registered Owner of this bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified and recited that all acts and conditions required by the Constitution and laws of the State of California to exist, to occur and to be performed or to have been met precedent to and in the issuing of the bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the bonds has been received; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due.

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

IN WITNESS WHEREOF, the Colton Joint Unified School District, San Bernardino and Riverside Counties, California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Secretary to the Board of Education of the District, all as of the date stated above.

COLTON JOINT UNIFIED SCHOOL DISTRICT

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

COUNTERSIGNED:

(Facsimile Signature)
Secretary to the Board of Education

CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on _____, 2009

U.S. BANK NATIONAL ASSOCIATION, *as Paying Agent and Registrar*

Authorized Officer

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address and zip code of Transferee):

_____ this bond and irrevocably constitutes and appoints attorney to transfer this bond on the books for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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

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

NEW ISSUE—BOOK-ENTRY ONLY

Ratings: (See “MISCELLANEOUS — Ratings” herein.)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Series A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” herein with respect to tax consequences relating to the Bonds.

\$ _____*
**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Election of 2008 General Obligation Bonds, Series A
(Tax-Exempt)**

\$ _____*
**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Election of 2008 General Obligation Bonds, Series A-1
(Build America Bonds – Direct Payment to District)
(Federally Taxable)**

Dated: Date of Delivery

Due: August 1, as shown herein

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series A (Tax-Exempt) (the “Series A Bonds”) and the Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series A-1 (Build America Bonds – Direct Payment to District) (Federally Taxable) (the “Series A-1 Bonds” and, together with the Series A Bonds, the “Bonds”) are issued by the Colton Joint Unified School District (the “District”) (i) to finance specific school facility construction, repair and improvement projects approved by the voters of the District, [(ii) to pay capitalized interest on the Bonds,] and [(iii)] to pay costs of issuance of the Bonds. The Bonds are being issued under the laws of the State of California (the “State”) and pursuant to a resolution of the Board of Education of the District.

The Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County of San Bernardino, California (“San Bernardino County”) and the Board of Supervisors of the County of Riverside, California (“Riverside County”) are empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District that is located within such county, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal and maturity value of and interest on the Bonds, all as more fully described herein. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS” herein.

The Bonds are being issued as current interest bonds (the “Current Interest Bonds”) and capital appreciation bonds (the “Capital Appreciation Bonds”). The Current Interest Bonds shall be issued in principal amounts of \$5,000 or integral multiples thereof as shown on the inside front cover hereof. Interest on the Current Interest Bonds is payable on each February 1 and August 1 to maturity, commencing February 1, 2010. Principal of the Current Interest Bonds is payable on August 1 in each of the years and in the amounts set forth on the inside front cover hereof. The Capital Appreciation Bonds will not pay interest on a current, periodic basis but will accrete in value to their maturity value payable only at maturity on August 1 in each of the years and in the amounts set forth on the inside cover hereof. The Capital Appreciation Bonds shall be issued in denominations of \$5,000 maturity value or any integral multiple thereof.

The Series A-1 Bonds will be issued as Current Interest Bonds designated as “Build America Bonds” under the provisions of the American Recovery and Reinvestment Act of 2009, the interest on which is not excluded from gross income for purposes of federal income taxation. See “TAX MATTERS – Series A-1 Bonds Tax Matters.” The District expects to receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable on the Series A-1 Bonds. See “THE BONDS – Designation of Series A-1 Bonds as Build America Bonds.”

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Bonds purchased by them. See “THE BONDS – Form and Registration” herein. Payments of principal and maturity value of and interest on the Bonds will be made by the Paying Agent, initially U.S. Bank National Association, to DTC for subsequent disbursement to DTC Participants, who will remit such payments to the beneficial owners of the Bonds. See “THE BONDS – Payment of Principal and Interest” herein.

The Bonds are subject to optional, extraordinary and mandatory sinking fund redemption prior to maturity as described herein. See “THE BONDS — Redemption” herein.

The District is considering proposals for the issuance of one or more municipal bond insurance policies with respect to all or a portion of the Bonds and may determine to purchase such a policy or policies for issuance concurrently with the issuance of the Bonds. If such any such policies are purchased, information concerning the insurer(s) and the municipal bond insurance policy or policies will be included in the final Official Statement for the Bonds. See “INTRODUCTION — Possible Municipal Bond Insurance” herein.

* Preliminary; subject to change.
OHS West:260639332.9

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction.

The Bonds will be offered when, as and if issued by the District and received by the Underwriters, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District; and for the Underwriters by Fulbright & Jaworski L.L.P., Los Angeles, California. It is anticipated that the Bonds, in definitive form, will be available for delivery through the facilities of DTC in New York, New York, on or about _____, 2009.

RBC Capital Markets

PiperJaffray

De La Rosa & Co.

Dated: _____, 2009

MATURITY SCHEDULE*

BASE CUSIP¹: _____

\$_____ ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES A (TAX-EXEMPT)

\$_____ Current Interest Bonds

\$_____ Current Interest Serial Bonds

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP Number¹</u>	<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP Number¹</u>
	\$	%				\$	%		

\$_____ % Current Interest Term Bonds due August 1, 20__ – Yield _____% CUSIP Number¹ – ____

\$_____ Capital Appreciation Bonds

<u>Maturity (August 1)</u>	<u>Principal (Denominational) Amount</u>	<u>Accretion Rate</u>	<u>Reoffering Yield</u>	<u>Maturity Value</u>	<u>CUSIP Number¹</u>
	\$	%	%	\$	

\$_____ ELECTION OF 2008 GENERAL OBLIGATION BONDS, SERIES A-1
(BUILD AMERICA BONDS – DIRECT PAYMENT TO DISTRICT) (FEDERALLY TAXABLE)

\$_____ Current Interest Serial Bonds

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP Number¹</u>	<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP Number¹</u>
	\$	%				\$	%		

\$_____ % Current Interest Term Bonds due August 1, 20__ – Yield _____% CUSIP Number¹ – ____

* Preliminary; subject to change.

¹ Copyright 2009, American Bankers Association. CUSIP data herein is provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriters take any responsibility for the accuracy of such CUSIP numbers.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The Bonds are exempted from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement in accordance with, and as a part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE FRONT COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
(SAN BERNARDINO AND RIVERSIDE COUNTIES, CALIFORNIA)**

BOARD OF EDUCATION

Marge Mendoza-Ware, *President*
Mel Albiso, *Vice President*
David R. Zamora, *Clerk*
Robert D. Armenta, Jr., *Member*
Patt Haro, *Member*
Frank A. Ibarra, *Member*
Kent Taylor, *Member*

DISTRICT ADMINISTRATORS

James A. Downs, *Superintendent*
Jaime R. Ayala, *Assistant Superintendent, Business Services Division*

PROFESSIONAL SERVICES

Bond Counsel

Stradling Yocca Carlson & Rauth, a Professional Corporation
San Francisco, California

Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP

Financial Advisor

C.M. de Crinis & Co., Inc.
Sherman Oaks, California

Paying Agent

U.S. Bank National Association
Los Angeles, California

TABLE OF CONTENTS

	Page
INTRODUCTION	1
General	1
The District	1
Possible Municipal Bond Insurance.....	2
THE BONDS	2
Authority for Issuance; Purpose.....	2
Form and Registration.....	2
Payment of Principal and Interest	3
Designation of Series A-1 Bonds as Build America Bonds.....	4
Redemption.....	4
Defeasance of Bonds.....	7
Application and Investment of Bond Proceeds.....	8
Estimated Sources and Uses of Funds	8
Debt Service.....	9
Outstanding General Obligation Bonds	9
Aggregate Debt Service	10
SECURITY AND SOURCE OF PAYMENT FOR THE BONDS	10
General	10
Property Taxation System.....	11
Assessed Valuation of Property Within the District	11
Tax Rates	17
Tax Charges and Delinquencies.....	19
Direct and Overlapping Debt	20
TAX MATTERS.....	22
Series A Bonds Tax Matters	22
Series A-1 Bonds Tax Matters	23
OTHER LEGAL MATTERS	24
Legal Opinion	24
Legality for Investment in California.....	24
Continuing Disclosure	24
No Litigation.....	24
MISCELLANEOUS	25
Ratings	25

TABLE OF CONTENTS
(continued)

	Page
Professionals Involved in the Offering	25
Underwriting	25
APPENDIX A INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET	A-1
APPENDIX B FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2008	B-1
APPENDIX C PROPOSED FORM OF OPINION OF BOND COUNSEL	C-1
APPENDIX D FORM OF CONTINUING DISCLOSURE CERTIFICATE	D-1
APPENDIX E SUMMARY OF COUNTY OF SAN BERNARDINO INVESTMENT POLICIES AND PRACTICES AND DESCRIPTION OF INVESTMENT POOL	E-1
APPENDIX F COUNTY INVESTMENT POLICY	F-1
APPENDIX G BOOK-ENTRY ONLY SYSTEM	G-1
APPENDIX H TABLE OF ACCRETED VALUES	H-1

\$ _____*
COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Election of 2008 General Obligation Bonds, Series A
(Tax-Exempt)

\$ _____*
COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Election of 2008 General Obligation Bonds, Series A-1
(Build America Bonds – Direct Payment to District)
(Federally Taxable)

INTRODUCTION

General

This Official Statement, which includes the cover page and appendices hereto, is provided to furnish information in connection with the sale of \$ _____* aggregate principal amount of Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series A (Tax-Exempt) (the “Series A Bonds”) and \$ _____* aggregate principal amount of Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series A-1 (Build America Bonds – Direct Payment to District) (Federally Taxable) (the “Series A-1 Bonds” and, together with the Series A Bonds, the “Bonds”), consisting of current interest bonds (the “Current Interest Bonds”) and capital appreciation bonds (the “Capital Appreciation Bonds”), to be offered by the Colton Joint Unified School District (the “District”).

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificate to be executed by the District. See “OTHER LEGAL MATTERS – Continuing Disclosure.”

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the resolution of the Board of Education of the District providing for the issuance and payment of the Bonds and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Bonds.

Copies of documents referred to herein and information concerning the Bonds are available from the District by contacting: Colton Joint Unified School District, 1212 Valencia Drive, Colton, CA 92324, Attention: Assistant Superintendent of Business Services. The District may impose a charge for copying, handling and mailing such requested documents.

The District

The District has operated as a joint unified school district since July 1966 and is comprised of an area of approximately 48 square miles in the County of San Bernardino (“San Bernardino County”) and the County of Riverside (“Riverside County” and together with San Bernardino County, the “Counties”). The District operates 19 elementary schools, four middle schools, two comprehensive high schools, one continuation school, one alternative high school, an adult education program and a child development center. The District estimates that total current enrollment is approximately 24,253 students. For

* Preliminary; subject to change.

additional information about the District, see Appendix A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET.”

Possible Municipal Bond Insurance

In connection with the issuance of the Bonds, the District is considering obtaining from one or more municipal bond insurers a municipal bond insurance policy to guarantee the full and complete payment of the principal and accreted value of and interest on all or a portion of the Bonds as such payments shall become due, in accordance with the terms of any such policy.

No assurance can be given as to (i) whether the District will decide to obtain any such municipal bond insurance policy in connection with the issuance of the Bonds, (ii) which municipal bond insurers, if any, will be selected to provide such municipal bond insurance, or (iii) whether the District will insure all or less than all of the Bonds. The decision as to whether or not one or more municipal bond insurance policies will be obtained with respect to all or a portion of the Bonds and, if so, the identity of such insurer(s), will be made at or about the time of the pricing of the Bonds and will be based upon, among other things, market conditions existing at such time. If the District does decide to obtain any such policies, it will be a condition to the issuance of the Bonds that such policies be issued concurrently with the issuance of the Bonds.

THE BONDS

Authority for Issuance; Purpose

The Bonds are issued under the provisions of Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the California Education Code and Article XIII A of the California Constitution and pursuant to a resolution adopted by the Board of Education of the District on September 17, 2009 (the “Resolution”).

At an election held on November 4, 2008, the District received authorization under a ballot measure to issue bonds of the District in an aggregate principal amount not to exceed \$225 million to finance specific school facility construction, repair and improvement projects (the “2008 Authorization”), summarized as follows: build middle and high schools, improve libraries, science and computer labs, repair restrooms, increase security, after-school program and joint-use space, drop-off zone safety, and acquire, construct, repair equipment, sites and facilities. The measure required approval by at least 55% of the votes cast by eligible voters within the District, and received a favorable vote of approximately 73%. The Bonds represent the first and the second series of bonds to be issued under the 2008 Authorization and will be issued to finance authorized projects. Upon issuance of the Bonds, \$_____ of bonds will remain authorized but unissued under the 2008 Authorization.

Form and Registration

The Bonds will be issued in fully registered form only, without coupons, in denominations of \$5,000 principal or maturity amount or any integral multiple thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC will act as security depository of the Bonds. Purchases of Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in Bonds will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Bonds, beneficial owners will not receive physical certificates representing their ownership interests. See Appendix G – “BOOK-ENTRY ONLY SYSTEM.”

Payment of Principal and Interest

The Bonds are being issued as Current Interest Bonds and Capital Appreciation Bonds.

Current Interest Bonds. The Current Interest Bonds will be dated as of their date of original delivery, and bear interest at the rates set forth on the inside front cover page of this Official Statement, payable on each February 1 and August 1 to maturity (each, an “Interest Date”), commencing February 1, 2010, computed on the basis of a 360-day year of twelve 30-day months. Each Current Interest Bond will bear interest from the Interest Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Interest Date to that Interest Date, inclusive, in which event it will bear interest from such Interest Date, or unless it is authenticated on or before January 15, 2010, in which event it will bear interest from date of original delivery.

Capital Appreciation Bonds. The Capital Appreciation Bonds will be dated as of their date of original delivery. The Capital Appreciation Bonds will not bear interest on a current, periodic basis; instead, each Capital Appreciation Bond will increase in value, in equal daily amounts on the basis of a 360-day year of twelve 30-day months, by the accumulation of earned interest from its initial principal amount on the date of issuance (as stated on the inside front cover page of this Official Statement) to its maturity value on the date of maturity (“Maturity Value”), as stated on the inside front cover page of this Official Statement. Interest commences to accrete on the date of original delivery, and is compounded on each Interest Date, commencing February 1, 2010.

The rate of interest at which a Capital Appreciation Bond’s Maturity Value is discounted to its initial principal amount is known as the “Accretion Rate,” and is stated on the inside front cover page of this Official Statement. For any Capital Appreciation Bond, the imputed value of principal plus accrued interest on any given Interest Date prior to maturity may be calculated by discounting the Maturity Value of the Capital Appreciation Bond from its maturity date to that Interest Date at a discount rate equal to the Accretion Rate, assuming a year of 360 days, comprising twelve 30-day months. The imputed value on any other date may be calculated on the basis of a straight-line interpolation between the values calculated for the Interest Dates immediately preceding and following the date in question.

The Underwriters have prepared the Tables of Accreted Values shown in Appendix H hereto, in order to provide the imputed value per \$5,000 of Maturity Value for each Capital Appreciation Bond on each Interest Date prior to maturity. See “TAX MATTERS–Series A Bonds Tax Matters” herein for Bond Counsel’s discussion of the federal tax treatment of accrued interest on the Capital Appreciation Bonds.

Payment of interest on any Current Interest Bond on any Interest Date will be made to the person appearing on the registration books of U.S. Bank National Association, as the authenticating agent, bond registrar, transfer agent and paying agent with respect to the Bonds (the “Paying Agent”) as the registered owner thereof (the “Owner”) as of the 15th day of the month immediately preceding such Interest Date (the “Record Date”), such interest to be paid by check mailed to such Owner on the Interest Date at his address as it appears on such registration books or at such other address as he may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner in an aggregate principal amount of \$1,000,000 or more may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal, and redemption price, if any, payable on the Current Interest Bonds and the accreted value and redemption price, if any, on the Capital Appreciation Bonds will be payable upon maturity or redemption upon surrender at the principal office of the Paying Agent.

The interest, accreted value, principal and premiums, if any, on the Bonds will be payable in lawful money of the United States of America from monies on deposit in the interest and sinking fund of the District within the San Bernardino County treasury (the “Interest and Sinking Fund”), consisting of *ad valorem* taxes collected and held by the treasurer-tax collectors of San Bernardino County and Riverside County, together with any premium and accrued interest received by the District upon issuance of the Bonds. So long as all outstanding Bonds are held in book-entry form and registered in the name of a securities depository or its nominee, all payments of interest, accreted value, principal and premiums, if any, on the Bonds and all notices with respect to such Bonds shall be made and given to such securities depository or its nominee and not to beneficial owners. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment shall be made by wire transfer. See Appendix G – “BOOK-ENTRY ONLY SYSTEM.”

Designation of Series A-1 Bonds as Build America Bonds

The Series A-1 Bonds will be issued as Current Interest Bonds and will be designated as “Build America Bonds” for purposes of the American Recovery and Reinvestment Act of 2009, signed into law on February 17, 2009 (the “Recovery Act”). The District expects to receive a cash subsidy payment (the “Subsidy”) from the United States Treasury (the “Treasury”) pursuant to the Recovery Act equal to 35% of the interest payable on the Series A-1 Bonds on or about each Interest Date for the Series A-1 Bonds. The Subsidy does not constitute a full faith and credit guarantee of the United States with respect to the Series A-1 Bonds, but is required to be paid by the Treasury under the Recovery Act. Any Subsidy payments received by the District are required to be deposited into the Interest and Sinking Fund, [and will be available for payment of any outstanding Bonds of the District.] The County is obligated to make all payments of principal and accreted value of and interest on the Series A-1 Bonds whether or not such Subsidy payments are received pursuant to the Recovery Act and deposited in the Interest and Sinking Fund. See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS – General” herein. The District makes no assurances about future legislative or policy changes or the netting of other tax liabilities against the Subsidy by the Treasury which may affect the amount or receipt of Subsidy payments.

Redemption*

Optional Redemption. The Bonds issued as Current Interest Bonds maturing on or before August 1, 20__, are not subject to redemption prior to their respective stated maturity dates. The Bonds issued as Current Interest Bonds maturing on and after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount of the Current Interest Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

The Capital Appreciation Bonds shall not be subject to optional redemption prior to maturity.

Extraordinary Optional Redemption. [Upon the occurrence of an Extraordinary Event (as defined below) the Series A-1 Bonds shall be subject to extraordinary optional redemption, in whole or in part, on any date at a redemption price equal to the greater of (i) the principal amount of the Series A-1 Bonds to be redeemed, plus interest accrued to the redemption date, and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series A-1 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series A-1 Bonds are to be redeemed, discounted to the date on which such Series

* Preliminary; subject to change.

A-1 Bonds are to be redeemed on a semi-annual basis, assuming 360-day year consisting of 12 30- day months, at the Treasury Rate plus 1.00% and plus interest accrued to the redemption date.]

[“Extraordinary Event” means any event whereby Section 54AA or Section 6431 of the Code (as such Sections were added by Section 1531 of the American Recovery and Reinvestment Act of 2009 pertaining to “Build America Bonds”) is modified, amended or interpreted in a manner pursuant to which the Subsidy payments are reduced or eliminated.]

[“Treasury Rate” means, as of any redemption date of any Series A-1 Bonds, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two business days prior to such redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to the maturity date of such Series A-1 Bonds; provided, however, that if the period from such redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.]

Mandatory Sinking Fund Redemption. The \$_____ Series A Bonds issued as term Current Interest Bonds and maturing on August 1, 20__, are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

†

_____† Maturity.

The principal amount to be redeemed in each year shown above will be reduced proportionately, in integral multiples of \$5,000, by any portion of such Current Interest Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

The \$_____ Series A-1 Bonds maturing on August 1, 20__, are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

†

† Maturity.

The principal amount to be redeemed in each year shown above will be reduced proportionately, in integral multiples of \$5,000, by any portion of such Series A-1 Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

The Capital Appreciation Bonds shall not be subject to mandatory sinking fund redemption prior to maturity.

Selection of Bonds for Redemption. If less than all of the Bonds of a series are called for redemption, the Paying Agent, upon written instruction from the District, will select Bonds of such series for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds of a series for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent will determine; provided, however, that the portion of any Bonds of a series to be redeemed in part will be in denominations of \$5,000 principal or Maturity Value or any integral multiple thereof.

Notice of Redemption. Notice of redemption of any Bond will be given at least 30 days, but not more than 45 days, prior to the redemption date (i) by registered or certified mail, postage prepaid, to the respective Owners of Bonds designated for redemption, at the addresses appearing on the bond registration books, (ii) by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission or overnight delivery service, to the securities depository for the Bonds (initially, DTC), (iii) by registered or certified mail, postage prepaid or overnight delivery service, to one information service (Financial Information, Inc.'s Daily Called Bond Service; Mergent, Inc.'s Called Bond Department; or Standard & Poor's J.J. Kenny Information Services' Called Bond Service), and (iv) as may be further required in accordance with the Continuing Disclosure Certificate. See Appendix D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Each notice of redemption will contain the following information: (i) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (ii) the date of redemption, (iii) the place or places where the redemption will be made, including the name and address of the Paying Agent, (iv) the redemption price, (v) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (vi) the bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal or denominational amount of such Bond to be redeemed, and (vii) the original issue date, interest rate or Accretion Rate and stated maturity date of each Bond to be redeemed in whole or in part. The Resolution provides that such redemption notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed at the redemption price thereof, together with the interest accrued or accreted to the redemption date, and that from and after such date, interest with respect thereto shall cease to accrue or accrete.

The Resolution provides that neither failure to receive or failure to publish any redemption notice nor any defect in any such redemption notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds.

Effect of Notice of Redemption. When notice of redemption has been given as described above, and the moneys for the redemption (including the interest to the applicable date of redemption) have been set aside in the District's Interest and Sinking Fund, the Bonds to be redeemed will become due and payable on such date of redemption. The Resolution provides that, if on such redemption date, money for the redemption of all the Bonds to be redeemed as described above, together with interest accrued to such redemption date, shall be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof shall have been given as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue or accrete and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed.

Defeasance of Bonds

The Resolution provides that the District may defease all or any portion of the outstanding maturities of the Bonds prior to maturity in the following ways: (i) by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which together with amounts then on deposit in the Interest and Sinking Fund is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal and interest and premium, if any; or (ii) by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations (defined below) together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and moneys then on deposit in the Interest and Sinking Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal and interest represented thereby and redemption premiums, if any) at or before their maturity date. The Resolution provides that if either of the above provisions is met, then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent or an independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to clause (i) or (ii) above, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

The Resolution provides that, for purposes of these defeasance provisions, the term "Government Obligations" means direct and general obligations of the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, or "prerefunded" municipal obligations rated in the highest rating category by Moody's Investors Service or Standard & Poor's. The Resolution provides that, in the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations, and provides that investments in such proportionate interests must be limited to circumstances where (i) a bank or trust company acts as custodian and holds the underlying United States obligations; (ii) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (iii) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed "AAA" by Standard & Poor's or "Aaa" by Moody's Investors Service.

Application and Investment of Bond Proceeds

The proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be deposited in the San Bernardino County treasury to the credit of the building fund of the District (the “Building Fund”) and shall be accounted for separately from all other District and San Bernardino County funds. Such proceeds shall be applied solely for the purposes for which the Bonds were authorized. Any premium or accrued interest received by the District will be deposited in the Interest and Sinking Fund of the District in the San Bernardino County treasury. Interest and earnings on each fund will accrue to that fund.

All funds held by the San Bernardino County treasurer in the Building Fund are expected to be invested on behalf of the District by San Bernardino County in such investments as are authorized by Section 53601 and following of the California Government Code, consistent with the investment policy of the County. See Appendix E – “SUMMARY OF COUNTY OF SAN BERNARDINO INVESTMENT POLICIES AND PRACTICES AND DESCRIPTION OF INVESTMENT POOL.” See also Appendix F – “COUNTY INVESTMENT POLICY.” The District may direct that certain investments in the Building Fund be deposited with a state or national bank or trust company located within the State or with the Federal Reserve Bank of San Francisco or any branch thereof within the State, or with any Federal Reserve bank or with any state or national bank located in any city designated as a reserve city by the Board of Governors of the Federal Reserve System in accordance with Sections 41015 and 41016 of the California Education Code.

Estimated Sources and Uses of Funds

The proceeds of the Bonds are expected to be applied as follows:

**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Election of 2008 General Obligation Bonds, Series A (Tax-Exempt) and
Election of 2008 General Obligation Bonds, Series A-1
(Build America Bonds – Direct Payment to District) (Federally Taxable)**

Estimated Sources and Uses of Funds

<u>Sources of Funds:</u>	Series A Bonds	Series A-1 Bonds	Total
Par Amount of Bonds	\$	\$	\$
Plus Net Original Issue Premium			
Total Sources of Funds	<u>\$</u>	<u>\$</u>	<u>\$</u>
 <u>Uses of Funds:</u>			
Deposit to Building Fund	\$	\$	\$
Costs of Issuance ⁽¹⁾			
Deposit to Interest and Sinking Fund ⁽²⁾			
Total Uses of Funds	<u>\$</u>	<u>\$</u>	<u>\$</u>

⁽¹⁾ Includes underwriters’ discount, Bond Counsel, Disclosure Counsel, District Counsel, Financial Advisor and other consultant fees, bond insurance premium, if any, rating agency fees, initial Paying Agent fees, printing fees and other miscellaneous fees and expenses.

⁽²⁾ Consists of premium received by the District and constituting capitalized interest on the Bonds.

Debt Service

Debt service on the Bonds, assuming no early redemptions, is as shown in the following table.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Election of 2008 General Obligation Bonds, Series A (Tax-Exempt) and
Election of 2008 General Obligation Bonds, Series A-1
(Build America Bonds – Direct Payment to District) (Federally Taxable)
Debt Service**

Year (ending August 1)	Series A Bonds				Series A-1 Bonds		Annual Debt Service
	Current Interest Bonds		Capital Appreciation Bonds		Current Interest Bonds		
	Principal	Interest	Principal	Interest Paid at Maturity	Principal	Interest	
2010	\$	\$	\$	\$	\$	\$	\$
2011							
2012							
2013							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
Total:	\$	\$	\$	\$	\$	\$	\$

Outstanding General Obligation Bonds

In addition to the Bonds, the District has outstanding three additional series of general obligations, each of which is secured by *ad valorem* taxes upon all property subject to taxation by the District. On September 25, 2001, a two-thirds majority of the voters of the District approved \$102,000,000 principal amount of general obligation bonds (the “2001 Authorization”). On April 10, 2002, the District issued \$28,700,000 aggregate initial principal amount of its 2001 General Obligation Bonds, Series A (the “2001A Bonds”) as the District’s first series under the 2001 Authorization. On July 14, 2004, the District issued \$23,177,726 aggregate initial principal amount of its 2001 General

Obligation Bonds, Series B (the “2001B Bonds”). On January 11, 2006, the District issued \$50,122,151 aggregate initial principal amount of its 2001 General Obligation Bonds, Series C (the “2001C Bonds”) as the District’s third and final series under the 2001 Authorization. See also Appendix A – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – District Debt Structure – General Obligation Bonds.”

Aggregate Debt Service

Debt service on all of the District’s outstanding general obligation bonds, including the Bonds, assuming no early redemptions, is as shown in the following table.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
General Obligation Bonds - Aggregate Debt Service**

Period Ending August 1,	2001A Bonds	2001B Bonds	2001C Bonds	Series A Bonds	Series A-1 Bonds	Total Annual Debt Service
2010	\$ 1,696,462.50	\$ 1,566,367.50	\$ 3,626,862.50			
2011	2,396,800.00	955,717.50	2,837,237.50			
2012	2,389,100.00	1,055,717.50	3,454,425.00			
2013	2,381,350.00	1,156,717.50	3,361,825.00			
2014	2,371,037.50	1,268,517.50	3,274,825.00			
2015	2,371,537.50	1,370,517.50	3,163,650.00			
2016	2,364,037.50	1,482,037.50	3,069,150.00			
2017	2,389,037.50	1,562,812.50	2,929,925.00			
2018	2,339,325.00	1,723,281.26	2,897,800.00			
2019	2,331,500.00	1,849,356.26	2,747,262.50			
2020	2,324,825.00	1,970,281.26	2,624,350.00			
2021	2,314,025.00	2,102,018.76	2,517,750.00			
2022	2,309,100.00	2,233,518.76	2,391,675.00			
2023	2,434,500.00	2,237,250.00	2,132,175.00			
2024	2,560,225.00	2,242,500.00	2,001,337.50			
2025	2,683,587.50	2,258,250.00	1,877,862.50			
2026	2,824,050.00	2,258,750.00	1,716,487.50			
2027		5,229,500.00	4,544,312.50			
2028		5,375,000.00	1,575,000.00			
2029		2,600,000.00	1,425,000.00			
2030			4,200,000.00			
2031			6,800,000.00			
2032			6,800,000.00			
2033			6,800,000.00			
2034			6,800,000.00			
2035			6,800,000.00			
2036			6,795,000.00			
2037			6,795,000.00			
2038			6,795,000.00			
Total:	<u>\$40,480,500.00</u>	<u>\$40,480,500.00</u>	<u>\$112,753,912.50</u>			

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on a school district’s bonds, the board of supervisors of the county, the superintendent of schools of which has jurisdiction over such school district, is empowered and is obligated to levy *ad valorem* taxes upon all

property subject to taxation by such school district, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the school district. In the case of a school district, like the District, lying in two or more counties, the assessor of each of the counties in which the district lies, must annually certify to the board of supervisors of each of the counties in which any portion of the school district is situated, the assessed value of all taxable property in the county situated in the school district, and the *ad valorem* tax must be levied according to the ratio which the assessed value of the property in the school district in any county bears to the total assessed value of the property in the school district. Each board of supervisors must levy upon the property of the school district within its own county the rate of tax that will be sufficient to raise not less than the amount needed to pay the interest and any portion of the principal of the bonds that is to become due during the year.

Accordingly, each of the Board of Supervisors of San Bernardino County and the Board of Supervisors of Riverside County must levy upon the property of the District within its own county the rate of tax that will be sufficient to provide sufficient funds for repayment of principal and interest when due on the Bonds according to the ratio which the assessed value of the property in the District in its own county bears to the total assessed value of the property in the District. When collected, the tax revenues will be deposited by both counties in the District's Interest and Sinking Fund, which is required to be maintained by San Bernardino County as the county, the superintendent of schools of which has jurisdiction over the District, and to be used solely for the payment of bonds of the District. See Appendix E – "SUMMARY OF COUNTY OF SAN BERNARDINO INVESTMENT POLICIES AND PRACTICES AND DESCRIPTION OF INVESTMENT POOL." See also Appendix F – "COUNTY INVESTMENT POLICY."

Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts receive property taxes for payment of voter-approved bonds as well as for general operating purposes.

Local property taxation is the responsibility of various county officers. School districts whose boundaries extend into more than one county are treated for property tax purposes as separate jurisdictions in each county in which they are located. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the treasurer-tax collector of the county, the superintendent of schools of which has jurisdiction over the school district, holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on the bonds when due, as *ex officio* treasurer of the school district.

Assessed Valuation of Property Within the District

Taxable property located in the District has a 2009-10 assessed value of \$7,999,337,029 (before redevelopment increment). All property (real, personal and intangible) is taxable unless an exemption is granted by the California Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real

property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization, as described below under the heading, *State-Assessed Property*.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed.

State-Assessed Property. Under the Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property's value will no longer be divided among all taxing jurisdictions in the applicable county. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the applicable county. The District is unable to predict future transfers of State-assessed property in the District and the Counties, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Locally taxed property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as "utility" property.

Under California law, a city or county can create a redevelopment agency in territory within one or more school districts. Upon formation of a "project area" of a redevelopment agency, most property tax revenues attributable to the growth in assessed value of taxable property within the project area (known as "tax increment") belong to the redevelopment agency, causing a loss of tax revenues to other local taxing agencies, including school districts, from that time forward. However, taxes collected for payment of debt service on school bonds are not affected or diverted by the operation of a redevelopment agency project area. Moreover, some school districts have negotiated "pass-through agreements" with their local redevelopment agencies, entitling the district to receive a portion of the tax increment revenue that would otherwise belong to the redevelopment agency (provided such revenue is not pledged and needed to pay debt service on redevelopment agency tax-increment bonds). In some cases the pass-

through is mandated by statute. See APPENDIX A - “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET—DISTRICT FINANCIAL MATTERS—Tax Increment Revenues.” There are 14 project areas established within the territory of the District.

Shown in the following tables are the assessed valuations of the various classes of property in the District in recent years.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Assessed Valuations
Fiscal Years 2004-05 through 2009-10**

County of San Bernardino Portion

Fiscal Year	Local Secured	Utility	Unsecured	Total Before Redevelopment Increment	Total After Redevelopment Increment ⁽¹⁾
2004-05	\$ 4,634,807,481	\$ 36,265,754	\$ 444,876,592	\$ 5,115,949,827	\$ 2,588,202,648
2005-06	5,369,659,011	25,115,241	510,416,377	5,905,190,629	2,895,741,038
2006-07	6,292,592,394	22,441,645	508,259,896	6,823,293,935	3,251,087,619
2007-08	7,490,571,139	14,200,411	584,091,064	8,088,862,614	3,714,486,687
2008-09	7,925,532,929	14,115,537	627,479,297	8,567,127,763	3,945,441,572
2009-10	7,209,867,555	13,866,914	670,347,398	7,894,081,867	3,598,181,984

⁽¹⁾ Special (voter-approved) *ad valorem* property taxes collected for payment of debt service on school district bonds are based on assessed valuation before reduction for redevelopment increment and such special *ad valorem* property taxes are not affected or diverted by the operation of a redevelopment agency project area.

Source: California Municipal Statistics, Inc. for Fiscal Year 2004-05 through 2008-09; County of San Bernardino for Fiscal Year 2009-10.

County of Riverside Portion

Fiscal Year	Local Secured	Utility	Unsecured	Total Before Redevelopment Increment	Total After Redevelopment Increment ⁽¹⁾
2004-05	\$ 74,173,533	-	\$ 248,597	\$ 74,422,130	\$ 74,422,130
2005-06	85,841,193	-	205,079	86,046,272	86,046,272
2006-07	99,662,436	-	227,239	99,889,675	99,889,675
2007-08	109,917,458	-	202,186	110,119,644	110,119,644
2008-09	112,309,846	-	205,330	112,515,176	112,515,176
2009-10	103,853,598	1,190,000	211,564	105,255,162	[_____]

⁽¹⁾ Special (voter-approved) *ad valorem* property taxes collected for payment of debt service on school district bonds are based on assessed valuation before reduction for redevelopment increment and such special *ad valorem* property taxes are not affected or diverted by the operation of a redevelopment agency project area.

Source: California Municipal Statistics, Inc. for Fiscal Year 2004-05 through 2008-09; County of Riverside for Fiscal Year 2009-10.

Total District

Fiscal Year	Local Secured	Utility	Unsecured	Total Before Redevelopment Increment	Total After Redevelopment Increment ⁽¹⁾
2004-05	\$ 4,708,981,014	\$ 36,265,754	\$ 445,125,189	\$ 5,190,371,957	\$ 2,662,624,778
2005-06	5,455,500,204	25,115,241	510,621,456	5,991,236,901	2,981,787,310
2006-07	6,392,254,830	22,441,645	508,487,135	6,923,183,610	3,350,977,294
2007-08	7,600,488,597	14,200,411	584,293,250	8,198,982,258	3,824,606,331
2008-09	8,037,842,775	14,115,537	627,684,627	8,679,642,939	4,057,956,748
2009-10	7,313,721,153	15,056,914	670,558,962	7,999,337,029	[_____]

⁽¹⁾ Special (voter-approved) *ad valorem* property taxes collected for payment of debt service on school district bonds are based on assessed valuation before reduction for redevelopment increment and such special *ad valorem* property taxes are not affected or diverted by the operation of a redevelopment agency project area.

Source: California Municipal Statistics, Inc. for Fiscal Year 2004-05 through 2008-09; County of San Bernardino and County of Riverside for Fiscal Year 2009-10.

Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year.

Bonding Capacity. As a unified school district, the District may issue bonds in an amount up to 2.50% of the assessed valuation of taxable property within its boundaries. The District’s gross bonding capacity (also commonly referred to as the “bonding limit” or “debt limit”) is approximately \$199.98 million and its net bonding capacity is approximately \$105.67 million (taking into account current outstanding debt before issuance of the Bonds). Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District’s bonding capacity.

Assessed Valuation by Land Use. The following table gives a distribution of taxable property located in the District on the 2008-09 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Assessed Valuation and Parcels by Land Use**

	2008-09 <u>Assessed Valuation</u> ⁽¹⁾	% of <u>Total</u>	No. of <u>Parcels</u>	% of <u>Total</u>
<u>Non-Residential:</u>				
Commercial	\$ 798,730,200	9.94%	715	2.19%
Professional/Office	357,753,072	4.44	275	0.84
Industrial	1,236,947,133	15.39	524	1.61
Recreational	16,452,566	0.20	54	0.17
Government/Social/Institutional	13,456,321	0.17	154	0.47
Miscellaneous	<u>9,215,335</u>	<u>0.11</u>	<u>62</u>	<u>0.19</u>
Subtotal Non-Residential	\$2,431,554,627	30.25%	1,784	5.47%
<u>Residential:</u>				
Single Family Residence	\$4,108,756,709	51.12%	21,467	65.81%
Condominium/Townhouse	154,026,237	1.92	1,086	3.33
Mobile Home	61,814,351	0.77	1,425	4.37
Mobile Home Park	48,072,149	0.60	30	0.09
2-4 Residential Units	195,192,987	2.43	875	2.68
5+ Residential Units/Apartments	383,089,299	4.77	215	0.66
Miscellaneous	<u>9,862,537</u>	<u>0.12</u>	<u>115</u>	<u>0.35</u>
Subtotal Residential	\$4,960,814,269	61.72%	25,213	77.30%
Vacant Parcels	\$ 645,473,879	8.03%	5,621	17.23%
TOTAL	\$8,037,842,775	100.00%	32,618	100.00%

⁽¹⁾ 2008-09 local secured assessed valuation, excluding tax-exempt property; 2009-10 data not yet available.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Homes. The following table shows the assessed valuation of single-family homes in the District for fiscal year 2008-09.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Assessed Valuation of Single Family Homes**

Per Parcel 2008-09 Assessed Valuation of Single Family Homes

	<u>No. of Parcels</u>	<u>2008-09 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	21,467	\$4,108,756,709	\$191,399	\$168,217

<u>2008-09 Assessed Valuation</u>	<u>No. of Parcels⁽¹⁾</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$24,999	525	2.446%	2.446%	\$ 10,062,493	0.245%	0.245%
\$25,000 - \$49,999	1,642	7.649	10.095	60,621,781	1.475	1.720
\$50,000 - \$74,999	1,187	5.529	15.624	74,546,564	1.814	3.535
\$75,000 - \$99,999	1,567	7.300	22.924	138,503,290	3.371	6.906
\$100,000 - \$124,999	2,013	9.377	32.301	226,500,469	5.513	12.418
\$125,000 - \$149,999	2,182	10.164	42.465	299,908,065	7.299	19.717
\$150,000 - \$174,999	2,228	10.379	52.844	361,859,268	8.807	28.524
\$175,000 - \$199,999	1,708	7.956	60.800	319,118,462	7.767	36.291
\$200,000 - \$224,999	1,266	5.897	66.698	268,147,534	6.526	42.818
\$225,000 - \$249,999	975	4.542	71.240	231,439,362	5.633	48.450
\$250,000 - \$274,999	1,092	5.087	76.326	286,928,524	6.983	55.434
\$275,000 - \$299,999	1,056	4.919	81.246	302,726,568	7.368	62.802
\$300,000 - \$324,999	1,074	5.003	86.249	334,423,347	8.139	70.941
\$325,000 - \$349,999	920	4.286	90.534	308,471,846	7.508	78.448
\$350,000 - \$374,999	735	3.424	93.958	265,683,668	6.466	84.915
\$375,000 - \$399,999	343	1.598	95.556	132,422,193	3.223	88.138
\$400,000 - \$424,999	329	1.533	97.089	134,814,628	3.281	91.419
\$425,000 - \$449,999	155	0.722	97.811	67,385,907	1.640	93.059
\$450,000 - \$474,999	118	0.550	98.360	54,197,504	1.319	94.378
\$475,000 - \$499,999	70	0.326	98.686	33,947,348	0.826	95.204
\$500,000 and greater	282	1.314	100.000	197,047,888	4.796	100.000
Total	21,467	100.000%		\$4,108,756,709	100.000%	

⁽¹⁾ 2008-09 improved single family residential parcels; 2009-10 data not yet available. Excludes condominiums and parcels with multiple family units.

Source: California Municipal Statistics, Inc.

Largest Taxpayers in District. The twenty taxpayers with the greatest combined ownership of taxable property in the District on the 2008-09 tax roll, and the assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, are shown below.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Largest 2008-09 Local Secured Taxpayers**

	Primary Land Use	2008-09 Assessed Value	Percent of Total ⁽¹⁾
1. Rancon Realty Fund IV & V	Office Building	\$ 110,208,611	1.37%
2. Oakmont El Rivino LLC	Planned Industrial Development	92,000,000	1.14
3. EAG Properties LLC	Industrial	81,000,000	1.01
4. California Portland Cement Co.	Industrial	78,398,503	0.98
5. Francisco Street LP	Industrial	77,520,000	0.96
6. SP4 Agua Mansa LP	Industrial	76,755,000	0.95
7. Enterprise Distribution Center LLC	Industrial	59,053,104	0.73
8. AMB Institutional Alliance Fund III	Industrial	54,895,000	0.68
9. Prologis-MacQuarie U.S. LLC	Industrial	51,272,815	0.64
10. Granite Sierra Park LP	Industrial	50,089,140	0.62
11. UST-CB Partners LP	Industrial	47,406,272	0.59
12. Fedex Ground Package System Inc.	Industrial	43,227,744	0.54
13. Wanvog Investments LLC	Industrial	41,409,998	0.52
14. Headlands Realty Corp.	Industrial	33,457,907	0.42
15. North Waterford Apartments	Apartments	33,266,832	0.41
16. Roadway Express Inc.	Industrial	29,766,886	0.37
17. Pacific West Management	Industrial	28,701,780	0.36
18. Wal-Mart Real Estate Business Trust	Commercial Stores	28,079,346	0.35
19. Grand Terrace Apartments California LLC	Apartments	27,540,000	0.34
20. Osage Tower Ltd.	Apartments	<u>27,412,500</u>	<u>0.34</u>
		<u>\$1,071,461,438</u>	<u>13.33%</u>

⁽¹⁾2008-09 Local Secured Assessed Valuation: \$8,037,842,775; 2009-10 largest taxpayer data not yet available.
Source: California Municipal Statistics, Inc.

Tax Rates

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Bonds in a given year depends on the assessed value of taxable property in that year. (The rate of tax imposed on unsecured property for repayment of the Bonds is based on the prior year's secured property tax rate.) Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

Typical Tax Rate Area. The following tables show *ad valorem* property tax rates for the last several years in four typical Tax Rate Areas of the District (TRA 2-000, TRA 10-032, TRA 16-001, TRA 64-027) over the five year period from 2004-05 through 2008-09.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Typical Total Tax Rates per \$100 of Assessed Valuation
Fiscal Years 2004-2005 Through 2008-09**

TRA 2-000: Within the City of Colton⁽¹⁾

	2004-05	2005-06	2006-07	2007-08	2008-09
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Colton Joint Unified School District	.0625	.0427	.0753	.0806	.0688
San Bernardino Community College District	.0189	.0166	.0195	.0127	.0393
San Bernardino Valley Municipal Water District	.1400	.1600	.1550	.1650	.1650
Total Tax Rate	1.2214	1.2193	1.2498	1.2583	1.2731

TRA 10-032: Within the City of Fontana⁽²⁾

	2004-05	2005-06	2006-07	2007-08	2008-09
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Colton Joint Unified School District	.0625	.0427	.0753	.0806	.0688
San Bernardino Community College District	.0189	.0166	.0195	.0127	.0393
San Bernardino Valley Municipal Water District	.1400	.1600	.1550	.1650	.1650
Total Tax Rate	1.2214	1.2193	1.2498	1.2583	1.2731

TRA 16-001: Within the City of Grand Terrace⁽³⁾

	2004-05	2005-06	2006-07	2007-08	2008-09
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Colton Joint Unified School District	.0625	.0427	.0753	.0806	.0688
San Bernardino Community College District	.0189	.0166	.0195	.0127	.0393
San Bernardino Valley Municipal Water District	.1400	.1600	.1550	.1650	.1650
Total Tax Rate	1.2214	1.2193	1.2498	1.2583	1.2731

TRA 64-027: Within Unincorporated Area⁽⁴⁾

	2004-05	2005-06	2006-07	2007-08	2008-09
General Tax Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Colton Joint Unified School District	.0625	.0427	.0753	.0806	.0688
San Bernardino Community College District	.0189	.0166	.0195	.0127	.0393
San Bernardino Valley Municipal Water District	.1400	.1600	.1550	.1650	.1650
Total Tax Rate	1.2214	1.2193	1.2498	1.2583	1.2731

⁽¹⁾ TRA 2-000 comprises approximately 5.14% of the total 2008-09 assessed value of the District; 2009-10 data not yet available.

⁽²⁾ TRA 10-032 comprises approximately 7.80% of the total 2008-09 assessed value of the District; 2009-10 data not yet available.

⁽³⁾ TRA 16-001 comprises approximately 8.58% of the total 2008-09 assessed value of the District; 2009-10 data not yet available.

⁽⁴⁾ TRA 64-027 comprises approximately 6.34% of the total 2008-09 assessed value of the District; 2009-10 data not yet available.

Source: California Municipal Statistics, Inc.

In accordance with the law which permitted the Bonds to be approved by a 55% popular vote, bonds approved by the District's voters at the November 4, 2008 election may not be issued unless the District projects that repayment of all outstanding bonds approved at the election will require a tax rate no greater than \$60.00 per \$100,000 of assessed value. Based on the assessed value of taxable property in the District at the time of issuance of the Bonds, the District projects that the maximum tax rate required to repay the Bonds and all other outstanding bonds approved at the November 4, 2008 election will be

within that legal limit. The tax-rate test applies only when new bonds are issued, and is not a legal limitation upon the authority of the applicable county board of supervisors to levy taxes at such rate as may be necessary to pay debt service on the Bonds in each year.

Tax Charges and Delinquencies

A school district's share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in Fiscal Year 1978-79, as adjusted according to a complicated statutory scheme enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness, including the Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The county treasurer-tax collector prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches and a \$23 cost is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a \$15 state redemption fee applies. Interest then begins to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the county treasurer.

Property taxes on the unsecured roll are due in one payment on the lien date, January 1, and become delinquent after August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. There are also fees charged for delinquent unsecured property tax bills. To collect unpaid taxes, the county treasurer may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the county, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The county treasurer may also bring a civil suit against the taxpayer for payment.

The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

As provided below, the Counties utilize the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") for assessment, levy and distribution of property taxes. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the Counties retaining all penalties and interest. As a result, the Counties do not provide delinquency information with respect to the real property tax charges within the District.

Teeter Plan. The Counties have implemented an alternative method for the distribution of secured property taxes to local agencies, known as the "Teeter Plan." The Teeter Plan provisions are now set forth in Sections 4701 to 4717 of the California Revenue and Taxation Code. Upon adoption and implementation of this method by a county board of supervisors, local agencies for which the county acts as "bank" and certain other public agencies and taxing areas located in the county receive annually the full amount of their share of property taxes on the secured roll, including delinquent property taxes which have yet to be collected. While a county benefits from the penalties associated with these delinquent taxes when they are paid, the Teeter Plan provides participating local agencies with stable cash flow and the elimination of collection risk.

To implement a Teeter Plan, the board of supervisors of a county generally must elect to do so by July 15 of the Fiscal Year in which it is to apply. As a separate election, a county may elect to have the

Teeter Plan procedures also apply to assessments on the secured roll. The Teeter Plan was effective beginning in fiscal year 1996-97 for the County of San Bernardino and was adopted in the County of Riverside in 1993. The Counties' Teeter Plan applies to the District and to the Bonds.

The *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds is subject to the Teeter Plan, beginning in 2009-10. The District will receive 100% of the *ad valorem* property tax levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the Counties.

Upon making a Teeter Plan election, a county must initially provide a participating local agency with 95% of the estimated amount of the then accumulated tax delinquencies (excluding penalties) for that agency. In the case of the initial year distribution of special taxes and assessments (if a county has elected to include assessments), 100% of the special tax delinquencies (excluding penalties) are to be apportioned to the participating local agency which levied the special tax. After the initial distribution, each participating local agency receives annually 100% of the secured property tax levies to which it is otherwise entitled, regardless of whether the county has actually collected the levies.

If any tax or assessment which was distributed to a Teeter Plan participant is subsequently changed by correction, cancellation or refund, a pro rata adjustment for the amount of the change is made on the records of the treasurer and auditor of the county. Such adjustment for a decrease in the tax or assessment is treated by the Counties as an interest-free offset against future advances of tax levies under the Teeter Plan.

Once adopted, a county's Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a Fiscal Year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. An electing county may, however, opt to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a Fiscal Year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency. The Counties have never discontinued the Teeter Plan with respect to any levying agency.

Direct and Overlapping Debt

Set forth below is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. and effective August 1, 2009 for debt issued as of August 10, 2009. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. Column two shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column three, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The schedule generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Statement Of Direct And Overlapping Bonded Debt
As of August 10, 2009

2008-09 Assessed Valuation: \$8,679,642,939
 Redevelopment Incremental Valuation: 4,621,686,191
 Adjusted Assessed Valuation: \$4,057,956,748 ⁽¹⁾

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 8/1/09</u>
Metropolitan Water District	0.005%	\$ 14,671
San Bernardino Community College District	9.631	41,790,810
Colton Joint Unified School District	100.000	94,309,877 ⁽²⁾
Colton Joint Unified School District Community Facilities District No. 2	100.000	4,355,000
Agua Mansa Industrial Growth Association Community Facilities District No. 2002-1	45.569	5,766,757
City of Colton Community Facilities Districts	100.000	8,394,488
City of Fontana Community Facilities Districts	100.000	40,640,000
City of Colton 1915 Act Bonds	100.000	<u>270,000</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$195,541,603

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
San Bernardino County General Fund Obligations	3.130%	\$22,530,053
San Bernardino County Pension Obligations	3.130	20,293,686
San Bernardino County Flood Control District General Fund Obligations	3.130	3,590,423
Riverside County General Fund Obligations	0.065	494,517
Riverside County Pension Obligations	0.065	248,359
Riverside County Board of Education Certificates of Participation	0.065	5,376
Colton Joint Unified School District Certificates of Participation	100.000	6,805,000
City of Colton Certificates of Participation	79.794	10,213,632
City of Colton Pension Obligations	79.794	24,049,433
City of Fontana Certificates of Participation	6.562	3,787,915
City of Grand Terrace Certificates of Participation	100.000	2,520,000
Other City General Fund Obligations	Various	760,172
San Bernardino Valley Municipal Water District Certificates of Participation	12.999	<u>152,738</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$95,451,304
Less: Riverside County self-supporting bonds		10,630
San Bernardino Valley Municipal Water District self-supporting Certificates of Participation		<u>152,738</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$95,287,936

GROSS COMBINED TOTAL DEBT \$290,992,907⁽³⁾
 NET COMBINED TOTAL DEBT \$290,829,539

- (1) 2009-10 data not yet available.
 (2) Excludes the Bonds to be sold.
 (3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2008-09 Assessed Valuation:
 Direct Debt (\$94,309,877) 1.09%
 Total Direct and Overlapping Tax and Assessment Debt 2.25%

Ratios to Adjusted Assessed Valuation:
 Combined Direct Debt (\$101,114,877)..... 2.49%
 Gross Combined Total Debt 7.17%
 Net Combined Total Debt..... 7.17%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: \$0

Source: California Municipal Statistics, Inc.

TAX MATTERS

Series A Bonds Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Series A Bonds is excluded from gross income for federal income tax purposes, and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Series A Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Series A Bonds is not included as an adjustment in the calculation of alternative minimum taxable income.

The difference between the issue price of a Series A Bond (the first price at which a substantial amount of the Series A Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Series A Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Series A Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Series A Bond Owner will increase the Series A Bond Owner's basis in the applicable Series A Bond. The amount of original issue discount that accrues to the Owner of the Series A Bond is excluded from gross income of such Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest on the Series A Bonds (and original issue discount) is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Series A Bonds to assure that interest on the Series A Bonds (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest on the Series A Bonds (and original issue discount) to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Series A Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Series A Bond Owner's original basis for determining loss on sale or exchange in the applicable Series A Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Series A Bond premium, which must be amortized under Section 171 of the Code; such amortizable Series A Bond premium reduces the Series A Bond Owner's basis in the applicable Series A Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Series A Bond premium may result in a Series A Bond Owner realizing a taxable gain when a Series A Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Series A Bond to the Owner. Purchasers of the Series A Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Series A Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds).

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Series A Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest on the Series A Bonds (and original issue discount) for federal income tax purposes with respect to any Series A Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Series A Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Series A Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Series A Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Series A Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Series A Bonds.

A copy of the proposed form of opinion of Bond Counsel for the Bonds is attached hereto as Appendix C.

Series A-1 Bonds Tax Matters

[The District has elected to issue the Series A-1 Bonds for purposes of Section 54AA of the Code.]

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Series A-1 Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Series A-1 Bond (the first price at which a substantial amount of the Series A-1 Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Series A-1 Bond constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Series A-1 Bond Owner will increase the Series A-1 Bond Owner's basis in the Series A-1 Bond.

The federal tax and State of California personal income tax discussion set forth above is included for general information only and may not be applicable depending upon an Owner's particular situation. The ownership and disposal of the Series A-1 Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Series A-1 Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Any federal tax advice contained herein is not intended or written to be used, and it cannot be used, for the purpose of (i) avoiding penalties under the Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein with respect to the Series A-1 Bonds. Accordingly, before purchasing any of the Series A-1 Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Series A-1 Bonds.

A copy of the proposed form of opinion of Bond Counsel with respect to the Bonds is attached hereto as Appendix C.

OTHER LEGAL MATTERS

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel. Bond Counsel expects to deliver an opinion with respect to the Bonds at the time of issuance of the Bonds substantially in the form set forth in Appendix C hereto. Bond Counsel undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement.

Legality for Investment in California

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and, under provisions of the California Government Code, are eligible securities for deposit of public monies in the State.

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than eight months following the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2008-09 Fiscal Year (which is due no later than March 1, 2010) and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report will be filed by the District with the Municipal Securities Rulemaking Board through its Municipal Market Access System, or such other electronic system designated by the Municipal Securities Rulemaking Board (the "EMMA System"). The notices of material events will be filed by the District with the Municipal Securities Rulemaking Board through the EMMA System. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in Appendix D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). [The District has complied in all material respects in the last five years with each of its previous undertakings with regard to the Rule to provide annual reports and notices of material events.]

No Litigation

No litigation is pending or threatened concerning or contesting the validity of the Bonds or the District's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District's ability to issue and retire the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District officers who will execute the Bonds or District officials who will sign certifications relating to the Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Underwriters at the time of the original delivery of the Bonds.

[The District is occasionally subject to other lawsuits and claims. Currently, no such lawsuits or claims are pending or threatened against the District.]

MISCELLANEOUS

Ratings

Moody's Investors Service and Standard & Poor's Rating Services have assigned their respective ratings of "____" and "____" to the Bonds. Rating agencies generally base their ratings on their own investigations, studies and assumptions. The ratings reflect only the view of the rating agency furnishing the same, and any explanation of the significance of such ratings should be obtained only from the rating agency providing the same. Such ratings are not a recommendation to buy, sell or hold the Bonds. There is no assurance that any ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency providing the same, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

The District has not obtained a policy of municipal bond insurance with respect to the Bonds. If the District determines to obtain a policy or policies of municipal bond insurance insuring payment of principal and interest with respect to some or all maturities of the Bonds, additional ratings will be assigned to the Bonds by one or both of the rating agencies named above. Any rating provided with respect to insured bonds would reflect only the rating agency's view of the claims-paying ability and financial strength of the provider of the municipal bond insurance policy. Neither the District nor the Underwriters have made any independent investigation of the claims-paying ability of any bond insurance provider and no representation is or will be made regarding any such provider. No representation is made that any possible insured rating of the Bonds based upon the purchase of a municipal bond insurance policy is or will remain higher than the same rating agency's underlying rating of the Bonds described above, which did not take bond insurance into account. The existence of a bond insurance policy will not, of itself, negatively affect such underlying ratings. Without regard to any bond insurance, the Bonds are payable from the proceeds of an *ad valorem* tax approved by the voters of the District pursuant to all applicable laws and constitutional requirements, and required to be levied by the County on property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS." However any downward revision or withdrawal of any rating of a bond insurance provider may have an adverse effect on the market price or marketability of bonds insured by the policy of such provider.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel to the District with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed on for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District; and for the Underwriters by Fulbright & Jaworski L.L.P., Los Angeles, California. C.M. de Crinis & Co., Inc., Sherman Oaks, California, serves as the District's Financial Advisor. Payment of the fees and expenses of Disclosure Counsel and the Financial Advisor are also contingent upon the issuance and delivery of the Bonds. From time to time, Disclosure Counsel represents the Underwriters on matters unrelated to the Bonds.

Underwriting

The Bonds are being purchased for reoffering to the public by RBC Capital Markets Corporation, on behalf of itself, Piper Jaffray & Co. and E. J. De La Rosa & Co., Inc. (the "Underwriters"), pursuant to the terms of a bond purchase agreement executed on _____, 2009, by and between the Underwriters and the District (the "Purchase Agreement"). The Underwriters have agreed to purchase the Bonds at a

price of \$_____ (consisting of the aggregate principal amount thereof, \$_____, plus net original issue premium of \$_____, less Underwriters' discount of \$_____, and less costs of issuance the Underwriters have agreed to pay on behalf of the District in the amount of \$_____). The Purchase Agreement provides that the Underwriters will purchase all of the Bonds, subject to certain terms and conditions set forth in the Purchase Agreement, including the approval of certain legal matters by counsel.

The Underwriters may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices shown on the inside front cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriters.

The District has duly authorized the delivery of this Official Statement.

**COLTON JOINT UNIFIED SCHOOL
DISTRICT**

By: _____
James A. Downs, Superintendent

APPENDIX A

INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

The information in this appendix concerning the operations of the Colton Joint Unified School District (the "District"), the District's finances, and State of California (the "State") funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the General Fund of the District or from State revenues. The Bonds are payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and Constitutional requirements and required to be levied by the County of San Bernardino and the County of Riverside on property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the front portion of this Official Statement.

THE DISTRICT

Introduction

The District has operated as a joint unified school district since July 1966 and is comprised of an area of approximately 48 square miles in the County of San Bernardino ("San Bernardino County") and the County of Riverside ("Riverside County" and together with San Bernardino County, the "Counties"). The District operates 19 elementary schools, four middle schools, two comprehensive high schools, one continuation school, one alternative high school, an adult education program and a child development center. The District estimates that total current enrollment is approximately 24,253 students.

Board of Education

The governing board of the District is the Board of Education of the Colton Joint Unified School District (the "Board"). The Board consists of seven members who are elected at large to overlapping four-year terms at elections held every two years. If a vacancy arises during any term, the vacancy is filled by an appointment by the majority vote of the remaining board members and if there is no majority by a special election. Each December, the Board elects a President, a Vice President and a Clerk to serve one-year terms. The name, office and the month and year of the expiration of the current term of each member of the Board is described below.

COLTON JOINT UNIFIED SCHOOL DISTRICT (San Bernardino and Riverside Counties, California)

Board of Education

Name	Office	Term Expires
Marge Mendoza-Ware	President	December, 2010
Mel Albiso	Vice President	December, 2010
David R. Zamora	Clerk	December, 2010
Robert D. Armenta, Jr.	Member	December, 2010
Patt Haro	Member	December, 2012
Frank A. Ibarra	Member	December, 2012
Kent Taylor	Member	December, 2012

Superintendent and Administrative Personnel

The Superintendent of the District is appointed by the Board and reports to the Board. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other key District administrators. Information concerning the Superintendent and certain other key administrative personnel is set forth below.

James A. Downs, Superintendent. Mr. Downs has served as Superintendent of the District since July, 2007. Mr. Downs began his career in education over thirty-five years ago as a middle school band teacher in Artesia, California. Since then he has served as an assistant principal and principal at the secondary level for ten years and as an adjunct professor at National University and the University of La Verne. Prior to serving as Superintendent, Mr. Downs was the Assistant Superintendent for Human Resources, the Director of Personnel and Employee/Employer Relations and the Director of Administrative Services for a total of twelve years within the District. Mr. Downs holds a Bachelor of Arts degree from California State University, Long Beach and a Master of Arts degree in Education from Azusa Pacific University.

Jaime R. Ayala, Assistant Superintendent, Business Services Division. Jaime R. Ayala has served as Assistant Superintendent of the District since 2008. Prior to his current position, Mr. Ayala served for over four years as the Director of Fiscal Services at the Yucaipa-Calimesa Joint Unified School District and for over seven years as an Accountant and Fiscal Analyst for the San Bernardino County Office of Education. Mr. Ayala's professional background includes eight years in management level positions with a major bank and over fifteen years in public accounting. Mr. Ayala holds a Bachelor of Arts degree in Economics from California State University, San Bernardino and he holds a California Certified Public Accounting license.

DISTRICT FINANCIAL MATTERS

State Funding of Education; State Budget Process

General. As is true for all school districts in California, the District's operating income consists primarily of two components: a State portion funded from the State's general fund and a local portion derived from the District's share of the countywide property tax. In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District receives approximately 77% of its general fund revenues from State funds, budgeted at approximately \$131.2 million in fiscal year 2009-10. As a result, decreases in State revenues, or in State legislative appropriations made to fund education, may significantly affect District operations.

Under Proposition 98, a constitutional and statutory amendment adopted by the State's voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution), a minimum level of funding is guaranteed to school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs. Recent years have seen frequent disruptions in State personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State's general fund expenditures, it is generally at the center of annual budget negotiations and adjustments.

Adoption of Annual State Budget. According to the State Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be

adopted by a two-thirds vote of each house of the Legislature no later than June 15, although this deadline is routinely breached. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the amended 2009-10 Budget Act on July 29, 2009.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district's State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the Constitution (such as appropriations for salaries of elected state officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White* decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White* decision to have any long-term effect on its operating budgets.

Aggregate State Education Funding. The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor."

In recent years, the State's response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005 and 2009 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the

obligations through additional education funding over time, including the Quality Education Investment Act of 2006 (QEIA), have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds one fiscal year to the next, by permanently deferring the year-end apportionment from June 30 to July 2; by suspending Proposition 98, as the State did in 2004-05; and by proposing to amend the Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

2009-10 State Budget. On September 24, 2008, the Governor signed the State budget for fiscal year 2008-09, the latest budget approval in State history. It is widely acknowledged that even by the time of its passage, the budget's revenue estimates were already too optimistic, in light of continuing weak performance in the California economy and unprecedented adverse developments in the global and national financial markets, particularly after September 15, 2008. The Governor declared a fiscal emergency in December 2008, and called three concurrent special legislative sessions in order to address the budget deficit then estimated to be \$42 billion. In the face of growingly negative estimates of State tax receipts during fiscal year 2008-09, the Governor signed the State's fiscal year 2009-10 Budget Act on February 20, 2009 (the earliest date on record), essentially as a revised two-year budget settlement for fiscal years 2008-09 and 2009-10. However, after the failure in May 2009 of six revenue and spending propositions on the statewide ballot, the passage of which were assumed in the budget bill, work began again on a fiscal year 2009-10 budget plan. On July 24, 2009, the Legislature approved a new budget package, which the Governor signed on July 28, 2009. For an accurate view of current Proposition 98 funding, one must treat these three recent budgets as a whole, and consider also the significant adjustments that have been left to future budget years.

The amended 2009-10 State Budget consisted of some 30 separate bills; subsequent legislation may affect final budget totals. Indeed, if the economy worsens, the assumptions in even the amended 2009-10 State Budget may prove unsustainable, and further cuts and revisions may be needed. Until audited fiscal year-end 2008-09 State revenues are known, the State cannot determine the final fiscal year 2008-09 Proposition 98 funding requirement. The following information relating to the funding of elementary and secondary education is adapted from the budget summaries prepared by Legislative Analyst's Office, the Governor's office and other sources.

The amended 2009-10 State Budget achieves balance through spending cuts, additional revenue generation, borrowing from local governments and others, revenue shifts from redevelopment agencies, and other accounting changes; all of these techniques are also present in the adopted Proposition 98 funding plan. Fiscal year 2008-09 Proposition 98 funding for K-12 schools is reduced to \$43.1 billion (\$9 billion less than the level assumed in the adopted 2008-09 State Budget, and \$1.6 billion less than the February 2009 amended amount); fiscal year 2009-10 funding is established at \$44.6 billion (\$3.7 billion less than the February 2009 adopted amount). Over \$10.1 billion in mandated Proposition 98 funding is deferred to future years: the so-called "maintenance factor." Of budgeted Proposition 98 funding, \$1.7 billion is shifted to school districts from property taxes and other moneys belonging to redevelopment agencies. Funding is also delayed in several ways: \$2 billion is deferred from the first months of fiscal year 2009-10 to December 2009 and January 2010, while \$1.8 billion will not be paid until August 2010-11. Mandated settle-up payments of \$450 million for prior years under the Quality Education Investment Act are also deferred, effectively to fiscal year 2014-15. Cost of living adjustments of over 18% are deferred, creating a future obligation of over \$6.5 billion. Categorical funding of \$1.6 billion intended for fiscal year 2008-09 that had not been funded by June 30, 2009, is treated as fiscal year 2009-10

categorical funding, but an equal amount of minimum guarantee funding is eliminated. For those districts that would otherwise receive no Proposition 98 minimum guarantee funding from the State, categorical funding is reduced by \$80 million. In addition, the Governor vetoed \$3.9 million of approved spending for special education transportation costs.

State savings is also achieved by lifting various mandates and restrictions on local school districts: full flexibility is allowed to spend funding for 42 categorical programs as districts wish through 2012-13; [class-size reduction in grades K-3 is largely suspended], and the minimum days of instruction are reduced from 180 to 175, through reduced or suspended financial penalties on districts that do not meet existing requirements; districts are excused from buying new approved instructional materials; proceeds of surplus land sales otherwise restricted to capital improvements are permitted to be used for general fund expenditures through 2011; the general fund reserve requirement is reduced to one-third of the otherwise applicable percentage (3% of expenditures for a district with average daily attendance of up to 30,000), provided this is restored by 2011-12; [the routine maintenance reserve requirement of 3% of general fund expenditures is suspended]; and school districts that project they will not meet financial guidelines due to loss of federal stimulus funding in fiscal years 2011-12 and 2012-13 will not have their budgets negatively rated as a result.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Bonds, and the District takes no responsibility for informing owners of the Notes as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, www.treasurer.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Proposition 1A. Beginning in 1992-93, the State has satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and college districts through a local Educational Revenue Augmentation Fund (ERAF) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election.

Proposition 1A is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 1A allows the State to divert up to 8% of local property tax revenues for State purposes (including, but not limited to, funding K 12 education) only if: (i) the Governor declares such action to be necessary due to a State fiscal emergency; (ii) two-thirds of both houses of the Legislature approve the action; (iii) the amount diverted is required by statute to be repaid within three years; (iv) the State does not owe any repayment to local agencies for past property tax or Vehicle License Fee diversions to local agencies; and (v) such property tax diversions do not occur in more than two of any ten consecutive fiscal years. Because ERAF shifts will be capped and limited in frequency, school and college districts that receive Proposition 98 funding from the State will be more directly dependent upon the State's general fund.

The amended 2009-10 State Budget includes a Proposition 1A diversion of \$1.935 billion in local property tax revenues from cities, counties, and special districts to the State to offset State general fund spending for education and other programs. Such diverted revenues must be repaid, with interest, no later than June 30, 2013. The amended 2009-10 State Budget diverts another \$1.7 billion in local property tax revenues from local redevelopment agencies, but this is not covered by Proposition 1A, and may be subject to lawsuits by such affected local agencies.

Future Budgets and Budgetary Actions. The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State’s ability to fund schools during Fiscal Year 2009-10 and in future fiscal years. Continued State budget shortfalls in Fiscal Year 2009-10 and future fiscal years could have a material adverse financial impact on the District.

Allocation of State Funding to School Districts. Under Education Code Section 42238 and following, each school district is determined to have a target funding level: a “base revenue limit” per student multiplied by the district’s student enrollment measured in units of average daily attendance (“A.D.A.”). The base revenue limit is calculated from the district’s prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district is the amount needed to reach that district’s base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State “equalization aid.” To the extent local tax revenues increase due to growth in local property assessed valuation, the additional revenue is offset by a decline in the State’s contribution. Enrollment can fluctuate due to factors such as population growth or decline, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the district to make adjustments in fixed operating costs.

The following table sets forth (i) the District’s actual A.D.A., enrollment and base revenue limit per unit of A.D.A. for fiscal years 2005-06 through 2008-09, and (ii) the District’s projected A.D.A., enrollment and base revenue limit per unit of A.D.A. for fiscal year 2009-10, for kindergarten through grade 12 (“K-12”), including special education.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Average Daily Attendance, Enrollment And Base Revenue Limit
Fiscal Years 2005-06 Through 2009-10**

Fiscal Year	Average Daily Attendance ⁽¹⁾	Enrollment	Base Revenue Limit Per Unit of Average Daily Attendance
2005-06	23,058	24,715	5,175.08
2006-07	22,896	24,565	5,540.64
2007-08	22,747	24,528	5,792.64
2008-09 ⁽²⁾	22,772	24,362	6,121.64
2009-10 ⁽³⁾	22,613	24,253	6,382.64

⁽¹⁾ A.D.A. for the second period of attendance, typically in mid-April of each school year.

⁽²⁾ The District had a 7.844% base revenue limit deficit in fiscal year 2008-09.

⁽³⁾ Figures are projections. The District also projects a 18.355% base revenue limit deficit in fiscal year 2009-10.

Source: The District.

In its 2009-10 revised budget, the District projects that it will receive approximately \$113.5 million in aggregate revenue limit income in fiscal year 2009-10, or approximately 66.4% of its general fund revenues. This amount represents a decrease of approximately 11.9% from the \$128,980,222 that the District received in 2008-09. State funds for special programs are currently budgeted to be \$26,642,908 for 2009-10. The District also expects to receive a small portion of its budget from State lottery funds, which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District's State lottery revenue is currently budgeted at \$3,037,100 for fiscal year 2009-10.

See also “—District Budget Process and County Review” below. The District's revised 2009-10 budget continues to provide a positive ending general fund balance for fiscal year 2009-10. However, in response to the ongoing cuts to education funding, the District has assumed \$12.5 million in ongoing cuts, some of which will need to be negotiated with the District's collective bargaining units, in its multi-year projections in order to maintain projected reserves designated for economic uncertainties at minimum State requirements and to provide a positive ending general fund balance in fiscal year 2010-11. Moreover, in addition to the ongoing cuts the District has already assumed, the District projects that as much as \$12 million of additional ongoing cuts may be necessary to maintain projected reserves designated for economic uncertainties at minimum State requirements and to provide a positive ending general fund balance in fiscal year 2011-12. Failure to take corrective actions could jeopardize the District's current positive certification status under A.B. 1200 when the District is required to file its first interim report in December 2009. The District's staff is currently developing budgetary proposals to make necessary adjustments. However, some of these adjustments will depend on negotiations with the District's collective bargaining units, the outcome of which the District cannot predict.

Local Sources of Education Funding

The principal component of local revenues is a school district's property tax revenues, i.e., each district's share of the local one-percent property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to; ultimately, a school district whose local property tax revenues exceed its base revenue limit is entitled to receive no State aid, and receives only its special categorical aid which is deemed to include the “basic aid” of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts are known as “basic aid districts.” Districts that receive some State aid are commonly referred to as “revenue limit districts.”

The District is not a “basic aid district.” Local property tax revenues account for approximately 7.5% of the District's aggregate revenue limit income, and are budgeted to be \$8.9 million, or 5.2% of total general fund revenue in fiscal year 2009-10. For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS” below.

Tax Increment Revenues

Under the Community Redevelopment Law of the State of California (being Part 1 of Division 24 of the California Health and Safety Code, as amended), a city or county can create a redevelopment agency in territory within one or more school districts. Upon formation of a “project area” of a redevelopment agency, all property tax revenues attributable to the growth in assessed value of taxable

property within the project area (known as “tax increment”) belong to the redevelopment agency, causing a loss of tax revenues to other local taxing agencies, including school districts, from that time forward. Taxes collected for payment of debt service on school general obligation bonds are not affected or diverted by the operation of a redevelopment agency project area. Certain school districts may enter into “pass-through agreements” with their local redevelopment agencies in order to receive a portion of the tax increment revenue that would otherwise belong to the redevelopment agency, and in some cases the pass-through is mandated by statute. The tax increment revenues allocable to school districts is intended to alleviate any financial burden or detriment associated with additional facilities needed to accommodate the growth induced by the redevelopment project.

The District is able to receive a portion of the tax increment, either through statutory or contractual entitlements, collected to finance certain redevelopment projects existing within the District. Currently, the District is receiving payments from several redevelopment projects in Colton, Rialto and San Bernardino. The tax increment revenues received by the District do not represent yearly fixed payment amounts but depend on variable formulas, which among other things, depend on the growth in the assessed valuations in the respective redevelopment projects. For fiscal years 2005-06, 2006-07, 2007-08 and 2008-09 the District received \$824,115, \$975,464, \$887,510 and \$1,527,723 (unaudited), respectively, in tax increment revenues and projects it will receive \$845,796 in tax increment revenues for fiscal year 2009-10.

Developer Fees

The District collects developer fees to finance essential school facilities within the District. The following table of developer fee revenues reflects the collection of fees from fiscal years 2004-05 through fiscal year 2009-10.

**COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Developer Fees
Fiscal Years 2004-05 through 2009-10**

Year	Total Revenues
2004-05	\$ 3,014,845
2005-06	6,591,355
2006-07	1,007,836
2007-08	806,990
2008-09 ⁽¹⁾	331,490
2009-10 ⁽²⁾	250,000

⁽¹⁾ Unaudited.

⁽²⁾ Projected.

Source: The District.

Significant Accounting Policies and Audited Financial Reports

The State Department of Education imposes by law uniform financial reporting and budgeting requirements for K through 12 school districts. Financial transactions are accounted for in accordance with the Department of Education’s *California School Accounting Manual*. This manual, according to Section 41010 of the Education Code, is to be followed by all California school districts, including the District. Significant accounting policies followed by the District are explained in Note 1 to the District’s audited financial statements for the fiscal year ended June 30, 2008, which are included as Appendix B.

Independently audited financial reports are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year. The following tables contain data abstracted from financial statements prepared by the District's independent auditor Vavrinek, Trine, Day & Co., LLP, Rancho Cucamonga, California, for fiscal years 2003-04 through 2007-08. Vavrinek, Trine, Day & Co., LLP has not been requested to consent to the use or to the inclusion of its report in this Official Statement, and it has neither audited nor reviewed this Official Statement. The District is required by law to adopt its audited financial statements after a public meeting to be conducted no later than January 31 following the close of each fiscal year.

COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
Statement of General Fund Revenues, Expenditures and Changes in Fund Balance
Fiscal Years 2003-2004 through 2007-08

	Fiscal Year 2003-04	Fiscal Year 2004-05	Fiscal Year 2005-06	Fiscal Year 2006-07	Fiscal Year 2007-08
REVENUES					
Revenue limit sources	\$ 108,762,969	\$ 114,804,374	\$ 120,080,116	\$ 128,793,678	\$ 142,007,307
Federal sources	10,809,038	12,780,941	13,696,423	13,880,491	13,188,074
Other state sources	22,245,915	27,456,724	27,832,034	39,429,815	40,015,053
Other local sources	12,281,169	10,664,813	11,514,174	13,294,822	13,830,954
Total Revenues	<u>154,099,091</u>	<u>165,706,852</u>	<u>173,122,747</u>	<u>195,398,806</u>	<u>209,041,388</u>
EXPENDITURES					
Current					
Instruction	91,644,370	100,139,837	101,296,393	114,298,110	121,114,904
Instruction-related activities:					
Supervision of instruction	4,901,407	4,855,185	6,343,822	7,495,152	9,320,892
Instructional library, media and technology	1,613,708	1,309,133	1,406,810	1,575,837	1,588,565
School site administration	9,982,998	10,045,782	10,233,458	11,854,210	12,123,794
Pupil Services:					
Home-to-school transportation	2,999,803	3,985,862	3,246,309	3,845,437	3,857,618
Food services	9,833	8,874	7,490	7,958	6,705
All other pupil services	8,911,404	9,764,362	10,483,347	12,507,947	12,988,670
General administration:					
Data processing	2,288,915	2,543,401	2,372,156	3,066,708	3,388,096
All other general administration	6,386,868	6,388,709	6,586,048	6,843,187	7,531,170
Plant services	16,462,283	17,116,393	18,712,320	20,770,547	21,850,216
Facility acquisition and construction	414,145	400,033	116,205	202,838	489,730
Ancillary services	1,300,931	1,354,388	1,442,895	1,421,339	1,523,800
Community services	207,969	150,619	223,411	236,005	231,603
Other outgo	1,941,983	1,920,432	1,734,915	2,042,497	2,272,441
Enterprise services	18,754	-	-	-	-
Debt service					
Principal	1,125,203	1,579,707	489,037	509,658	435,000
Interest and other	108,969	462,994	257,969	339,084	52,447
Total Expenditures	<u>150,319,543</u>	<u>162,025,711</u>	<u>164,952,585</u>	<u>187,016,514</u>	<u>198,775,651</u>
Excess (Deficiency) Of Revenues Over Expenditures	<u>3,779,548</u>	<u>3,681,141</u>	<u>8,170,162</u>	<u>8,382,292</u>	<u>10,265,737</u>
Other Financing Sources(Uses):					
Transfers in	-	-	-	-	-
Other sources	-	-	-	-	-
Transfers out	(2,257,995)	(5,280,047)	(2,186,341)	(1,196,035)	(1,228,229)
Other uses	-	-	-	-	-
Net Financing Sources (Uses)	<u>(2,257,995)</u>	<u>(5,280,047)</u>	<u>(2,186,341)</u>	<u>(1,196,035)</u>	<u>(1,228,229)</u>
NET CHANGE IN FUND BALANCES	1,521,553	(1,598,906)	5,983,821	7,186,257	9,037,508
Fund Balance—Beginning	9,784,759	12,586,135	10,987,229	16,971,050	24,157,307
Restatement of Beginning Fund Balance	1,279,823 ⁽¹⁾	-	-	-	-
Fund Balance—Ending	<u>\$ 12,586,135</u>	<u>\$ 10,987,229</u>	<u>\$ 16,971,050</u>	<u>\$ 24,157,307</u>	<u>\$ 33,194,815</u>

⁽¹⁾ The beginning fund balance was adjusted to properly reflect the balance related to accounts payable in relation to the amount established for compensated absences.

Source: District Audited Financial Reports for Fiscal Years 2003-04 through 2007-08.

The following table shows the general fund balance sheets of the District for the fiscal years ended June 30, 2004, 2005, 2006, 2007 and 2008.

COLTON JOINT UNIFIED SCHOOL DISTRICT
Summary of General Fund Balance Sheet
Fiscal Years 2003-04 Through 2007-08

	Fiscal Year 2003-04	Fiscal Year 2004-05	Fiscal Year 2005-06	Fiscal Year 2006-07	Fiscal Year 2007-08
ASSETS					
Deposits and investments	\$ 20,038,548	\$ 24,608,268	\$ 25,989,227	\$ 32,622,047	\$ 32,301,746
Receivables	7,223,011	6,212,122	5,318,188	10,185,313	17,108,504
Due from other funds	446,047	375,691	663,313	214,795	321,765
Prepaid expenses	-	13,041	17,076	1,326	70,208
Stores Inventories	164,332	170,955	153,552	191,462	157,594
Total Assets	\$ 27,871,938	\$ 31,380,077	\$ 32,141,356	\$ 43,214,943	\$ 49,959,817
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	\$ 12,019,063	\$ 15,595,995	\$ 13,761,396	\$ 12,584,746	\$ 13,342,015
Due to Other Funds	736,520	2,808,191	244,699	2,904,522	2,527,543
Deferred Revenue	2,530,220	1,988,662	1,164,211	3,568,368	895,444
Total Liabilities	15,285,803	20,392,848	15,170,306	19,057,636	16,765,002
FUND BALANCES					
Reserved	2,642,321	2,869,004	2,976,878	8,602,113	8,006,308
Unreserved:					
Designated	7,727,501	7,058,141	11,091,835	15,555,194	25,188,507
Undesignated, reported in:					
General Fund	2,216,313	1,060,084	2,902,337	-	-
Total Fund Balances	12,586,135	10,987,229	16,971,050	24,157,307	33,194,815
Total Liabilities and Fund Balances	\$ 27,871,938	\$ 31,380,077	\$ 32,141,356	\$ 43,214,943	\$ 49,959,817

Source: District Audited Financial Reports for fiscal years 2003-04 through 2007-08.

District Budget Process and County Review

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the San Bernardino County Superintendent of Schools.

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget, and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations, or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) develop and impose, after also consulting with the district's governing board, revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or certificates of participation without approval by the County Superintendent. The District has never received a qualified or negative certification.

The following table summarizes the District's adopted General Fund Budgets for fiscal years 2007-08, 2008-09 and 2009-10 and unaudited actuals for fiscal years 2007-08 and 2008-09.

COLTON JOINT UNIFIED SCHOOL DISTRICT
(San Bernardino and Riverside Counties, California)
General Fund Budgets for Fiscal Years 2007-08, 2008-09 and 2009-10 and
Unaudited Actuals for Fiscal Years 2007-08 and 2008-09

	2007-08 Original Adopted Budget	2007-08 Unaudited Actuals	2008-09 Original Adopted Budget	2008-09 Unaudited Actuals	2009-10 Revised Adopted Budget ⁽²⁾
REVENUES					
Revenue Limit Sources	\$140,151,299.00	\$142,007,307.86	\$132,531,182.00	\$128,980,221.66	\$113,528,256.00
Federal Revenue	15,198,488.00	13,547,455.85	12,661,806.00	22,883,197.05	19,015,293.00
Other State Revenue	34,806,338.00	35,633,954.39	31,965,559.00	33,686,062.32	26,642,908.00
Other Local Revenue	13,112,937.00	13,471,570.35	13,020,965.00	12,744,597.71	11,584,622.00
TOTAL REVENUES	203,269,062.00	204,660,288.45⁽¹⁾	190,179,512.00	198,294,078.74	170,771,079.00
EXPENDITURES					
Certificated Salaries	98,249,574.00	97,143,355.19	99,724,896.00	97,987,900.77	96,686,000.00
Classified Salaries	31,196,606.00	29,832,373.35	30,888,955.00	29,970,618.07	30,777,569.00
Employee Benefits	38,809,120.00	37,946,694.83	37,021,403.00	36,070,143.50	37,411,410.00
Books and Supplies	13,224,013.00	12,122,921.44	9,429,300.00	10,097,167.05	9,248,911.00
Services, Other Operating					
Expenditures	17,125,286.00	14,092,997.24	14,294,011.00	14,360,159.43	14,605,038.00
Capital Outlay	686,386.00	1,140,059.09	843,328.00	1,623,584.46	211,571.00
Other Outgo (excluding					
Transfers of Indirect/Direct					
Supporting Costs)	2,773,945.00	2,759,887.36	2,886,031.00	4,009,397.64	2,643,610.00
Transfers of Indirect/Direct					
Support Costs	(657,918.00)	(643,737.88)	(681,943.00)	(663,692.02)	(701,783.00)
TOTAL EXPENDITURES	201,407,012.00	194,394,550.62⁽¹⁾	194,405,981.00	193,455,278.90	190,882,326.00
EXCESS (DEFICIENCY) OF					
REVENUES OVER					
EXPENDITURES BEFORE					
OTHER FINANCING SOURCES					
AND USES	1,862,050.00	10,265,737.83	(4,226,469.00)	4,838,799.84	(20,111,247.00)
OTHER FINANCING					
SOURCES/USES					
Interfund Transfers					
Transfer In	-	-	-	26,906.60	-
Transfers Out	1,207,703.00	1,228,229.47	1,290,721.00	1,045,641.00	1,178,569.00
Other Sources/Uses					
Sources	-	-	-	-	-
Uses	-	-	-	-	-
Contributions	-	-	-	-	-
TOTAL, OTHER SOURCES	(1,207,703.00)	(1,228,229.47)	(1,290,721.00)	(1,018,734.40)	(1,178,569.00)
(USES)					
NET INCREASE (DECREASE) IN					
FUND BALANCE	654,347.00	9,037,508.36	(5,517,190.00)	3,820,065.44	(21,289,816.00)
BEGINNING FUND BALANCE					
As of July 1 – Unaudited	18,049,029.00	24,157,306.86	29,852,163.48	33,194,815.22	37,014,880.66
Audit Adjustments	-	-	-	-	-
As of July 1 – Audited	18,049,029.00	24,157,306.86	29,852,163.48	33,194,815.22	37,014,880.66
Other Restatements	-	-	-	-	-
Adjusted Beginning Fund Balance	18,049,029.00	24,157,306.86	29,852,163.48	33,194,815.22	37,014,880.66
ENDING BALANCE, June 30	\$ 18,703,376.00	\$ 33,194,815.22	\$ 24,334,973.48	\$ 37,014,880.66	\$ 15,725,064.66⁽³⁾

⁽¹⁾ Total revenues and total expenditures do not match the District's audited financial statements because the District does not include contributions of 4.517% of teacher payroll to the State Teachers' Retirement System made by the State on behalf of the District in its internal financial reports. The District's audited financial statements include such amounts as revenue and as an expenditure.

⁽²⁾ The District's original adopted budget has been revised to reflect the amended 2009-10 State Budget enacted into law on July 28, 2009. The District cannot make any predictions regarding any future budget legislation or its effect on school finance. Further adjustments to the District's 2009-10 budget may be necessary to the extent additional revisions to the amended 2009-10 State Budget are enacted into law. See "—State Funding of Education; State Budget Process—2009-10 State Budget" above.

⁽³⁾ The District's revised 2009-10 budget continues to provide a positive ending general fund balance for fiscal year 2009-10. However, in response to the ongoing cuts to education funding, the District has assumed \$12.5 million in ongoing cuts in its multi-year projections in order to maintain projected reserves designated for economic uncertainties at minimum State requirements and to provide a positive ending general fund balance in fiscal year 2010-11. Some of the assumed ongoing cuts will need to be negotiated with the District's collective bargaining units. Moreover, in addition to the ongoing cuts the District has already assumed, the District projects that as much as \$12 million of additional ongoing cuts may be necessary to maintain projected reserves designated for economic uncertainties at minimum State requirements and to provide a positive ending general fund balance in fiscal year 2011-12. The District's staff is currently developing budgetary proposals to make such further adjustments.

Source: District Adopted General Fund Budgets for fiscal years 2007-08, 2008-09 and 2009-10; unaudited actuals for fiscal years 2007-08 and 2008-09.

The certifications required under A.B. 1200 are not applicable when a school district files its budget with the county superintendent of schools even though State law requires school districts to make projections for two fiscal years beyond the budget year and to include such projections in the budgets filed with the county superintendent of schools. As indicated in the table above, the District's revised 2009-10 budget continues to provide a positive ending general fund balance for fiscal year 2009-10. However, in response to the ongoing cuts to education funding, the District has assumed \$12.5 million in ongoing cuts, some of which will need to be negotiated with the District's collective bargaining units, in its multi-year projections in order to maintain projected reserves designated for economic uncertainties at minimum State requirements and to provide a positive ending general fund balance in fiscal year 2010-11. Moreover, in addition to the ongoing cuts the District has already assumed, the District projects that as much as \$12 million of additional ongoing cuts may be necessary to maintain projected reserves designated for economic uncertainties at minimum State requirements and to provide a positive ending general fund balance in fiscal year 2011-12. Failure to take corrective actions could jeopardize the District's current positive certification status under A.B. 1200 when the District is required to file its first interim report in December 2009. The District's staff is currently developing budgetary proposals to make necessary adjustments. However, some of these adjustments will depend on negotiations with the District's collective bargaining units, the outcome of which the District cannot predict.

District Debt Structure

Long-Term Debt Summary. The changes in the District's long-term obligations during fiscal year 2007-08 consisted of the following:

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008	Due in One Year
2001 General Obligation Bonds, Series A	\$ 26,760,000	\$ -	\$ 310,000	\$ 26,450,000	\$ 320,000
Premium on issuance of debt	520,391	-	27,389	493,002	-
2001 General Obligation Bonds, Series B	23,378,133	158,659	295,000	23,241,792	385,000
Premium on issuance of debt	419,853	-	19,084	400,769	-
2001 General Obligation Bonds, Series C	51,301,759	814,227	1,475,000	50,640,986	1,990,000
Premium on issuance of debt	3,612,741	-	174,810	3,437,931	-
2001 Certificates of Participation	7,690,000	-	435,000	7,255,000	450,000
Capital Leases	258,556	150,000	47,868	360,688	49,139
Supplemental Early Retirement Plan	492,952	-	492,952	-	-
Other Postemployment Benefits	-	1,904,540	-	1,904,540	-
Accumulated Vacation - Net	1,479,192	134,652	-	1,613,844	-
	<u>\$115,913,577</u>	<u>\$3,162,078</u>	<u>\$3,277,103</u>	<u>\$115,798,552</u>	<u>\$3,194,139</u>

Payments on the general obligation bonds are payable from the District's Interest and Redemption Fund with local *ad valorem* tax revenues. Payments for the 2001 Certificates of Participation are payable from the District's General Fund. Capital lease obligations are payable from the District's General Fund and the District's Child Development Fund. The Supplemental Early Retirement Plan payments are payable from the District's General Fund. Claims liability payments are payable from the Workers' Compensation Internal Service Fund. The other postemployment benefits and accrued vacation are paid from the fund for which the employee worked.

General Obligation Bonds. On September 25, 2001, a two-thirds majority of the voters of the District approved \$102,000,000 principal amount of general obligation bonds (the "2001 Authorization"). On April 10, 2002, the District issued \$28,700,000 aggregate original principal amount of its 2001 General Obligation Bonds, Series A (the "2001A Bonds") as the District's first series under the 2001 Authorization. Proceeds from the sale of the 2001A Bonds were used to provide funds to acquire school sites, construct and repair school facilities and redeem a portion of the District's 2001 Certificates (as defined below). The 2001A Bonds mature on August 1, 2026 with interest yields of 3.00 to 5.23 percent.

On July 14, 2004, the District issued \$23,177,726 aggregate original principal amount of its 2001 General Obligation Bonds, Series B (the “2001B Bonds”) as the District’s second series under the 2001 Authorization. The 2001B Bonds were issued as both current interest bonds and capital appreciation bonds, with the value of the capital appreciate bonds accreting \$7,542,274 and an aggregate principal debt service balance of \$30,720,000. The 2001B Bonds mature on February 1, 2029, with interest yields of 2.00 to 5.89 percent. Proceeds from the sale of the 2001B Bonds will be used to provide funds to acquire school sites, construct and repair school facilities.

On January 11, 2006, the District issued \$50,122,151 aggregate original principal amount of its 2001 General Obligation Bonds, Series C (the “2001C Bonds”) as the District’s third and final series under the 2001 Authorization. The 2001C Bonds were issued as both current interest bonds and capital appreciation bonds, with the value of the capital appreciate bonds accreting \$49,472,849 and an aggregate principal debt service balance of \$99,595,000. The 2001C Bonds mature on February 1, 2038, with interest yields of 3.17 to 5.12 percent. Proceeds from the sale of the 2001C Bonds will be used to provide funds to acquire school sites, construct and repair school facilities.

The following table summarizes the District’s general obligation debt that was outstanding as of June 30, 2008:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2007	Accreted	Redeemed	Bonds Outstanding June 30, 2008
4/10/02	8/1/26	3.00 – 5.23%	\$ 28,700,000	\$ 26,760,000	\$ -	\$ 310,000	\$ 26,450,000
7/14/04	2/1/29	2.00 – 5.89%	23,177,726	23,378,133	158,659	295,000	23,241,792
1/11/06	2/1/38	3.17 – 5.12%	50,122,151	51,301,759	814,227	1,475,000	50,640,986
Totals				<u>\$101,439,892</u>	<u>\$972,886</u>	<u>\$2,080,000</u>	<u>\$100,332,778</u>

Source: District Audited Financial Report for fiscal year 2007-08.

For a table showing the scheduled debt service on all the District’s outstanding general obligation bonds, see “THE BONDS–Aggregate Debt Service” in the front portion of this Official Statement.

Certificates of Participation. On June 27, 2001, the District, pursuant to a lease/purchase agreement with the Colton Joint Unified School District Facilities Corporation (the “Corporation”), caused to be executed and delivered \$15,000,000 aggregate principal amount of certificates of participation (the “2001 Certificates”). The 2001 Certificates were executed and delivered to finance the acquisition of real property within the District and improvements thereon, to finance the acquisition of relocatable classrooms, kitchens and multipurpose rooms to be used by the District for educational purposes, fund a reserve fund for the 2001 Certificates and pay costs of issuance incurred in connection with the execution and delivery of the 2001 Certificates. The interest rate of the 2001 Certificates ranges from 3.00 to 5.25 percent and the 2001 Certificates mature through May 15, 2021. At June 30, 2008 the principal balance of the 2001 Certificates outstanding was \$7,255,000. The 2001 Certificates mature through 2021 as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 450,000	\$ 342,310	\$ 792,310
2010	470,000	324,310	794,310
2011	490,000	304,922	794,922
2012	510,000	284,098	794,098
2013	530,000	261,785	791,785
2014 – 2018	3,055,000	912,570	3,967,570
2019 – 2021	1,750,000	158,329	1,908,329
Total	<u>\$ 7,255,000</u>	<u>\$ 2,588,324</u>	<u>\$ 9,843,324</u>

Capital Leases. The District's liability on lease agreements with options to purchase are summarized below:

Balance, July 1, 2007	\$ 297,213
Additions	150,000
Payments	<u>57,457</u>
Balance, June 30, 2008	\$ 389,756

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2009	\$ 57,459
2010	57,459
2011	57,459
2012	57,459
2013	57,459
2014 – 2017	102,461
Total	<u>389,756</u>
Less: Amount Representing Interest	<u>29,068</u>
Present Value of Minimum Lease Payments	<u><u>\$360,688</u></u>

Supplemental Employee Retirement Plan (SERP). In March 2004, the District adopted a supplemental retirement plan whereby certain eligible certificated employees are provided an annuity to supplement the retirement benefits they are entitled to through the State Teachers' Retirement System or other retirement system. As of June 30, 2008, the District had paid all of its liabilities under the plan.

Employment

As of June 30, 2009, the District employed 1,278 represented certificated professionals and 815 represented classified employees, and 136 management employees. For the year ended June 30, 2009, the total certificated and classified payrolls (excluding benefits) were \$97,987,901 (unaudited) and \$29,970,618 (unaudited), respectively.

District employees are represented by employee bargaining units as follows:

Name of Bargaining Unit	Number of Employees Represented (Full time equivalent)	Current Contract Expiration Date
California School Employees Association	815	June 30, 2010 ⁽¹⁾
California Teachers Association	1,278	June 30, 2008 ⁽¹⁾

⁽¹⁾ [Salary and benefit negotiations are not settled for fiscal year 2009-10. The District’s revised 2009-10 budget continues to provide a positive ending general fund balance for fiscal year 2009-10. However, in response to the ongoing cuts to education funding, the District has assumed \$12.5 million in ongoing cuts in its multi-year projections in order to maintain projected reserves designated for economic uncertainties at minimum State requirements and to provide a positive ending general fund balance in fiscal year 2010-11. Some of the assumed ongoing cuts will need to be negotiated with the District’s collective bargaining units. Moreover, in addition to the ongoing cuts the District has already assumed, the District projects that as much as \$12 million of additional ongoing cuts may be necessary to maintain projected reserves designated for economic uncertainties at minimum State requirements and to provide a positive ending general fund balance in fiscal year 2011-12. The District’s staff is currently developing budgetary proposals to make necessary adjustments. However, some of these adjustments will depend on negotiations with the District’s collective bargaining units, the outcome of which the District cannot predict.]

Source: The District.

Retirement Benefits

The District participates in retirement plans with the State Teachers’ Retirement System (“CalSTRS”), which covers all full-time certificated District employees, and the State Public Employees’ Retirement System (“CalPERS”), which covers certain classified employees. Classified school personnel who are employed four or more hours per day may participate in CalPERS. The District also contributes to the Accumulation Program for Part-time and Limited Service Employees (“APPLE”), which is a defined contribution pension plan.

District’s Contributions to CalSTRS. Contributions to CalSTRS are fixed in statute. Teachers contribute 8% of salary to CalSTRS, while school districts contribute 8.25%. In addition to the teacher and school contributions, the State contributes 4.517% of teacher payroll to CalSTRS (calculated on payroll data from two fiscal years ago). Unlike typical defined benefit programs, however, neither the CalSTRS employer nor the State contribution rate varies annually to make up funding shortfalls or assess credits for actuarial surpluses. The State does pay a surcharge when the teacher and school district contributions are not sufficient to fully fund the basic defined benefit pension (generally consisting of 2% of salary for each year of service at age 60 referred to herein as “pre-enhancement benefits”) within a 30-year period. However, this surcharge does not apply to systemwide unfunded liability resulting from recent benefit enhancements.

Because of the downturn in the stock market, an actuarial valuation as of June 30, 2003 showed a \$118 million shortfall in the baseline benefits—one-tenth of 1% of accrued liability. Consequently, the surcharge kicked in for the first time in the fiscal year 2004-05 at 0.524% for three quarterly payments, which amounted to an additional \$92 million from the State’s general fund in fiscal year 2004-05. However, in addition to the small shortfall in pre-enhancement benefits (triggering the surcharge), the June 30, 2003, valuation also showed a substantial \$23 billion unfunded liability for the entire system, including enhanced benefits. As indicated above, there is no required contribution from teachers, school districts or the State to fund this unfunded liability.

As of June 30, 2007, an actuarial valuation for the entire system, including enhanced benefits, showed an estimated unfunded actuarial liability of \$20.7 billion. Future estimates of the actuarial

unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions.

CalSTRS has developed options to address the shortfall but most would require legislative action. In addition, in the Governor's 2005-06 Proposed State Budget and the 2005-06 May Revise of the 2005-06 Proposed Budget, the Governor proposed increasing the fixed contribution rate from 8.25% to 10.25% for school districts. Subsequently, the final 2005-06 State Budget was adopted with a contribution rate of 8.25%. In addition to the proposal by the Governor to increase the fixed contribution rate for school districts, other proposals have been suggested that would modify the District's obligation to make contributions to CalSTRS to closely parallel the full cost of the retirement benefits provided by CalSTRS, which proposals would include components for unfunded liability. If these proposals were adopted, the District's annual obligations to CalSTRS would likely increase substantially.

The District's employer contributions to CalSTRS for fiscal years 2006-07, 2007-08 and 2008-09 were \$7,621,394, \$8,002,058 and \$8,068,895, respectively, and were equal to 100 percent of the required contributions for each year. The District projects that its employer contributions to CalSTRS for fiscal year 2009-10 will be approximately \$8,055,967.

CalPERS. All qualifying classified employees of K through 12 school districts in the State are members in CalPERS, and all of such districts participate in the same plan. As such, all such districts share the same contribution rate in each year. However, unlike school districts' participating in CalSTRS, the school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability.

According to the CalPERS State and Schools Actuarial Valuation as of June 30, 2007, the CalPERS Plan for Schools had a funded ratio of 107.8% on a market value of assets basis. It is expected that the funded ratio will be less as of June 30, 2008, as the rate of return on assets in fiscal year 2007-08 was 2.4%. On October 22, 2008, CalPERS announced that employer rates for fiscal year 2008-09 would be unaffected by the market losses experienced in October 2008. CalPERS indicated that rates were built using investment returns from earlier periods, and the effect of the current market downturn in October 2008 will be unknown until investment returns are determined for the fiscal year ending June 30, 2009.

The District's employer contributions to CalPERS for fiscal years 2006-07, 2007-08 and 2008-09 were \$2,855,928, \$3,012,541 and \$3,074,109, respectively, and were equal to 100 percent of the required contributions for each year. The District projects that its employer contributions to CalPERS for fiscal year 2009-10 will be approximately \$3,165,523.

APPLE. The District also contributes to the Accumulation Program for Part-time and Limited Service Employees, which is a defined contribution pension plan. A defined benefit contribution pension plan provides pension benefits in return for services rendered, provides an individual account of each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined benefit contribution plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

As established by federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by social security or an alternative plan. The District has elected to use APPLE as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 2.25% of an employee's gross earnings. An employee is required to contribute 5.25% of his or her gross earnings to the pension plan.

During the 2007-08 fiscal year, the District's required and actual contributions amounted to \$52,253, which was 2.25% of its current year covered payroll. Employees required and actual contributions amounted to \$121,923, which was 5.25% of the covered payroll.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make. CalSTRS and CalPERS are more fully described in APPENDIX B - "EXCERPTS FROM FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2008, Note 13.

Other Post Employment Benefits (OPEBs)

In addition to the retirement plan benefits with CalSTRS, CalPERS and APPLE, the District provides certain post retirement healthcare benefits, in accordance with District employment contracts, to eligible employees. Certificated employees who retire from the District on or after attaining age 55 with at least 15 years of service, are (i) eligible for 10 years of benefits or until the retiree's sixty-fifth birthday, whichever occurs first, if such employee reached age 50 prior to July 1, 2007, and (ii) are eligible for 5 years of benefits or until the retiree's sixty-fifth birthday, whichever occurs first, if such employee reaches age 50 after July 1, 2007. The benefits consist of health insurance benefits and are provided in the form of a subsidy by the District up to the cost of HMO Employee Plus One medical coverage. Dependents are eligible to receive benefits. Part-time employees' subsidy is pro-rated based on a percentage of scheduled hours worked. Selected retirees receive lifetime benefits. Currently there are four retirees receiving lifetime benefits. Retirees may elect to continue coverage after the age of sixty-five with no direct subsidy from the District.

Classified employees who retire from the District on or after attaining age 50 with at least 15 years of service, also receive health insurance benefits in the form of the subsidy by the District up to the cost of HMO Employee Plus One medical coverage. Such benefits are provided for 10 years or until the retiree's sixty-fifth birthday, whichever occurs first. Dependents are eligible to receive benefits. Part-time employees' subsidy is pro-rated based on a percentage of scheduled hours worked. Retirees may elect to continue coverage after the age of sixty-five with no direct subsidy from the District.

As of June 30, 2008, 99 retirees and beneficiaries met these eligibility requirements and were receiving benefits, and there were 3,033 active plan members.

The Governmental Accounting Standards Board ("GASB") released its Statement Number 45 ("Statement Number 45"), which requires municipalities to account for other post-employment benefits (meaning other than pension benefits) liabilities much like municipalities are required to account for pension benefits. The District implemented the Statement Number 45 requirements in fiscal year 2007-08. See Note 11 to the District's financial statements attached hereto as Appendix B: "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2008."

Smart Business Advisory and Consulting, LLC (the "Actuary"), has prepared the District's most recent actuarial valuation of the District's retiree health insurance benefits and reports that, as of July 1, 2007, the District had an unfunded actuarial accrued liability of \$20,334,938. As of the valuation date, the District had not identified any funds as plan assets under Statement Number 45. The valuation assumed a discount rate or assumed rate of return on investments of 5.0%, and assumed a 11.0% long term average increase for healthcare benefits, trending down to an ultimate 5.0% increase for 2012 and later years. Under the District's actuarial valuation, its annual required contribution for fiscal year 2007-08 was \$2,709,864. However, the District's current funding policy is to contribute an amount sufficient to pay the current year's retiree claim costs and plan expenses. The District has not established an irrevocable trust to prefund its OPEB liability, and no prefunding of benefits has been made by the

District. The District's previous contributions, on a pay-as-you-go basis, for these benefits for fiscal years 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 were \$686,693, \$595,025, \$600,795, \$805,324 and \$1,108,596 (unaudited), respectively.

For further information about the District's OPEB obligations, see Note 11 to the District's financial statements attached hereto as Appendix B: "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2008."

Insurance, Risk Pooling and Joint Powers Agreements and Joint Ventures

The District participates in three joint ventures under joint powers agreements ("JPAs"): the Alliance of Schools for Cooperative Insurance Programs (ASCIP), the Colton-Redlands-Yucaipa Regional Occupational Program (CRYROP), and the High Desert and Inland Employee/Employer Public Joint Labor Management Trust (HD&IE/ET).

Alliance of Schools for Cooperative Insurance Programs. The District pays an annual premium to ASCIP for property and liability coverage.

Colton-Redlands-Yucaipa Regional Occupational Program. Payments for regional occupational program services are paid to CRYROP.

High Desert and Inland Employee/Employer Public Joint Labor Management Trust. HD&IE/ET is a joint powers agency that provides health benefit coverage for its members.

The relationships between the District and the JPAs are such that the JPAs are not a component unit of the District for financial reporting purposes. The JPAs are governed by a board consisting of a representative from each member district. The governing board controls the operations of its JPAs independent of any influence by the member districts beyond their representation on the governing board. Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPAs.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

On June 6, 1978, California voters approved Proposition 13 ("Proposition 13"), which added Article XIII A to the State Constitution ("Article XIII A"). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

County of Orange v. Orange County Assessment Appeals Board No. 3. Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as \$4 per \$100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Article XIII B of the California Constitution

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979, thereby adding Article XIII B to the State Constitution (“Article XIII B”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain monies which are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of monies which are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District's budgeted appropriations from "proceeds of taxes" (sometimes referred to as the "Gann limit") for the 2008-09 fiscal year are equal to the allowable limit of \$9,611,689, and projects an appropriations limit for 2009-10 of \$9,434,947. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State's allowable limit.

Article XIIC and Article XIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIC and XIID, which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one percent *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Statutory Limitations

On November 4, 1986, State voters approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute (a) requires new or higher general taxes to be approved by two-thirds of the local agency's governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in Santa Clara County Transportation Authority v. Gardino. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as whether the decision applies

retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

Proposition 98 and Proposition 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). The Accountability Act changed State funding of public education below the university level, and the operation of the State’s Appropriations Limit. The Accountability Act guarantees State funding for K through 12 school districts and community college districts (collectively, “K-14 districts”) at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9% percentage, or to apply the relevant percentage to the State’s budgets in a different way than is proposed in the Governor’s Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State’s budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIII B spending limit would restrain the State’s ability to fund such other programs by raising taxes.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for K-14 districts and the K-14 school Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional monies would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to schools is four percent of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, California voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the “change in the cost of living” by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State’s spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the “excess” tax revenues, determined based on a two-year cycle, would be transferred to K-14 school districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of four percent of the districts’ minimum funding level), and that any such transfer to K-14 school districts would not be built into the school districts’ base expenditures for calculating their entitlement for State aid in the following year and would not increase the State’s appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain “qualified capital outlay projects” and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98

formula that guarantees K-14 school districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 school districts were guaranteed the greater of (a) 40.9% of general fund revenues (the “first test”) or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the “second test”). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a “credit” to be paid in future years when general fund revenue growth exceeds personal income growth.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see “DISTRICT HISTORY, OPERATION AND FINANCIAL INFORMATION — State Funding of Education; State Budget Process.”

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 98 and 111 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District’s ability to expend revenues.

APPENDIX B

**FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon delivery of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel to the Colton Joint Unified School District, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:

[TO COME]

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E

SUMMARY OF COUNTY OF SAN BERNARDINO INVESTMENT POLICIES AND PRACTICES AND DESCRIPTION OF INVESTMENT POOL

The San Bernardino County Treasury Pool

The following information has been provided by the County Treasurer, and the District takes no responsibility for the accuracy or completeness thereof. Further information may be obtained from the County Treasurer.

General. The County Treasurer is responsible for the investment of the funds of the County, all school districts and community college districts and certain special districts in the County, which are required under state law to be deposited into the County treasury (“Involuntary Depositors”). In addition, certain agencies invest certain of their funds in the County treasury on a voluntary basis (“Voluntary Depositors” and together with the Involuntary Depositors, the “Depositors”). Deposits made by the County and the various local agencies are commingled in a pooled investment fund (the “Treasury Pool”). No particular deposits are segregated for separate investment.

The Treasury Pool is presently assigned the following ratings on its ability to meet its financial commitments:

- Standard & Poor’s Ratings Group - “AAAF” (credit quality) and “S1+” (market risk)
- Moody’s Investors Service - “Aaa” (credit quality) and “MR1” (market risk)
- Fitch, Inc. - “AAA” (credit quality) and “V1 +” (market risk)

These ratings reflect only the views of the respective rating agencies and any explanation of the significance of such ratings may be obtained from such rating agencies as follows: Standard & Poor’s Ratings Services, 55 Water Street, New York, New York 10041, Moody’s Investors Services, Inc., 7 World Trade Center, 250 Greenwich Street, Public Finance Group, 23rd Floor, New York, New York 10007 and Fitch, Inc., One State Street Plaza, New York, New York 10004.

Under State law, Depositors in the Treasury Pool are permitted to withdraw funds that they have deposited on 30 days notice. The County does not expect that the Treasury Pool will encounter liquidity shortfalls based on its current portfolio and investment guidelines or realize any losses that may be required to be allocated among all Depositors in the Treasury Pool.

The County has established a Treasury Oversight Committee as required by State law. The members of the Oversight Committee include the County Administrative Officer, two members of the public and the Superintendent of Schools or his designee. The role of the Oversight Committee is to review and monitor the Investment Policy that is prepared by the Treasurer.

Investments of the Treasury Pool.

Authorized Investments. Investments of the Treasury Pool are placed in those securities authorized by various sections of the California Government Code and the County’s Investment Policy, which include obligations of the United States Treasury, Agencies of the United States Government, local bond issues, bankers acceptances, commercial paper of prime quality, certificates of deposit (both

collateralized and negotiable), repurchase and reverse repurchase agreements, medium term corporate notes and shares of beneficial interest in diversified management companies (mutual funds). Generally, investments in repurchase agreements cannot exceed a term of 180 days and the security underlying the agreement shall be valued at 102% or greater of the funds borrowed against the security. In addition, reverse repurchase agreements generally may not exceed 10% of the Base Value of the portfolio and the term of the agreement may not exceed 92 calendar days. Securities lending transactions are considered reverse repurchase agreements for purposes of this limitation. Base Value is defined as the total cash balance excluding any amounts borrowed (i.e., amounts obtained through selling securities by way of reverse repurchase agreements or other similar borrowing methods).

Legislation that would modify the currently authorized investments and place restrictions on the ability of municipalities to invest in various securities is considered from time to time by the California State Legislature. Therefore, there can be no assurances that the current investments in the Treasury Pool will not vary significantly from the investments described herein.

The Investment Policy. The County’s Investment Policy (the “Investment Policy”) currently states the primary goals of the Treasurer when investing public funds to be as follows: the primary objective is to safeguard the principal of the funds under the Treasurer’s control, the secondary objective is to meet the liquidity needs of the Treasury Pool Participants, and the third objective is to achieve a return on the funds under the control of the Treasurer within the parameters of prudent risk management.

Certain Information Relating to Treasury Pool. The following table reflects information with respect to the Treasury Pool as of the close of business July 31, 2009. As described above, a wide range of investments is authorized by state law. Therefore, there can be no assurances that the investments in the Treasury Pool will not vary significantly from the investments described below. In addition, the value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described below. In addition, the values specified in the following tables were based upon estimates of market values provided to the County by a third party. Accordingly, there can be no assurance that if these securities had been sold on July 31, 2009, the Treasury Pool necessarily would have received the values specified.

<u>Security Type</u>	<u>Par Value</u>	<u>Market Value</u>
Bankers Acceptances	\$ 0.00	\$ 0.00
Certificates of Deposit	326,500,000.00	326,479,675.45
Collateralized Certificates of Deposit	0.00	0.00
Commercial Paper	325,000,000.00	324,893,800.00
Corporate Notes	146,234,000.00	146,278,764.97
Federal Agencies	2,750,484,000.00	2,798,083,783.67
Money Market Funds	428,000,000.00	428,000,000.00
Municipal Debt	0.00	0.00
Repurchase Agreements	0.00	0.00
TLGP Corporate Notes	75,000,000.00	75,424,175.00
U.S. Treasuries	230,000,000.00	233,037,660.00
Cash	197,632,400.68	197,632,400.68
TAGP/FDIC NOW	200,000,000.00	200,000,000.00
Total Investments	<u>\$4,678,850,400.68</u>	<u>\$4,729,830,259.77*</u>

*Does not include accrued interest of \$23,178,135.30.

Neither the District nor the Underwriters have made an independent investigation of the investments in the Pools and has made no assessment of the current County Investment Policy. The value of the various investments in the Pools will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the Treasury Oversight Committee and the County Board of Supervisors, may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Pools will not vary significantly from the values described herein.

APPENDIX F
COUNTY INVESTMENT POLICY

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting

on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

APPENDIX H
TABLE OF ACCRETED VALUES

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this “Disclosure Certificate”) is executed and delivered by the Colton Joint Unified School District (the “District”) in connection with the issuance of \$_____ aggregate principal amount of Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series A (Tax-Exempt) (the “Series A Bonds”) and \$_____ aggregate principal amount of the Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series A-1 (Build America Bonds – Direct Payment to District) (Federally Taxable) (the “Series A-1 Bonds” and, together with the Series A Bonds, the “Bonds”). The Bonds are being issued pursuant to a resolution (the “District Resolution”) adopted by the Board of Education of the District on _____, 2009. The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the District Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

“Beneficial Owner” shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean the District, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) hereof.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement, dated _____, 2009 (including all exhibits or appendices thereto), relating to the offer and sale of Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports. (a) The District shall, or shall cause the Dissemination Agent to, not later than eight months after the end of the District’s fiscal year (which due date shall be March 1 of each year, so long as the fiscal year ends on June 30), commencing with the report for the 2008-2009 Fiscal Year (which is due not later than March 1, 2010), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 hereof. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c) hereof. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 Business Days prior to the date specified in subsection (a), the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall send a notice to the MSRB, in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) (if the Dissemination Agent is other than the District), provide any Annual Report received by it to the MSRB, as provided herein; and

(ii) (if the Dissemination Agent is other than the District), file a report with the District certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, stating the date it was provided.

Section 4. Content of Annual Reports. The District’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

- (i) The adopted budget of the District for the then current fiscal year.
- (ii) The District's average daily attendance.
- (iii) The District's outstanding debt.
- (iv) Information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the County.
- (v) Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County.

(c) In addition to any of the information expressly required to be provided under subsections (a) and (b), the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB's website. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events. (a) Pursuant to the provisions of this Section, the District shall promptly give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on the credit enhancements reflecting financial difficulties;
- (v) substitution of the credit or liquidity providers or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the Series A Bonds;
- (vii) modifications to rights of Holders;

- (viii) optional, contingent or unscheduled bond calls;
- (ix) defeasances;
- (x) release, substitution or sale of property securing repayment of the Bonds; and
- (xi) rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in paragraphs (viii) and (ix) of subsection (a) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the District Resolution.

Section 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c) hereof.

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Section 3(a), Section 4, or Section 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by the Holders in the same manner as provided in the District Resolution for amendments to the District Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c) hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the District Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and (if the Dissemination Agent is other than the District) the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 2009

**COLTON JOINT UNIFIED SCHOOL
DISTRICT**

By: _____

EXHIBIT A

FORM OF NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Colton Joint Unified School District

Name of Issue: Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series A (Tax-Exempt) and Colton Joint Unified School District (San Bernardino and Riverside Counties, California) Election of 2008 General Obligation Bonds, Series A-1 (Build America Bonds – Direct Payment to District) (Federally Taxable)

Date of Issuance: _____, 2009

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated _____, 2009. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

**COLTON JOINT UNIFIED SCHOOL
DISTRICT**

BOARD AGENDA

REGULAR MEETING
September 17, 2009

ACTION ITEM

TO: Board of Education

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

SUBJECT: Approval of Memorandum of Understanding with Western University of Health Services for Participation in Community Health Nursing (2009-10)

GOAL: Community Relations and Student Performance

STRATEGIC PLAN: Strategy #1 – Communication
Strategy #2 – Curriculum

BACKGROUND: Western University of Health Sciences would provide fourth year Master of Science in Nursing Entry Program (MSN-E) students to assist district nurses and earn clinical laboratory experience hours with a community based experience to meet their professional requirements for Certification as a Public health nurse. Clinical experiences consist of activities related to family and community assessment, performing client and family nursing interventions, and participating in program development and evaluation.

Western University of Health Sciences has provided fourth year MSN-E students to our district many times over the past seven years. They have assisted with all types of health screenings and related school nursing services. During the last flu pandemic 4 years ago, these health care professionals were invaluable in administering the Flu-Mist protocols. This year, with the rising concerns for the H1N1 Swine Flu, it may become necessary to bring in additional qualified and trained professionals. This memorandum of understanding would allow us to do this at no additional cost to the District.

BUDGET IMPLICATIONS: None

RECOMMENDATION: That the Board approve the Memorandum of Understanding with Western University of Health Sciences, College of Graduate Nursing for Participation in Community Health Nursing.

ACTION: On motion of Board Member _____ and _____, the Board approve the Memorandum of Understanding with Western University of Health Sciences, College of Graduate Nursing (2009-10).

**Western University of Health Sciences
College of Graduate Nursing**

Memorandum of Understanding

Master of Science in Nursing – Entry Program (MSN-E)

Clinical Faculty: Credentialed School Nurse, as Assigned

Institution Name and Address: **Colton Joint Unified School District
1212 Valencia Drive
Colton, CA 92324**

This is to evidence a memo of understanding between (agency) **Colton Joint Unified School District** and Western University of Health Sciences College of Graduate Nursing, Master of Science in Nursing Entry Program (MSN-E) for the purpose of utilizing this institution as a clinical site for community health nursing beginning September 18, 2009 and shall remain effective for the term of one year.

Western University of Health Sciences nursing (MSN-E) students entering their fourth semester will be enrolled in CGN 6901 (didactic) and CGN 6902 (clinical) for Community Health nursing. The clinical laboratory experience (ninety hours) provides students with a community based experience to meet BRN requirements for students to be eligible for Certification as a Public Health Nurse. Clinical experiences primarily consist of activities related to family and community assessment, performing client and family nursing interventions, and participating in program development and evaluation per agency policy.

Students completing CGN 6902 (clinical) will be supervised and evaluated by the CGN clinical instructor. Each clinical instructor will supervise no more than 20 students

and will be a resource to the student and assigned RN preceptor from the agency. The clinical instructor as well as the community preceptor will plan, facilitate, and assist students to complete course objectives. All preceptors will participate in evaluating the performance of each student. The clinical instructor is responsible for grading the student.

For the duration of this agreement all parties will respect all institutional rules and regulations, maintain the confidentiality of all material and information they may obtain in regard to patients, patient care, records, and business activities of the institution.

Health insurance coverage is the responsibility of the individual student, with student health records available on campus. Professional liability insurance is provided by the University for all enrolled students. The University currently maintains a \$5 million single occurrence/\$5 million aggregate policy for all students. The College of Graduate Nursing will provide verification that all students have current immunizations and have completed a Criminal Background Check, conducted by PreCheck, Inc., at the time of the student's initial matriculation in the program. Only students in good standing are able to progress in the program.

The nature of this agreement is such that each party undertakes obligations to the other party with no financial compensation between the parties or between personnel of their respective staffs.

If there are any questions, or any further clarification is needed please contact the Dean of the College, Karen Hanford, MSN, FNP at 909-469-5523, or the Assistant Dean of Student Affairs, Mitzi McKay at 909-469-5255 at 909-469-5255.

James A. Downs, Superintendent

Date: _____

Benjamin L. Cohen, D.O.
Executive VP for Academic Affairs

Date: _____

BOARD AGENDA

REGULAR MEETING
September 17, 2009

ACTION ITEM

- TO:** Board of Education
- PRESENTED BY:** Mike Snellings, Assistant Superintendent, Student Services Division
- SUBJECT:** Ratification of Agreement #08/09-0804 for Web-IEP with East Valley Special Education Local Plan Area (EVSELPA) for December 8, 2008 through June 30, 2009
- GOAL:** Student Performance
- STRATEGIC PLAN:** Strategy #1 – Communication
Strategy #2 – Curriculum
- BACKGROUND:** EVSELPA provides an on-line record storage system for districts to record Individualized Education Plan (IEP) information for students to submit to California Department of Education (CDE). With recent improvements to the EVSELPA system, the District has cancelled the licensing agreement with the previous provider, Spectrum K12, as of March 2009 and must now ratify the contract with EVSELPA for December 2008 to June 2009.
- The EVSELPA program, Web-IEP, offers enhanced electronic storage capabilities, ease of access by all users, and the ability to interface with Zangle. Web-IEP is a web-based system, allowing access by multiple users within the district and by other EVSELPA member districts, enabling smoother transitions for students moving between districts. The web-based program eliminates the need for dual entry of data and with the Zangle interface, simplifies the preparation of IEP documents at the site.
- The prior contract with Spectrum K12 cost approximately \$80,000 annually. In contrast, the contracted cost for the EVESELPA system is currently less than \$2 per special education student annually, resulting in a savings of over \$70,000 per year.
- BUDGET IMPLICATIONS:** General Fund and Special Education funding: \$6,440
- RECOMMENDATION:** That the Board approve the Ratification of Agreement #08/09-0804 with EVSELPA.
- ACTION:** On the motion of Board member _____ and _____, the Board approved the Ratification of Agreement# 08/09-0804 with EVSELPA for Web-IEP from December 8, 2008 to June 30, 2009.

**OFFICE OF THE
SAN BERNARDINO COUNTY SUPERINTENDENT OF SCHOOLS
601 North E Street
San Bernardino, CA 92410-3093**

AGREEMENT FOR CONSULTANT SERVICES

AGREEMENT NO# 08/09-0804

THIS AGREEMENT, made and entered into this 4th day of December 2008, by and between the Office of the San Bernardino County Superintendent of Schools, hereinafter called "**SUPERINTENDENT**", East Valley Special Education Local Plan Area, hereinafter called "**SELPA**", and Colton Joint Unified School District hereinafter called "**DISTRICT**".

R E C I T A L S

Whereas, **SELPA** is mandated to report special education student level data, including data for its member districts, to the California Department of Education (CDE) via the CASEMIS software; and

Whereas, the **SELPA** student information system (SELPA System II) incorporates both State and **SELPA** required student level data; and

Whereas, **SELPA** student level data is collected in a student information system developed and maintained by **SELPA** at no cost to its member districts; and

Whereas, **SELPA's** allocation formula distributes State and Federal revenue based on each member district's prior year December unduplicated pupil count data (except Low Incidence Materials & Equipment, which is pooled); and

Whereas, **SELPA** is responsible for internal Fee for Service reporting; and

Whereas, **DISTRICT** has discontinued using the **SELPA** student information system for student data level entry because it has purchased and will maintain its own special education student information system; and

Whereas, **SELPA**, in order to meet State mandates, requires **DISTRICT** to export special education student level data from the **DISTRICT** special education student information system, and import the same data into the **SELPA** special education student information system;

NOW, THEREFORE, **SUPERINTENDENT**, **SELPA**, and **DISTRICT** mutually agree as follows:

1. **DISTRICT** Requirements

- a. **DISTRICT** student level data shall contain all SELPA data requirements.
- b. **DISTRICT** student level data shall be included in the SELPA student system. This will be accomplished through an export/import process.
- c. **DISTRICT** shall be responsible for ensuring that its student level data includes all State required reporting requirements contained in CDE's annual CASEMIS software for each State reporting period. The CASEMIS software and User's Manual are available on the CDE web site at <http://www.cde.ca.gov/sp/se/ds/>.
 - 1) **SELPA** will meet with **DISTRICT** upon **DISTRICT's** request to facilitate this requirement.

- d. **DISTRICT** shall be responsible for ensuring that **SELPA** required changes in student level data are reflected in **DISTRICT** student level data within ninety (90) days of **SELPA** notification (unless required sooner for State reporting requirements).
- e. Student level data for students that receive primary special education service from **DISTRICT** and Itinerant Service from **SUPERINTENDENT** (VI, O&M, DHH) shall be maintained by **DISTRICT** in its student system.
 - 1) **DISTRICT** is responsible for the Individual Education Plan (IEP) and student data input in its student information system.
- f. **DISTRICT** is responsible for ensuring that the EXPORT data is in compliance with all **SELPA** data requirements.
 - 1) **DISTRICT** shall EXPORT data from its student system on the last working day of each week, except during CASEMIS reporting.
- g. **DISTRICT** is responsible for ensuring that the IMPORT data is in compliance with all **SELPA** data requirements.
 - 1) **DISTRICT** shall import its student system's file into the **SELPA** student system using a separate import utility contained within the **SELPA** system (**SELPA** is responsible for development and maintenance of the import utility as described in section 2.a. below). The import is to be coordinated with the export and adhere to the same schedule.
 - 2) The import utility shall include file verification and checks the data for compliance with **SELPA** requirements. A report shall be contained within the import utility that will list errors. **DISTRICT** student level data shall not be imported into the **SELPA** system until the data file is error free.
 - 3) **SELPA** shall not correct or otherwise update **DISTRICT** student records that have been imported in the **SELPA** student system (records will be identified as "Import" in the **SELPA** system student record). Corrections shall be made by **DISTRICT** in its student system, re-exported, and then re-imported into the **SELPA** student system.
- h. **DISTRICT** shall have "read only" access to the **SELPA** student system, with the exception of the import utility.
- i. **DISTRICT** shall incorporate the most current version of the approved **SELPA** IEP forms and related forms into its student system. The forms shall be identical to the **SELPA** forms in content and layout (**SELPA** Local Plan and State compliance requirement), including form number, form name (title), and version (spacing and font may be chosen by **DISTRICT**). **DISTRICT** shall incorporate form changes into its student system within ninety (90) days of notification by **SELPA**.
- j. **DISTRICT** shall back up, archive, and retain a separate export/import file for each State CASEMIS reporting period. Archive files must be retained and available for access for a period of five (5) years after the reporting period (in case of audit questions, data loss, etc.).

2. **SELPA Requirements**

- a. **SELPA** is responsible for development and maintenance of the import utility contained within its student system. **DISTRICT** is responsible for associated cost as described in section 5.b. below.
- b. **SELPA** is responsible for providing its student level data requirements to **DISTRICT**, including field names, codes, descriptions, and format.
 - 1) Changes in student level data requirements, including CASEMIS updates, shall be provided by **SELPA** to **DISTRICT** in a timely manner.

- c. **SELPA** shall provide **DISTRICT** with **SELPA's** State and local reporting deadlines annually by September 15.
- d. **SELPA** shall include properly imported **DISTRICT** student level data as described in sections 1.a.-g. above and which is in adherence with **SELPA** timeline as described in section 2.c. above in the **SELPA's** CASEMIS submission files.
- e. Annually by July 15, **SELPA** shall provide **DISTRICT** with a report listing the **SELPA** approved forms, including form number, form name (title), and version date.
- f. **SELPA** shall provide electronic copies of form revisions and newly developed/approved forms to **DISTRICT** in a timely manner.

3. **SUPERINTENDENT Responsibilities**

SUPERINTENDENT shall act as the fiscal agent for the **SELPA** in all matters related to this Agreement.

4. **Annual CASEMIS Records Reconciliation (Revision of State CASEMIS file)**

- a. The December CASEMIS student level data is audited by CDE for possible statewide duplicate records.
- b. CDE provides a report to **SELPA** (generally mid-January to mid-February) of any duplicate records.
- c. **SELPA** is required by the State to reconcile data with other **SELPA's** in the State and resubmit a revised CASEMIS file within two weeks of CDE notification.
 - 1) If applicable, **SELPA** shall provide the duplicate report and **SELPA's** deadline to **DISTRICT**.
 - 2) **DISTRICT** is responsible for reconciliation and correction of its duplicate student data.
 - 3) Corrections shall be made in both the **DISTRICT** CASEMIS export archive file and its student system.
 - 4) The REVISED export file shall be submitted to **SELPA** (via computer disk, CD, or email attachment) by the **SELPA** deadline.
 - 5) **DISTRICT** shall archive the revised file as described in section 1.j. above.
- d. **SELPA** shall import the revised DISTRICT file into SELPA's archive of the December student level data for inclusion in **SELPA's** revised CASEMIS submission.

5. **Associated Cost and Billing Method**

- a. **DISTRICT** is responsible for all costs related to the **DISTRICT** student information system which shall include, but is not limited to, the initial and ongoing cost, development, implementation, ongoing maintenance and update of a utility to export data from its student system to the **SELPA** student system.
- b. **DISTRICT** is responsible for all costs related to the **SELPA's** development, testing, implementation, ongoing maintenance and updating (as needed) of the import utility that will be contained in the **SELPA** system and any associated hardware costs.
- c. Upon the successful conclusion of attesting of the import utility, **SELPA** shall submit to **DISTRICT** an invoice for the actual cost associated with the development, testing, and implementation of the import utility contained in the **SELPA** system. The projected cost for additional development of the import utility is Six Thousand One Hundred Twenty and no/100 Dollars (\$6,120.00). Hardware costs, if any, are in addition to the cost for program development.

- d. **DISTRICT** is responsible to process a purchase order by September 30 of each fiscal year that the SELPA system is used by the **DISTRICT** in the amount of 20% of the original implementation cost for ongoing maintenance of the system.

6. Default by **DISTRICT** to meet SELPA Requirements or Make Payments

- a. If **DISTRICT** fails to submit data for one (1) State reporting period by the **SELPA** deadline, or the data fails to meet all **SELPA** requirements, the following will occur:
 - 1) **SELPA** shall notify the **DISTRICT** Superintendent and Pupil Personnel Director;
 - 2) **SELPA** shall submit to the State the lesser of the past two years **DISTRICT** CASEMIS related data (from the **SELPA** CASEMIS archive) for the reporting cycle;
 - 3) **DISTRICT** shall be responsible for resolving any noncompliance issues related to the data; and
 - 4) **SELPA** will use the pupil count from 6.a.2. above to calculate **DISTRICT** pupil count related revenue entitlements.
- b. If, subsequent to the first occurrence, **DISTRICT** fails to submit data, or the data fails to meet all **SELPA** requirements for any other State reporting period, the following will occur:
 - 1) **SELPA** shall notify the **DISTRICT** Superintendent and Pupil Personnel Director.
 - 2) **SELPA** shall require **DISTRICT** to input its student level data directly (by hand) into the **SELPA** student system.
- c. If **DISTRICT** fails to make timely payment of invoices rendered, the following will occur:
 - 1) **SELPA** shall notify the **DISTRICT** Superintendent and Pupil Personnel Director for resolution.
 - 2) If still unresolved, the **SELPA** Administrator shall report a recommendation toward resolution to the **SELPA** Board of Directors.
- d. Any default may be reported to the **SELPA** Board of Directors at the discretion of the **SELPA** Administrator.

7. Failure by **SELPA** to submit **DISTRICT** CASEMIS data

If **SELPA** fails to submit **DISTRICT** data that is properly imported as described in section 1.a.-g. and is in adherence with **SELPA** timeline as described in section 2.c. above for any State CASEMIS reporting period, the **SELPA** shall, at its own time and expense, gather and input **DISTRICT** special education student level data into the **SELPA** special education student information system.

8. Duration of Agreement

- a. The term of this Agreement shall be from December 17, 2008 and shall continue through June 30, 2009 and thereafter shall renew automatically from year to year unless terminated as provided herein below.
- b. Either party may terminate this Agreement on June 30 of any year by giving the other party one hundred eighty (180) days written notice. **SELPA** and **DISTRICT** shall work together in such circumstances to ensure the accurate and timely continued input of data for required State and local reports.

9. Special Provisions

This Agreement shall not be assignable except with written consent of parties hereto.

10. Mutual Hold Harmless

DISTRICT agrees, at its own expense, cost and risk, to indemnify, defend, save and hold harmless the **SUPERINTENDENT, SELPA** its agents, employees and officers against any and all personal injuries, damages, liabilities, costs, suits or expenses, including reasonable attorneys fees, arising out of any act or omission or the condition of any property owned or controlled by the **DISTRICT** in the performance of this contract. It is understood that employees and any subcontractor of the **DISTRICT** in its performance under this contract are not agents or employees of the **SUPERINTENDENT, SELPA**.

SUPERINTENDENT, SELPA agrees, at its own expense, cost and risk, to indemnify, defend, save and hold harmless the **DISTRICT**, its agents, employees and officers against any and all personal injuries, damages, liabilities, costs, suits or expenses, including reasonable attorneys fees, arising out of any act or omission or the condition of any property owned or controlled by the **SUPERINTENDENT, SELPA** in the performance of this contract. It is understood that employees and any subcontractor of the **SUPERINTENDENT, SELPA** in its performance under this contract are not agents or employees of the **DISTRICT**.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

**SAN BERNARDINO COUNTY
SUPERINTENENT OF SCHOOLS**

**COLTON JOINT UNIFIED
SCHOOL DISTRICT**

Mary Jane Andersen, Program Manager
Purchasing/Contracts

Date: _____

Date: _____

**EAST VALLEY SPEICAL EDUCATION
LOCAL PLAN AREA**

Anita Ruesterholtz, Administrator

Date: _____

BOARD AGENDA

REGULAR MEETING
September 17, 2009

ACTION ITEM

TO: Board of Education

PRESENTED BY: Mollie Gainey-Stanley, Assistant Superintendent
Educational Services Division

SUBJECT: Approval of Amendment of Administrative Regulation:
AR 6172 Gifted and Talented Student Program

GOAL: Improved Student Performance

STRATEGIC PLAN: Strategy # 2 – Curriculum

BACKGROUND: The administration is in the process of updating board policies and administrative regulations under the guidelines of the California School Board Association.

RECOMMENDATION: That the Board approve the amendment of administrative regulation:
AR 6172 Gifted and Talented Student Program

ACTION: On motion of board member _____ and _____ the Board approved the amendment of administrative regulation:
AR 6172 Gifted and Talented Student Program (new)

ADMINISTRATIVE REGULATION

AR 6172

Gifted and Talented Student Program

Definitions

A gifted and talented student is a student enrolled in a public school who is identified as possessing demonstrated or potential abilities that give evidence of high performance capability in categories selected by the Governing Board. (Education Code 52201)

A highly gifted student is one who has achieved a measured intelligence quotient of 150 or more points on an assessment of intelligence administered by qualified personnel or has demonstrated extraordinary aptitude and achievement in language arts, mathematics, science, or other academic subjects, as evaluated and confirmed by both the student's teacher and principal. Highly gifted students shall generally constitute not more than one percent of the student population. (Education Code 52201)

A special day class for gifted and talented students consists of one or more classes totaling a minimum school day where each class: (5 CCR 3840)

1. Is composed of students identified as gifted and talented
2. Is designed to meet the specific academic needs of gifted and talented students for enriched or advanced instruction and is appropriately differentiated from other classes in the same subjects at the school
3. Is taught by a teacher who has specific preparation, experience, personal attributes, and competencies in the teaching of gifted children

A part-time grouping is one in which students attend classes or seminars that are organized to provide advanced or enriched subject matter for a part of the school day and those classes are composed of identified gifted and talented students. (5 CCR 3840)

A cluster grouping is one in which students are grouped within a regular classroom setting and receive appropriately differentiated activities from the regular classroom teacher. (5 CCR 3840)

Independent study provides additional instructional opportunities supervised by a certificated district employee through special tutors or mentors or through enrollment in correspondence courses specified in Education Code 51740 and 5 CCR 1633. (5 CCR 3840)

Acceleration means that students are placed in grades or classes more advanced than those of their chronological age group and are provided special counseling and/or instruction outside the regular classroom in order to facilitate their advanced work. (5 CCR 3840)

Postsecondary education opportunities offer students the opportunity to attend classes conducted by college or community college or to participate in Advanced Placement programs. (5 CCR 3840)

Enrichment activities are supplemental educational activities that augment students' regular educational programs in their regular classrooms. Students use advanced materials and/or receive special opportunities from persons other than **or in addition to** the regular classroom teacher. (5 CCR 3840)

ADMINISTRATIVE REGULATION-continued

AR 6172

Program Plan

The Superintendent or designee shall develop a written plan for the district's program which shall include the components specified in 5 CCR 3831 and be designed in accordance with state program standards.

Identification of Gifted and Talented Students

Students shall be selected for the program based on their demonstrated or potential ability for high performance in accordance with the categories specified in Education Code 52202 and 5 CCR 3822.

Evidence of a student's capability shall include any of the data specified in 5 CCR 3823 and shall consider the economic, linguistic, and cultural characteristics of students' background. (5 CCR 3823)

The Superintendent or designee shall design methods to seek out and identify gifted and talented students from varying linguistic, economic, and cultural backgrounds and whose extraordinary capacities require special services and programs. (5 CCR 3820)

Prior to making a final determination of a student's eligibility, the pertinent evidence shall be evaluated by the student's principal or designee, a classroom teacher familiar with the student's work, and, when appropriate, a credentialed school psychologist. A person recognized as an expert in the gifted and talented category under consideration, and/or a person who has in-depth understanding of the student's linguistic or cultural group, shall participate in the evaluation of the evidence unless there is no doubt as to the student's eligibility. These persons may review screening, identification, and placement data in serial order provided that these persons shall meet as needed to resolve differences in assessment and recommendations. (5 CCR 3824)

The final determination of a student's eligibility shall be made by the superintendent or designee.

The Superintendent or designee shall identify as gifted and talented any student who has transferred from a district in which he/she was identified as a gifted and talented student.

Written consent shall be secured from a student's parent/guardian before he/she participates in the program. (5 CCR 3831)

Community College Enrollment

With parent/guardian consent, a principal may recommend students of any age or grade level for part-time enrollment in community college courses. For any particular grade level, a principal may not recommend for community college summer session attendance more than five percent of the total number of students who completed that grade immediately prior to the time of recommendation unless all of the criteria specified in Education Code 48800 are satisfied. (Education Code 48800)

The principal may only recommend a student for community college summer session if that student satisfies both of the following conditions: (Education Code 48800)

1. Demonstrates adequate preparation in the discipline to be studied
2. Exhausts all opportunities to enroll in an equivalent course, if any, at his/her school of attendance

ADMINISTRATIVE REGULATION-continued

AR 6172

If a community college course is to be held at a district high school campus, the Board shall define, at a regularly scheduled meeting, the times that the campus will be closed to the general public. (Education Code 76002)

Special part-time students may enroll in up to 11 units per semester, or the equivalent, in a community college. Such students shall receive credit for community college courses that they complete at a level jointly determined appropriate by the Board and the community college governing board. (Education Code 48800, 76001)

Any student's parent/guardian may petition the Board to authorize the student to attend a community college as a special full-time student if he/she believes the student would benefit from advanced scholastic or vocational work that would thereby be available. (Education Code 48800.5)

If the Board denies a request for special part-time or full-time enrollment at a community college for a student who is identified as highly gifted and talented as defined above, the Board shall issue its written recommendation and the reasons for the denial within 60 days. The written recommendation and denial shall be issued at the next regularly scheduled Board meeting that falls at least 30 days after the request has been submitted. (Education Code 48800, 48800.5)

(3/01 11/03) 11/05

BOARD AGENDA

REGULAR MEETING
September 17, 2009

ACTION ITEM

TO: Board of Education

PRESENTED BY: James A. Downs, Superintendent

SUBJECT: Adoption of Resolution, “Character Education Month” October 2009

GOAL: Community Relations/Parent Involvement

STRATEGIC PLAN: Strategy #6 - Character

BACKGROUND: State Superintendent Jack O’Connell and the State Board of Education have designated October 2009 as “Character Education Month.” Character education is an important tool for parents, teachers, administrators, community members, and other school and district staff to work together. This will ensure that students understand, appreciate, and internalize elements of positive character traits such as respect, responsibility, caring, trustworthiness, fairness, citizenship, civic virtue, honesty, and personal responsibility.

BUDGET IMPLICATIONS: None

RECOMMENDATION: That the Board of Education adopt the Resolution to recognize October 2009 as Character Education Month, emphasizing the development of strong moral character and the promotion of responsible, ethical, civic-minded behavior in our schools and instructional activities.

Colton *Joint Unified School District*

Resolution

“Character Education Month”
October 2009

WHEREAS, the American heritage and laws reflect a common core of personal and social values that holds the citizens of this democracy responsible for acting morally and ethically, being actively involved in school and community, resolving differences peacefully, and respecting the rights, dignity and property of others; and

WHEREAS, the character of our state is only as strong as the character of each individual citizen; and

WHEREAS, character development is an obligation of families, the efforts of communities, schools, and youth, civic and human service organizations also play a very significant role in supporting family efforts by encouraging and promoting good character; and

WHEREAS, the State Board of Education believes that all educators are obliged to awaken youth to the moral and ethical virtues that build a fundamental strength of character and continue to enforce these values throughout the school year; and

WHEREAS, Businesses, schools, governmental agencies, community groups, parents and individuals will consistently emphasize their commitment to the common core of personal and social values, including *respect, responsibility, caring, trustworthiness, fairness, citizenship, civic virtue, honesty, and personal responsibility*; now, therefore be it

RESOLVED, That the Board of Education of the Colton Joint Unified School District hereby designates October 2009 as Character Education Month and encourages citizens to participate and help ensure that the development of strong moral character and the promotion of responsible, ethical, civic-minded behavior are well and thoroughly integrated into our schools’ curricula and instructional activities.



DULY ADOPTED by the Board of Education of the Colton Joint Unified School District of San Bernardino County, State of California, with a vote of ___ ayes, ___ nays, ___ absent, ___ abstentions this 17th day of September, 2009.

President, Board of Education

Attest:

Secretary, Board of Education

BOARD AGENDA

REGULAR MEETING
September 17, 2009

ACTION ITEM

TO: Board of Education

PRESENTED BY: Mollie Gainey-Stanley, Assistant Superintendent
Educational Services Division

SUBJECT: Adoption of Resolution in Support of Proposed Legislation,
“Save our Schools” (S.O.S.) Act

GOAL: Student Performance and Community Relations

STRATEGIC PLAN: Strategy #5 – College, Career
Strategy #6 – Character

BACKGROUND: The proposed legislation, Save our Schools (S.O.S.) Act amends the Elementary and Secondary Education Act to remove all mandated testing provisions, freeing school districts and teachers from the “teaching to the test culture” and ending an inequitable system that punishes, instead of assists, schools and students with the most dire needs.

BUDGET IMPLICATIONS: None

RECOMMENDATION: That the Board of Education adopt the Resolution in support of proposed legislation *“Save our Schools” S.O.S. Act.*

ACTION: On motion of Board Member _____ and _____, the Board adopted the Resolution, in support of proposed legislation *“Save our Schools” S.O.S. Act.*

Colton Joint Unified School District

Resolution

“Save our Schools”
S.O.S.

WHEREAS, the Colton Joint Unified School District Board of Education joins U.S. Congressman, Joe Baca, in supporting legislation to end costly testing requirements that are currently in place; and

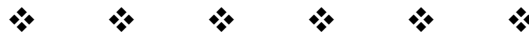
WHEREAS, the mission of the Colton Joint Unified School District, a team of caring employees dedicated to the education of children, is to ensure each student learns the academic knowledge and skills necessary to thrive in college or in the workforce and be responsible, productive citizens by providing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

WHEREAS, the California State Board of Education has worked to develop standards where students understand the structures, functions, and powers of the local, state, and federal governments as described in the U.S. Constitution;

WHEREAS, the Colton Joint Unified School District will create a district-wide policy and decision-making process that will be used to adopt and regularly review and evaluate every district program;

WHEREAS, the Colton Joint Unified School District stands firmly committed to providing academic instruction for our students’ future academic success so they will thrive in further education as they prepare for America’s jobs of the future;

THEREFORE, BE IT RESOLVED, that the Board of Education of the Colton Joint Unified School District declares support and commitment to end costly testing requirements that are currently in place.



DULY ADOPTED by the Board of Education of the Colton Joint Unified School District of San Bernardino County, State of California, with a vote of ___ ayes, ___ noes, ___ absent, ___ abstentions, and signed by the President and attested by the Secretary this 17th day of September, 2009.

Marge Mendoza-Ware
President, Board of Education

Attest:

James A. Downs
Secretary, Board of Education

BOARD AGENDA

REGULAR MEETING
September 17, 2009

ACTION ITEM

TO: Board of Education

PRESENTED BY: Mollie Gainey-Stanley, Assistant Superintendent
Educational Services Division

SUBJECT: Adoption of Resolution in Support of Proposed Legislation,
“People Resolved to Obtain an Understanding of Democracy”
P.R.O.U.D. Act

GOAL: Student Performance and Community Relations

STRATEGIC PLAN: Strategy #5 – College, Career
Strategy #6 – Character

BACKGROUND: The P.R.O.U.D. Act amends the Immigration Nationality Act to allow exemplary non-citizen high school graduates, who are of age, to apply for citizenship as long as they provide the necessary academic transcripts, proof of essential civic knowledge, and are in good moral standing within the community.

BUDGET IMPLICATIONS: None

RECOMMENDATION: That the Board of Education adopt the Resolution in Support of proposed legislation, *“People Resolved to Obtain an Understanding of Democracy” P.R.O.U.D. Act.*

ACTION: On motion of Board Member _____ and _____, the Board adopted the Resolution in support of proposed legislation, *“People Resolved to Obtain an Understanding of Democracy” P.R.O.U.D. Act.*

Colton Joint Unified School District
Resolution

“People Resolved to Obtain an Understanding of Democracy Act”
P.R.O.U.D.

WHEREAS, the Colton Joint Unified School District Board of Education joins U.S. Congressman Joe Baca in supporting legislation for non-citizen graduates in good academic and moral standing to apply for citizenship; and

WHEREAS, the Colton Joint Unified School District provides educational opportunities that enable students to achieve their academic goals and prepare for successful roles as citizens; and

WHEREAS, the Colton Joint Unified School District provides instruction to students every year in response to the many different and important educational needs in the community with opportunities in citizenship;

WHEREAS, the California State Board of Education recognized in its Multicultural Education Policy that each student needs an opportunity to understand the common humanity underlying all people; and

WHEREAS, the Colton Joint Unified School District will identify, model, reinforce, and integrate the character traits students need to graduate and thrive in further education and the workplace; and

WHEREAS, students, parents and the community within the Colton Joint Unified School District recognize academic and personal development of our District’s students;

THEREFORE, BE IT RESOLVED, that the Board of Education of the Colton Joint Unified School District declares support and commitment to supporting legislation for non-citizen graduates in good academic and moral standing to apply for citizenship and encourages our community to support programs to help our students become successful and productive citizens.



DULY ADOPTED by the Board of Education of the Colton Joint Unified School District of San Bernardino County, State of California, with a vote of ___ ayes, ___ noes, ___ absent, ___ abstentions, and signed by the President and attested by the Secretary this 17th day of September, 2009.

Marge Mendoza-Ware
President, Board of Education

Attest:

James A. Downs
Secretary, Board of Education

BOARD AGENDA

REGULAR MEETING
September 17, 2009

ACTION ITEM

TO: Board of Education

PRESENTED BY: Mollie Gainey-Stanley, Assistant Superintendent
Educational Services Division

SUBJECT: Adoption of Resolution in Support of Proposed Legislation,
“Development, Relief and Education for Alien Minors (DREAM) Act of 2009”

GOAL: Student Performance and Community Relations

STRATEGIC PLAN: Strategy #5 – College, Career
Strategy #6 – Character

BACKGROUND: This new legislation will provide immigration benefits to those who arrived in the United States as children, before the age of 16 and who have been residing in the U.S. continuously for at least five years prior to the Bill being enacted into Law.

Once made into law, students will be issued temporary residency for a period of six years, which is conditioned upon meeting certain education or military requirements.

BUDGET IMPLICATIONS: None

RECOMMENDATION: That the Board of Education adopt the Resolution in support of proposed legislation, *“Dream Act of 2009.”*

ACTION: On motion of Board Member _____ and _____, the Board adopted the Resolution in support of proposed legislation, *“Dream Act of 2009.”*

Colton Joint Unified School District

Resolution

“Dream Act of 2009”

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

WHEREAS, the Colton Joint Unified School District will create a district-wide policy and decision-making process that will be used to adopt and regularly review and evaluate every district program;

WHEREAS, the Colton Joint Unified School District stands firmly committed to providing academic instruction for our students’ future academic success so they will thrive in further education as they prepare for America’s jobs of the future;

WHEREAS, the Colton Joint Unified School District will identify, model, reinforce, and integrate the character traits students need to graduate and thrive in further education and the workplace;

WHEREAS, the California State Board of Education has worked to develop standards to determine the reasons for rules, laws, and the U.S. Constitution; the role of citizenship in the promotion of rules and laws; and the consequences for people who violate rules and laws;

THEREFORE, BE IT RESOLVED, that the Board of Education of the Colton Joint Unified School District will identify students’ college and career aspirations, expand career and technical pathways and prepare students for successful transition to the workforce and/or further education.



DULY ADOPTED by the Board of Education of the Colton Joint Unified School District of San Bernardino County, State of California, with a vote of ___ ayes, ___ noes, ___ absent, ___ abstentions, and signed by the President and attested by the Secretary this 17th day of September, 2009.

Marge Mendoza-Ware
President, Board of Education

Attest:

James A. Downs
Secretary, Board of Education

BOARD AGENDA

**REGULAR MEETING
September 17, 2009**

STUDY, INFORMATION AND REVIEW

TO: Board of Education

PRESENTED BY: Jerry Almendarez, Assistant Superintendent, Human Resources Division

SUBJECT: Resignations

STRATEGIC PLAN: Strategy #1 - Communication

II. Classified

1. Morales, Terence Project Office Assistant - BHS
Employed October 24, 2005; resignation effective September 19, 2009. To return to school.