

AGENDA  
Regular Meeting  
BOARD OF TRUSTEES  
STATE CENTER COMMUNITY COLLEGE DISTRICT  
Forum Hall, Reedley College  
995 N. Reed Avenue, Reedley, California  
4:30 p.m., April 1, 2003

- I. Call to Order
- II. Pledge of Allegiance
- III. Introduction of Guests
- IV. Approval of Minutes, Meeting of March 4, 2003
- V. Delegations, Petitions, and Communications [see footnote, Page 3]
  - A. Acknowledgement of Asian American Week      Dorothy Smith
- VI. Reports of Chancellor and Staff
  - A. PRESENTATIONS
    1. Chancellor's Report      Judith Redwine
    2. Campus Reports      Tom Crow, RC  
Ned Doffoney, FCC  
Don Yeager, NC
    3. Reports by Reedley College Academic Senate, Classified Senate, and Associated Students      Ron Nishinaka  
Linda Nies  
Natalie Alquinzon  
Danny Gonzalez
    4. Reedley College Writing Center      Mike Quinn  
Eileen Apperson-Williams
    5. Measure E Update      Doug Brinkley
    6. Kitchell Presentation      Doug Brinkley  
Joe Demko
  - B. CONSIDERATION OF CONSENT AGENDA      [03-66 through 03-78]

C. PERSONNEL

1. Public Hearing on Initial Bargaining Proposals Presented by California School Employees Association Local #379 [03-79] Randy Rowe
2. Public Hearing on the District's Initial Bargaining Proposal to the State Center Federation of Teachers, Local #1533, CFT/AFT, CIO/AFL [03-80] Randy Rowe

D. GENERAL

3. California Community College Trustees 2003 Ballot for Board of Directors [03-81] Dorothy Smith
4. Consideration of Bids, LAN/WAN Renovations, Phase 3, Districtwide [03-82] Doug Brinkley
5. Consideration of Bids, Room Modifications, Various Buildings, Fresno City College [03-83] Doug Brinkley
6. Consideration of Resolution for Participation in Community College League of California 2003-04 Cash Flow (TRANS) Financing Program [03-84] Doug Brinkley
7. Consideration to Authorize Agreement with Stradling Yocca Carlson & Rauth for Legal Services Relating to 2000 TRANS Audit [03-85] Doug Brinkley
8. Consideration to Authorize Salomon Smith Barney and RBC Dain Rauscher as Co-Managers of the Measure E General Obligation Bonds [03-86] Doug Brinkley
9. Consideration to Adopt Resolution Authorizing Sale and Issuance of General Obligation Bonds, Election of 2002, Series 2003A [03-87] Doug Brinkley
10. Consideration to Authorize Colleges/Centers and Other District Operations to Use 2002-03 Decision Package Funds to Balance Mid-Year Budget Cuts [03-88] Doug Brinkley

- VII. Reports of Board Members
- VIII. Old Business
- IX. Future Agenda Items
- X. Closed Session
  - A. PUBLIC EMPLOYEE APPOINTMENT, Pursuant to Government Code Section 54957, Appointment of Personnel Commissioner
  - B. CONFERENCE WITH LABOR NEGOTIATOR [SCFT Full-Time and Part-Time Faculty Bargaining Units and CSEA Bargaining Unit]; Randy Rowe, Pursuant to Government Code Section 54957.6
  - C. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, Pursuant to Government Code Section 54957
- XI. Open Session (if any)
  - A. Announcement of Proposed Appointment of Personnel Commissioner
- XII. Adjournment

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The Board chairperson, under Board Policy 9320.1, has set a limit of three minutes each for those who wish to address the Board. General comments will be heard under Agenda Section Delegations, Petitions and Communications at the beginning of the meeting. Those who wish to speak to items to be considered in Closed Session will be given the opportunity to do so following the completion of the open agenda and just prior to the Board going into Closed Session. Individuals wishing to address the Board should fill out a Request Form and file it with the Associate Vice Chancellor-Human Resources, Randy Rowe, at the beginning of the meeting.

Any person with a disability may request this agenda be made available in an appropriate alternative format. A request for a disability-related modification or accommodation may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting to Cindy Spring, Executive Secretary to the Chancellor, 1525 E. Weldon Avenue, Fresno, CA 93704, (559) 244-5901, 8:00 a.m. to 5:00 p.m., Monday – Friday, at least 48 hours before the meeting.

CONSENT AGENDA  
BOARD OF TRUSTEES MEETING  
April 1, 2003

PERSONNEL

1. Employment and Leave of Absence, Certificated Personnel [03-66]
2. Employment, Promotion, Transfer, Change of Status, Termination, Resignation, and Retirement, Classified Personnel [03-67]
3. Consideration to Approve Limited Term Positions: Piano Accompanist and Office Assistant I [03-68]
4. Consideration to Approve New Duties and Responsibilities: Reg-to-Go Assistants and Tutorial Assistants [03-69]
5. Consideration to Approve Conversion of Pass Through Account Technician I Position to Permanent Classified Account Technician I Position [03-70]

GENERAL

6. Consideration to Approve Out-of-State Travel, Jazz Ensemble, Jazz Combo, and City Singers, Fresno City College [03-71]
7. Review of District Warrants and Checks [03-72]
8. Consideration to Accept Maintenance Project, Fire Alarm Upgrades, Reedley College [03-73]
9. Consideration to Adopt a Resolution Authorizing an Agreement with the California Department of Education for Child Development Careers Project, Fresno City College [03-74]
10. Consideration of Claim Against State Center Community College District, Millard L. Rutherford [03-75]
11. Consideration to Approve Agreement with SixTen and Associates for 2003-04 Mandate Reimbursement Claim Preparation Services [03-76]
12. Consideration to Select Auditor for Measure E Bond Funds [03-77]
13. Consideration of Bids, Asbestos Removal, Math/Science Building, Fresno City College [03-78]

MINUTES OF MEETING OF  
BOARD OF TRUSTEES  
STATE CENTER COMMUNITY COLLEGE DISTRICT  
March 4, 2003

Call to Order A regular meeting of the Board of Trustees of the State Center Community College District was called to order by Vice President William Smith at 4:30 p.m., March 4, 2003, at the District Office Boardroom, 1525 E. Weldon Avenue, Fresno, California.

Trustees Present Dorothy Smith, President (arrived at 5:10 p.m.)  
William Smith, Vice President  
Pat Patterson, Secretary  
Isabel Barreras  
Adolfo Corona  
Phillip J. Forhan  
Leslie Thonesen  
Natalie Alquinzon, Student Trustee, RC  
George Kutnerian, Student Trustee, FCC

Also present were:

Judith A. Redwine, Chancellor, SCCC  
Ned Doffoney, President, Fresno City College  
Tom Crow, President, Reedley College  
Don Yeager, Vice Chancellor-North Centers  
Terry Kershaw, Interim Vice Chancellor-Educational Services and Planning, SCCC  
Doug Brinkley, Vice Chancellor-Finance and Administration, SCCC  
Randy Rowe, Associate Vice Chancellor-Human Resources, SCCC

Introduction of Guests Mr. Rowe welcomed Tanyaporn Joy Arya, exchange teacher from Chulalongkorn University Language Institute in Thailand.

Among the others present, the following signed the guest list:

Cindy Spring, Executive Secretary to the Chancellor, SCCC  
Teresa Patterson, Executive Director-Public and Legislative Relations, SCCC  
Eileen O'Hare, General Counsel, SCCC  
Brian Speece, Associate Vice Chancellor-Business and Operations, SCCC  
Joan Edwards, Executive Director – SCCC Foundation  
Olga Quercia, Academic Senate President and Staff, FCC  
Larry Dickson, Classified Senate President and Staff, FCC  
Linda Nies, Classified Senate President and Staff, RC  
Ron Nishinaka, Academic Senate President and Staff, RC

Introduction of  
Guests (continued)

Zwi Reznik, AFT President and Staff, FCC  
Francis Sullivan, CSEA President and Staff, FCC  
Gene Blackwelder, College Business Manager, RC  
Ed Eng, Director of Finance, SCCC  
Randy Vogt, Director of Purchasing, SCCC  
Michael Guerra, College Business Manager, FCC  
Richard Christl, Associate Dean of Instruction-Applied  
Technology Division, FCC  
Christina Masterson, Interim Dean of Instruction and Student  
Services, NC  
Cris Monahan Bremer, Director of Marketing and  
Communications, FCC  
Marilyn Meyer, Associate Dean of Instruction-Business Division,  
FCC  
Jeff Josserand, Director of Classified Personnel, Personnel  
Commission  
Jannett Jackson, Associate Dean of Instruction, Learning  
Resources Center, FCC  
John Cummings, District Dean of Admissions and Records,  
SCCC  
Carolyn Drake, Associate Dean of Instruction-Health Sciences  
Division, FCC  
James Carroll, Student, FCC  
Richard Lindstrom, Director-Police Academy, FCC  
Susan Liberty, Interim Associate Dean of Instruction-Humanities,  
FCC  
Evelyn Fiorani, Duplications Supervisor, FCC  
Jim Steinberg, The Fresno Bee  
Elizabeth Carlisle, Executive Director, The Training Institute,  
SCCC  
Ernie Smith, Associate Dean of Students-EOP&S, FCC  
Tom Driscoll, Construction Services Manager, SCCC  
Barbara Sausen, Instructor, FCC  
Candy Hansen, Director-Center for International Trade, SCCC  
Debbi Shapazian, Instructor, FCC  
Cyndie Sine, Coordinator-Planning, Faculty Development &  
Program Review, FCC  
Pearl Mangum, Administrative Aide, FCC  
Deborah Ikeda, Associate Dean of Students-Counseling Services,  
FCC  
Jim Ruston, Retired Faculty, FCC  
John Fitzer, Instructor, FCC  
Richard Santos, Instructor, FCC  
Patricia Van Vleet, Instructor, FCC  
Debbie Ockey, Instructor, FCC  
Camilla Colby, Instructor, FCC  
Lee Farley, Associate Dean of Instruction, CTC  
Marvin Reyes, Chief of Police, SCCC  
Bill Baker, Director-Title V and Grants, SCCC

- Approval of Minutes      The minutes of the Board meeting of February 4, 2003, were presented for approval. A motion was made by Mr. Thonesen and seconded by Mr. Corona to approve the minutes of the February 4, 2003, meeting as presented. The motion carried by the following vote:
- Ayes -     6  
Noes -     0  
Absent -   1
- Closed Session            Mr. Smith called a recess at 4:32 p.m. and stated that the Board will now go into closed session to discuss: PUBLIC EMPLOYEE APPOINTMENT, Pursuant to Government Code Section 54957, Appointment of Personnel Commissioner.
- Open Session              The Board moved into open session at 5:00 p.m. Mr. Smith stated that the Board took no reportable action in closed session. The Board and staff will research possible nominees to the Personnel Commission, and the administration is directed to place this item on the April 1, 2003, Board agenda.
- Delegations,  
Petitions, and  
Communications          Mr. Zwi Reznik, addressed the Board regarding the treatment of part-time faculty in that negotiations have been moved to the fact-finding stage, non-distribution of part-time equity funds, and failure on behalf of the District to make proposals regarding salary and benefits.
- Mr. James Carroll, FCC student, addressed concerns related to the ventilation system in classrooms, requested placement of complaint/ suggestion boxes on campus, elimination of tenure for faculty, and that ASG meeting notices be posted campuswide.
- Presentation of  
CSEA Initial  
Bargaining  
Proposals                  Mr. Francis Sullivan, CSEA President, presented the initial bargaining proposals for classified staff.
- Women's History  
Month                      Ms. Smith stated that March is Women's History Month and that March 8 is the official day. She noted that one month is not enough time to recognize the contributions of women throughout the world. Ms. Smith encouraged everyone to express their appreciation to women in their families and workplace.
- Chancellor's Report      Dr. Redwine stated that the District lost a dear friend last week. Jo Nell Beal, retired faculty member from Fresno City College and one of the co-founders of the District's Foundation, was laid to rest yesterday. Most people recognize at some level that our major assignment in life is to learn to love. Typical of Jo Nell, she completed her assignment early, and fortunately for all of us,

Chancellor's Report  
(continued)

she was allowed to be with us for years after she finished her assignment; loving many people and loving them well. Jo Nell Beal will be missed and it was a privilege for us to have had her in our midst. Dr. Redwine asked for a moment of silence in honor of Jo Nell's life.

Board members shared their memories of Ms. Beal and there was a general consensus that the Foundation and District should officially recognize her many contributions.

Campus Report,  
Fresno City College

Dr. Doffoney reported on the following:

- Men's and women's basketball teams have advanced to post season play.
- New Wrinkles tickets for the 2003 season go on sale March 10.
- Asian Awareness Week begins March 30.

Campus Report,  
Reedley College

From Reedley College, Dr. Crow reported the following:

- Jack Hacker has been selected to receive the American Baseball Coaches Association Meritorious Service Award.
- Lori Bonilla had an article regarding the District's Classified Professionals Development Program published in the February 4 Community College Times.
- The Math, Science and Engineering Department will host an Open House for prospective college students on March 20 at 6:00 p.m.

Campus Report,  
North Centers

Dr. Yeager reported on the following from the North Centers:

- The Sixth Annual Young Authors Writing Conference and Contest for Madera and Fresno County high school and middle school students will be held on March 7.
- Women's History Month activities.

Academic Senate  
Report

Mr. Ron Nishinaka, Reedley College Academic Senate President reported that the Senate has recently discussed:

- Proposed 2004-05 and 2005-06 Academic Calendars.
- The Senate's Constitution and Bylaws regarding fair proportional representation within the senate process from all departments and sites.
- Student Conduct Standards/Cheating and Plagiarism guidelines
- Process for adding classes with prerequisite requirements after the initial registration period has ended.
- Update on the North Centers Faculty Association to include faculty recognition, budget issues, and course cancellation.



Classified Senate  
Report

Mr. Larry Dickson, Fresno City College Classified Senate President, reported on the following:

- Classified Employee Resource Guide
- Fundraising activities to benefit the Classified Professionals organization
- Classified Professionals Mega Conference to be held on April 16, 2003
- Classified Professionals Day at Grizzlies Stadium scheduled for March 31, 2003
- Request for nominations for Leadership State Center Class III

International  
Education

Dr. Terry Kershaw and Ms. Pam Thomas provided an update on the District's international education programs. Board members expressed their appreciation of the presentation and support of the program.

Measure E Update

Mr. Brinkley provided the following update on Measure E:

- Development of Request for Qualifications for the architectural team search for the Old Administration Building project. The RFQ is expected to be completed and ready for publication later this spring.
- RFQ's for architectural firms and engineers for various other Measure E projects are currently being advertised and are due back to the District later this month.
- Development of the Initial Project Proposals for the Career and Technology Center and Willow/International Phase II.
- The draft Capital Facilities Program time schedule is being finalized for presentation, discussion, and direction at the Board Retreat.
- LAN/WAN Phase III for Fresno City College is currently out to bid for work to be done this summer.

Mr. Forhan expressed his concerns regarding the scheduling of bonds out to 2011 when the District's demands are earlier, the Foundation's \$50,000.00 contribution to the Measure E campaign, and if an opinion was obtained from the Fair Political Practices Board regarding the contribution. Mr. Brinkley stated that the contribution was verified with bond counsel David Casnocha. Mr. Forhan requested that an opinion also be obtained from the Fair Political Practices Board.

Consent Agenda  
Action

Ms. Smith stated that Consent Item No. 03-53, Consideration of Limited Term Positions, has been amended to include one Department Secretary position.

Consent Agenda  
Action (continued)

It was moved by Mr. Smith and seconded by Mr. Forhan that the Board of Trustees approve the consent agenda as amended. The motion carried unanimously.

Employment,  
Change of Status,  
Leave of Absence,  
and Resignation,  
Classified Personnel  
[03-49]  
Action

approve classified personnel recommendations, Items A through H, as presented. (Lists A through H are herewith made a part of these minutes as Appendix I, 03-49).

Employment of Part-  
Time Faculty on  
Adjunct Faculty  
Salary Schedule,  
Spring 2003, Fresno  
City College,  
Reedley College, and  
North Centers  
[03-50]  
Action

approve employment of part-time faculty on the Adjunct Faculty Salary Schedule for Fresno City College, Reedley College, and North Centers for Spring 2003, as presented.

Consideration to  
Approve 2003-2004  
Contract Status of  
Certificated  
Personnel  
[03-51]  
Action

pursuant to Education Code Sections 87605, 87608, and 87609, approve the attached list of certificated personnel for re-employment for the 2003 academic year as indicated, subject to assignment by the Chancellor and salary placement as adopted by the Board of Trustees. (The attached list is herewith made a part of these minutes as Appendix II, 03-51).

Approval of  
Certificated  
Personnel Teaching  
in Secondary Subject  
Area  
[03-52]  
Action

adopt the following resolution:

WHEREAS, in accordance with Section 52060 of the California Administrative Code, the governing board of a district may authorize holders of the Community College Instructor Credential issued before January 15, 1977, to teach courses in those secondary subject areas designated on their credential documents; and, for holders of the Community College Instructor Credential issued after January 15, 1977, to teach courses in a subject matter area in which the holders have completed a minor; and

WHEREAS, it is the intention of this Board to provide such authorization as needed to carry out the educational programs of the institutions of this District during the 2003-2004 college year;

NOW, THEREFORE, BE IT RESOLVED that whenever the College President and the Chancellor believe it is necessary and in the best interest of the District's students, the Board of Trustees of

Approval of  
Certificated  
Personnel Teaching  
in Secondary Subject  
Area  
[03-52]  
Action  
(continued)

the State Center Community College District hereby authorizes holders of the Community College Instructor Credential issued:

- (1) before January 15, 1977, to teach courses in those secondary subject areas designated on their credential documents, and
- (2) after January 15, 1977, to teach courses in the subject matter area in which the credential holders have completed a minor.

Consideration of  
Limited Term  
Positions: Education  
Advisor, Financial  
Aid Assistant I,  
Piano Accompanist,  
and Department  
Secretary  
[03-53]  
Action

approve a total of twelve (12) limited term positions: seven (7) Limited Term Educational Advisor positions, two (2) Limited Term Financial Aid Assistant I positions, two (2) Limited Term Piano Accompanist positions, and one (1) Limited Term Department Secretary for the period March 5, 2003, through June 30, 2003.

Consideration to  
Approve Out-of-  
State Travel,  
Forensics Students,  
Fresno City College  
[03-54]  
Action

approve out-of-state travel for seven Fresno City College forensics students to attend the Cross Examination Debate Association National Championships to be held at Arizona State University on March 20-24, 2003, with the understanding that the trip will be financed without requiring expenditures of District funds.

Consideration to  
Approve Out-of-  
State Travel, Upward  
Bound Students,  
Fresno City College  
[03-55]  
Action

approve out-of-state travel for thirty Upward Bound students to travel to Washington, D.C. to participate in an Upward Bound field trip, April 12-17, 2003, with the understanding that the trip will be financed without requiring expenditures of District funds.

Consideration to  
Approve Foreign  
Travel, Reedley  
College Chamber  
Orchestra  
[03-56]  
Action

approve foreign travel for 26 students of the Reedley College Chamber Orchestra to tour and perform in Australia, Fiji, and New Zealand, from April 9 to April 22, 2003, with the understanding that the trip will be financed without requiring expenditures of District funds.

Review of District  
Warrants and Checks  
[03-57]

Action

review and sign the warrants register for the period January 28, 2003, to February 28, 2003, in the amount of \$9,730,904.37; and

review and sign the check registers for the Fresno City College and Reedley College Co-Curricular Accounts and the Fresno City College and Reedley College Bookstore Accounts for the period December 19, 2002, to February 19, 2003, in the amount of \$2,000,008.00.

Consideration to  
Accept Construction  
Project, Welding Lab  
Ventilation Project,  
Fresno City College  
[03-58]

Action

- a) accept the Welding Lab Ventilation Project, Fresno City College; and
- b) authorize the Chancellor or Vice Chancellor-Finance and Administration, to file a Notice of Completion with the County Recorder.

Consideration of  
Report of  
Investments  
[03-59]

Action

accept the Quarterly Performance Review, as provided by the County of Fresno, for the quarter ending December 31, 2002.

Consideration to  
Adopt Resolution  
Authorizing Fund  
Transfer, Dormitory  
Revenue Fund to  
Dormitory Bond  
Interest and  
Redemption Fund  
[03-60]

Action

authorize the County Superintendent of Schools to transfer \$975.00 from the Dormitory Revenue Fund to the Dormitory Bond Interest and Redemption Fund to permit the April 1 payment of semi-annual interest of \$975.00 to the U.S. Department of Education.

\*\*\*\*\*End of Consent Agenda\*\*\*\*\*

Assignment of Board  
Representatives for  
Graduation  
Ceremonies

[03-61]  
Action

Board members volunteered to participate in the May 23, 2003, graduation ceremonies as follows:

Fresno City College: Dorothy Smith and William Smith  
Reedley College: Les Thonesen, Adolfo Corona, and Patrick  
Patterson  
Madera Center: Isabel Barreras and Phillip Forhan

Design Presentation,  
Willow/International,  
Phase I

[03-62]  
No Action

As a follow-up to the January 21 Board workshop, Mr. Ed Darden with Edwin S. Darden Associates, Inc., was present to provide additional information and options for the Board's consideration.

Design Presentation,  
Willow/International,  
Phase I  
[03-62]  
No Action  
(continued)

Board members questioned the following:

- Similarities to the Madera Center
- Energy efficiency
- Distance of parking lots from buildings
- Clovis Unified access
- Security issues
- Public transportation access
- Benefit of sharing facilities with Clovis Unified; college students going on a K-12 campus; imbalance of mutuality issue
- Traffic flow; right turns only on Willow and International
- Advantages of sharing development costs with Clovis Unified
- Bicycle access
- Master Plan versus Site Utilization Plan
- Lack of change or alternatives in the design since the January 21 workshop

Board members also requested that, in the future, the administration review presentations prior to the Board meeting to ensure that the presentation includes all information requested by the Board.

Consideration of  
Resolution  
Establishing a  
Citizens Bond  
Oversight  
Committee and  
Appointing Members  
Thereo  
[03-63]

Mr. Brinkley stated that the Selection Committee for the Measure E Citizens Bond Oversight Committee met on February 18 to review the application/nomination forms. The Committee is recommending the following individuals:

George Kutnerian, student active in a community college support group  
Hugo Morales, business community located in the District  
Anne Lopez Gaston, senior citizens organization  
Jack M. Fiorentino, bona-fide taxpayers association  
Terry L. Stone, support organization for the District  
Nick Pavlovich, community-at-large  
Ben H. Vue, community-at-large  
Terrence J. Flanagan, community-at-large  
Lorenzo Lee, Jr., community-at-large

Mr. Forhan stated that he would like to expand the Committee to include the following individuals: Don Larson, who taught in the District for many years, is now very involved with the Foundation, and has had a life-long commitment to the District; and John Hutson with IBEW. IBEW was a major contributor to the Measure E campaign, there will be numerous union jobs in connection with the projects, and they should be represented on the Committee.

Consideration of  
Resolution  
Establishing a  
Citizens Bond  
Oversight  
Committee and  
Appointing Members  
Thereeto  
[03-63]  
(continued)  
Action

A motion was made by Mr. Smith and seconded by Mr. Patterson that the Board of Trustees adopt a resolution naming the above individuals to the Measure E Citizens Bond Oversight Selection Committee, and that the list be amended to include Mr. Larson and Mr. Hutson as community-at-large members. The motion carried unanimously.

Ms. Barreras noted that Terry Flanagan also has a union background.

2003 General  
Obligation Bond  
Issuance  
[03-64]  
No Action

Mr. Robert Barna, underwriter, explained the bond issuance process, the sizing of the current bond issue, and the resolution that will be presented to the Board for approval at the April 1 meeting.

Board members questioned the amounts in which the bonds will be issued, why the District is limited in the initial offering to \$16-\$20 million, underwriter fees, and when the first funds will be received.

Board Reports

Ms. Alquinzon, Reedley College Student Trustee, reported on the following:

- Women's History Month activities
- Lobby Day in Sacramento scheduled for March 17
- Kid's Day newspaper sale to benefit Children's Hospital is March 18
- Upcoming Cesar Chavez event

Mr. Kutnerian, Fresno City College Student Trustee, reported the following:

- Recap of African American History Month activities.
- Muslim Student Association forum on Islam.
- Volunteer Faire held on February 12.
- Club Rush was held on February 19; the next one is scheduled for March 26.
- Renaissance Fair is March 8-9 on the West Lawn.
- A symposium is being organized by the ASG to discuss issues such as the budget crisis and its impact on students and how to make a persuasive approach to legislators.
- Student Rally Day in Sacramento on March 17.
- Kid's Day on March 18.

Ms. Barreras reported that she attended the Wall of Honor at the African American Museum and it was a great event.

Board Reports  
(continued)

Ms. Smith stated that she also attended the Wall of Honor event, and she will be attending the Annual Young Writer's Conference at the Madera Center on Friday.

Old Business

There was no old business.

Future Board Items

Mr. Smith stated that he would like to have a future agenda item regarding parking at the Clovis Center. He understands that the District received a letter from the property owner stating that he was not willing to lease the property. Mr. Smith suggested that the administration contact the owner to try to influence him to change his mind. Mr. Brinkley responded that the owner has been contacted and has indicated a willingness to meet. The issues regarding ownership of the property have now been settled and a meeting will be scheduled for this month.

Ms. Smith requested that at the beginning of the next school term that staff have a meeting with the counselors of the high schools in the District. She believes that misinformation is being given regarding community colleges, especially in terms of the Honors Program and transferring to a UC. Also, she will speak with the Chancellor regarding a personnel matter as well as a dispute regarding a course and grade of a former student.

Closed Session

Ms. Smith stated that the Board, in closed session, will be discussing:

- CONFERENCE WITH LABOR NEGOTIATOR [SCFT Part-Time and Full-Time Bargaining Units;], Randy Rowe, Pursuant to Government Code Section 54957.6
- CONFERENCE WITH REAL PROPERTY NEGOTIATORS, Pursuant to Government Code Section 54956.8  
Property: International/Willow Avenues  
Agency Negotiators: Chancellor, Vice Chancellor- Finance and Administration, and Attorney for District  
Negotiating Parties: Owners of Property  
Under Negotiation: Terms and Price
- CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION; Name of Case: State Center Community College District v. Dhillon, et al. Fresno County Superior Court Case No. 02-CE CG 01049, Pursuant to Government Code Section 54956.9 (a)

Closed Session  
(continued)

- PUBLIC EMPLOYEE PERFORMANCE EVALUATION; Title: Legal Counsel; Pursuant to Government Code Section 54957
- PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE, Pursuant to Government Code Section 54957

Ms. Smith declared a recess at 7:30 p.m.

Open Session

The Board moved into open session at 9:50 p.m. Ms. Smith reported that the Board, in closed session, gave direction to its chief labor negotiator regarding part-time and full-time faculty negotiations; and accepted a faculty member's resignation effective May 23, 2003, pursuant to an agreement approved by the Board whereby the employee will receive a payment of \$15,000.00 and retain benefits for three months.

Consideration of  
Resolution Ratifying  
Agreement for the  
Purchase of Real  
Property for the  
Willow/International  
Community College  
Center Campus Site  
(Lion Parcels)  
[03-65]  
Action

A motion was made by Mr. Smith and seconded by Mr. Forhan that the Board of Trustees approve Resolution No. 03-65, Ratifying Agreement for the Purchase of Real Property for the Willow/International Community College Center Campus Site (Lion Parcels); and authorize the Chancellor or Vice Chancellor-Finance and Administration, to enter into a Purchase and Sale Agreement for approximately 73.93± acres located on the west side of North Willow Avenue south of the International Avenue alignment. The motion carried unanimously.

Adjournment

The meeting was adjourned at 9:53 p.m. by the unanimous consent of the Board.

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Patrick E. Patterson  
Secretary, Board of Trustees  
State Center Community College District



STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Employment and Leave of Absence,  
Certificated Personnel

ITEM NO. 03-66

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EXHIBIT: Certificated Personnel Recommendations

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Recommendation:

It is recommended that the Board of Trustees approve certificated personnel recommendations, Items A through B, as presented.

CERTIFICATED PERSONNEL RECOMMENDATIONS

A. Recommendation to employ the following persons:

<u>Name</u>	<u>Campus</u>	<u>Range &amp; Step</u>	<u>Annual Salary</u>	<u>Position</u>
Adkins, Dennis	FCC	II, 6	\$71,297	Talent Search & Learning Assistance Upward Bound Coordinator
(Current adjunct faculty) (Categorically funded contract, April 2, 2003 – June 30, 2003)				
<b>Obermire, Mickey</b>	<b>FCC</b>	<b>IV, 4</b>	<b>\$69,559</b>	<b>General Business and Technology Instructor</b>
<b>(Current adjunct faculty)</b> <b>(Categorically funded contract, April 2, 2003 – June 30, 2003)</b>				
Pesch, Sheila	FCC	III, 10	\$82,510	Medical Business and Technology Instructor
(Current adjunct faculty) (Categorically funded contract, April 2, 2003 – June 30, 2003)				
Turner, Victorria	FCC	IV, 6	\$61,387	Nursing Faculty/Program Coordinator
(New applicant) (Categorically funded contract, April 2, 2003 – June 30, 2003)				

B. Recommendation to approve Health Leave (Article XIV-B, Section 4) for the following person:

<u>Name</u>	<u>Campus</u>	<u>From</u>	<u>To</u>	<u>Position</u>
Scheidt, Judy	MC	August 14, 2003	May 21, 2004	Child Development Instructor

CERTIFICATED PERSONNEL RECOMMENDATIONS

A. Recommendation to employ the following persons:

Name	Campus	Range & Step	Annual Salary	Position
Adkins, Dennis	FCC	II, 6	\$71,297	Talent Search & Learning Assistance Upward Bound Coordinator
(Current adjunct faculty) (Categorically funded contract, April 2, 2003 – June 30, 2003)				
Pesch, Sheila	FCC	III, 10	\$82,510	Medical Business and Technology Instructor
(Current adjunct faculty) (Categorically funded contract, April 2, 2003 – June 30, 2003)				
Turner, Victorria	FCC	IV, 6	\$61,387	Nursing Faculty/Program Coordinator
(New applicant) (Categorically funded contract, April 2, 2003 – June 30, 2003)				

B. Recommendation to approve Health Leave (Article XIV-B, Section 4) for the following person:

Name	Campus	From	To	Position
Scheidt, Judy	MC	August 14, 2003	May 21, 2004	Child Development Instructor

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Employment, Promotion, Transfer, Change of Status, Termination, Resignation, and Retirement, Classified Personnel      ITEM NO. 03-67

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EXHIBIT: Classified Personnel Recommendations

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Recommendation:

It is recommended that the Board of Trustees approve classified personnel recommendations, Items A through I, as presented.

CLASSIFIED PERSONNEL RECOMMENDATIONS

A. Recommendation to employ the following persons (probationary):

<u>Name</u>	<u>Location</u>	<u>Classification</u>	<u>Range/Step/Salary</u>	<u>Date</u>
Larsen, Rachel	DO	Personnel Technician Position No. 1037	50-C \$1499.38	3/17/03

B. Recommendation to employ the following persons (Exempt):

<u>Name</u>	<u>Location</u>	<u>Classification</u>	<u>Hourly Rate</u>	<u>Date</u>
Corbet, Karin	MC	Tutorial Asst I	\$ 6.75	2/19/03
Holcomb, Dale	FCC	Art Model	8.64	2/11/03
Birds, Yvonne	FCC	TI Trainer I	27.94	2/13/03
Rios, Rick	FCC	TI Trainer I	27.94	3/6/03
Schmidt, Lisa	FCC	TI Trainer I	27.94	2/24/03
Birds Jr., George	FCC	TI Trainer II	33.52	2/18/03
Laster, Norma	FCC	TI Trainer II	33.52	2/6/03
Handza, Andreja	FCC	TI Trainer III	39.11	3/6/03

- C. Recommendation to employ the following persons (provisional – filling vacant permanent full-time, permanent part-time position pending recruitment/selection, or replacing regular employee on leave):

Name	Location	Classification	Hourly Rate	Date
Barcus, Matthew	DO	Maintenance Worker I	\$ 14.23	3/3/03
Kampschmidt, John	MC	Inst Tech – Science	15.68	3/13/03

- D. Recommendation to approve the promotion of the following employees (regular):

Name	Location	Classification	Range/Step	Date
Vargas, Sandra	DO	Accounting Tech I Position No. 1064 to	X55-E \$4528	4/1/03
	FCC	Campus Business Asst Position No. 2123	R57-E \$4409.25	

- E. Recommendation to approve the transfer of the following employees (regular):

Name	Location	Classification	Range/Step	Date
Hope, Michael	DO	Accounting Tech I Position No. 1125 to	57-E \$3919.33	3/20/03
	DO	Accounting Tech I Position No. 1036	57-E \$3919.33	

- F. Recommendation to approve change of status of the following employees (regular):

Name	Location	Classification	Range/Step	Date
Rice, Mary	FCC	Accounting Clerk III	48-C	11/12/00
		Position No. 2436 to	\$2590	thru
		Accounting Clerk III	48-C + 5%	11/12/01
		Position No. 2436	\$2719.50	

(Out of class pay awarded by the Personnel Commission)

Cooley, Jody	DO	Groundskeeper II	46-E	1/1/01
		Position No. 1073 to	\$2721	
		Groundskeeper III	50-E	
		Position No. 1073	\$3003	

(Reclassified by the Personnel Commission)

F. Recommendation to approve change of status of the following employees (regular) (continued):

Name	Location	Classification	Range/Step	Date
Dickson, Larry	FCC	Custodian Position No. 2187 to Custodian Position No. 2187	41-E \$2917.11 41-E + 5% 3062.97	8/15/02 thru 12/15/02
(Article 34, Section 8 CSEA Contract - Assuming additional duties)				
Ashcroft, Gail	FCC	Office Assistant II Position No. 2144 to Office Assistant III Position No. 2233	41-B \$2290.17 48-A \$2592.17	11/18/02 thru 3/31/03
(Filling position pending selection of permanent employee)				
Faith, Linda	FCC	Department Secretary Position No. 2011 to Administrative Asst Position No. 2045	44-B \$2467.58 55-A \$3071.50	1/14/03 thru 3/21/03
(Replacing absent regular employee)				
Johnson, Susan	FCC	Department Secretary Position No. 2287 to Office Assistant III Position No. 2066	44-B \$2467.58 48-A \$2592.17	2/14/03 thru 6/30/03
(Filling position pending selection of permanent employee)]				
Miller, Donna	FCC	Business Facilities Asst Position No. 2027 to Business Facilities Asst Position No. 2027	48-E + 10% \$3723.30 48-E \$3384.82	3/1/03
(Return to regular assignment)				
Dahill, Teresa	FCC	Office Assistant III Position No. 2006 to Financial Aid Asst I Position No. 9008	48-D \$2998.75 57-A \$3224.75	3/5/03 thru 6/30/03
(Limited term position)				
Herb, Martin	FCC	Bookstore Sales Clerk III Position No. 2055 to Bookstore Sales Clerk I Position No. 2086	43-A \$2290.17 37-B \$2075.25	3/9/03
(Return to regular assignment)				

F. Recommendation to approve change of status of the following employees (regular) (continued):

Name	Location	Classification	Range/Step	Date
Swan, Kathleen	FCC	Bookstore Sales Clerk III	43-C	3/9/03
		Position No. 2079 to Bookstore Sales Clerk II	\$2521.58 40-C	
(Return to regular assignment)				
Edwards, Sandi	FCC	Office Assistant I	38-A	3/17/03
		Position No. 2429 to Administrative Aide	\$2025.67 53-A	thru 6/13/03
		Position No. 2044	\$2922.75	
(Replacing absent regular employee)				
Faith, Linda	FCC	Department Secretary	44-B	3/24/03
		Position No. 2011 to Accounting Clerk III	\$2467.58 48-A	thru 6/30/03
		Position No. 2075	\$2592.17	
(Article 34, Section 8 CSEA Contract - Assuming additional duties)				

G. Recommendation to approve the termination of the following employee (regular):

Name	Location	Classification	Date
McQueen, Deric	FCC	Instructional Aide Position No. 2270	2/26/03
Price, Michael	CC	Custodian Position No. 5006	3/12/03

H. Recommendation to accept the resignation of the following employee (regular):

Name	Location	Classification	Date
Silva, Robert	RC	Custodian Position No. 3138	3/1/03
Uyesaka, Theodore	DO	Director, Information Systems Position No. 1033	3/28/03



I. Recommendation to accept the resignation for the purposes of retirement of the following employee (regular):

<u>Name</u>	<u>Location</u>	<u>Classification</u>	<u>Date</u>
Erickson, Linda	FCC	Administrative Aide Position No. 2431	4/30/03
Christiansen, Argilia	FCC	Textbook Purchasing Clerk Position No. 2076	8/1/03

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Consideration to Approve Limited Term  
Positions: Piano Accompanist and Office  
Assistant I

ITEM NO. 03-68

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EXHIBIT: None

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Background:

As a result of the movement away from the "extra help" issue, the colleges will require the use of limited term positions from time to time. The Board of Trustees approved the addition of two limited term Piano Accompanists at the last meeting. It has now become necessary to add one more limited term Piano Accompanist to accompany the evening opera classes.

We are also requesting the use of a limited term Office Assistant I position for the SCCC Foundation. This position will be entering and retrieving data from the Foundation computer system and assisting with the alumni project.

- 1 Limited Term Piano Accompanist position  
Start date April 2, 2003, ending June 30, 2003
- 1 Limited Term Office Assistant I position  
Start date April 2, 2003, ending August 29, 2003

Fiscal Impact:

Included in Fresno City College 2002-03 budget for the Humanities Division and the SCCC Foundation budget.

Recommendation:

It is recommended the Board of Trustees approve a total of two limited term positions: one Piano Accompanist for the period April 2, 2003, through June 30, 2003, and one Office Assistant I position for the period April 2, 2003, through August 29, 2003.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Consideration to Approve New Duties and  
Responsibilities: Reg-to-Go Assistants and  
Tutorial Assistants

ITEM NO. 03-69

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EXHIBIT: None

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Background:

According to AR 4210.2 and Education Code Section 88009, the Governing Board shall fix and prescribe the duties to be performed by all persons in the classified service. Following the Governing Board approval of the duties, the Director of Classified Personnel will develop the minimum qualification requirements. The minimum qualifications will then be forwarded to the Personnel Commission for their approval according to Education Code Section 88095.

After the Personnel Commission's approval of the minimum qualifications, the Associate Vice Chancellor of Human Resources will meet with representatives of CSEA to negotiate the appropriate salary range.

Reg-to-Go Orientation Assistant

The Board of Trustees was presented with examples of duties for Reg-to-Go Assistants at the November board meeting. However, since that time, the Reg-to-Go process has been reconfigured and therefore calls for different duties for the Reg-to-Go Assistants. The formal process was stopped immediately after the November board meeting and was not sent forward to the Personnel Commission.

Example of duties: Performs a variety of duties including assisting students with reviewing registration forms and materials, assists students with reading the schedule of classes and review of the college catalog, stocks and prepares materials used during the orientation process, assists students with the first semester course selections, and assists students through the mechanics of the registration process during the Reg-to-Go and orientation period.

Item No. 03-69 (continued)  
April 1, 2003

Tutorial Assistant

Example of duties: Performs a wide variety of computer input work collecting and verifying supporting source documents; provides general information regarding program objectives, services, and requirements; assesses and evaluates student tutorial needs and determines appropriate tutor assignment based on need, ability and compatibility; types, files, and maintains records; uses computer to input and retrieve data to produce reports; monitors and manages student appointments, schedules appointments; maintains central filing of records and documentation; operates a variety of office machines; reviews and assists in supervising the work of other employees and students assigned to the department.

Fiscal Impact:

These positions are budgeted into their respective budgets on campus.

Recommendation:

It is recommended the Board of Trustees fix and prescribe the duties for the following positions:

1. Reg-to-Go Assistants
2. Tutorial Assistants

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

---

SUBJECT: Consideration to Approve Conversion of  
Pass Through Account Technician I Position  
to Permanent Classified Account Technician I  
Position

ITEM NO. 03-70

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EXHIBIT: None

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Background:

Three years ago, a pass through position of Account Technician I was created for the SCCC Foundation using a Memorandum of Understanding from 1992. This 1992 MOU defined a pass through employee as a person hired to perform work for projects in which the District acts only as a pass through fiscal agent. The 1992 MOU that was used to create this position has not been included in any successor agreement with CSEA. This position is vacant and in order to better align with Education Code requirements, the District recommends this position be converted to a permanent classified Account Technician I position. This Account Technician I position has been funded by the SCCC Foundation for the past three years. The SCCC Foundation will continue to reimburse the District for this Account Technician I position.

Fiscal Impact:

The SCCC Foundation will reimburse the District for salary and benefits for the Account Technician I Position.

Recommendation:

It is recommended the Board of Trustees approve converting the pass through Account Technician I position to a permanent Classified Account Technician I position.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Consideration to Approve Out-of-State  
Travel, Jazz Ensemble, Jazz Combo,  
and City Singers, Fresno City College

ITEM NO. 03-71

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EXHIBIT: None

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Background:

Fresno City College is seeking Board authorization for approximately forty Fresno City College music students to attend the Reno Jazz Festival to be held at the University of Nevada, Reno, on May 2-4, 2003. The advisor is Michael Dana. No funds are being asked of the District.

Recommendation:

It is recommended that the Board of Trustees approve out-of-state travel for approximately forty Fresno City College Jazz Ensemble, Jazz Combo, and City Singers students to attend the Reno Jazz Festival to be held at the University of Nevada, Reno, on May 2-4, 2003, with the understanding that the trip will be financed without requiring expenditures of District funds.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Review of District Warrants and Checks

ITEM NO. 03-72

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EXHIBIT: None

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Recommendation:

It is recommended that the Board of Trustees review and sign the warrants register for the period February 27, 2003, to March 31, 2003, in the amount of \$11,096,069.07.

It is also recommended that the Board of Trustees review and sign the check registers for the Fresno City College and Reedley College Co-Curricular Accounts and the Fresno City College and Reedley College Bookstore Accounts for the period February 13, 2003, to March 21, 2003, in the amount of \$453,343.56.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

---

SUBJECT: Consideration to Accept Maintenance Project,  
Fire Alarm Upgrades, Reedley College

ITEM NO. 03-73

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EXHIBIT: None

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Background:

The Fire Alarm Upgrade Project, Reedley College, is now substantially complete and ready for acceptance by the Board of Trustees.

Recommendation:

It is recommended that the Board of Trustees:

- a) accept the Fire Alarm Upgrade Project, Reedley College; and
- b) authorize the Chancellor or Vice Chancellor, Finance and Administration, to file a Notice of Completion with the County Recorder.



STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

---

SUBJECT: Consideration to Adopt a Resolution  
Authorizing an Agreement with the  
California Department of Education for  
Child Development Careers Project,  
Fresno City College

ITEM NO. 03-74

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EXHIBIT: Resolution

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Background:

In 1997-98 the Temporary Assistance to Needy Families (TANF) Program was initiated by the Department of Education in an effort to provide transitional services to the then welfare-eligible participants. At that time the Department of Education accepted applications for statewide training grants, including a Child Development Training Grant which allowed for the training of 50-75 TANF students in child development careers.

The District has recently been notified of the continued award of a new Child Development Training Grant for the period January 1, 2002, to June 30, 2004. This grant, paid entirely by the Department of Education, shall be in an amount not to exceed \$403,999. The new grant allows for the enrollment of up to 50 CalWORKs-eligible participants and provides training and career education for students working in child care development.

Recommendation:

It is recommended that the Board of Trustees:

- a) adopt a Resolution authorizing the District to enter into an Agreement with the Department of Education for the providing of a CalWORKs Child Development Training Program at Fresno City College for the term January 1, 2002, through June 30, 2004, in an amount not to exceed \$403,999; and
- b) authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign the Agreement on behalf of the District.

RESOLUTION

This resolution must be adopted in order to certify the approval of the Governing Board to enter into this transaction with the California Department of Education for the purpose of providing child care and development services and to authorize the designated personnel to sign contract documents for Fiscal Year 2002/03.

RESOLUTION

BE IT RESOLVED that the Governing Board of State Center Community College  
District

authorizes entering into local agreement number/s 1257 and  
that the person/s who is/are listed below, is/are authorized to sign the transaction for the  
Governing Board.

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
<u>Judith A. Redwine</u>	<u>Chancellor</u>	_____
<u>Douglas R. Brinkley</u>	<u>Vice Chancellor</u> <u>Finance and Administration</u>	_____
_____	_____	_____

PASSED AND ADOPTED THIS 1st day of April ~~2002~~ 2003, by the  
Governing Board of State Center Community College District  
of Fresno County, California.

I, Patrick E. Patterson, Clerk of the Governing Board of State Center Community  
College District, of Fresno, County,

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

\_\_\_\_\_  
(Clerk's signature) 4/1/03  
(Date)

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT:    Consideration of Claim Against State Center            ITEM NO. 03-75  
              Community College District, Millard L. Rutherford

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EXHIBIT:    Claim

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Background:

The District is in receipt of a claim submitted by Millard L. Rutherford and the Board is asked to take action in accordance with the Government Code. The Board must reject the claim where there is a question of District liability and the amount of the claim is disputed. The claim has been submitted to the JPA and its Claims Administrator for defense coverage.

Estimated Fiscal Impact:

District – none; VIP JPA - unknown

Recommendation:

It is recommended that, in accordance with established procedures, the Board of Trustees reject the claim submitted by Millard L. Rutherford and direct the Chancellor or her designee to give written notice of said action to the claimant.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

---

SUBJECT: Consideration to Approve Agreement with  
SixTen and Associates for 2003-04 Mandate  
Reimbursement Claim Preparation Services

ITEM NO. 03-76

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EXHIBIT: None

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Background:

Annually the District submits reimbursements for mandated programs that have been imposed on districts and approved for reimbursement by the Commission on State Mandates. Currently community college districts are eligible for reimbursement for five different mandated program areas. In addition, several test claims have been filed for consideration of reimbursement in the future.

Historically, the District's annual reimbursement claims were processed by District staff; however, for the past three years the District has contracted with SixTen and Associates for the preparation of the District's reimbursement claims. SixTen and Associates is a consulting firm that specializes in maximizing the District's reimbursement under the mandated cost reimbursement process. It should be noted that all costs associated with SixTen and Associates' services for preparing the District's annual claims are fully reimbursed by the Department of Finance under the mandated claims process.

The following amounts have been received in past years: 2000-01 - \$639,852; and 2001-02 - \$601,101. Similar amounts are expected to be reimbursed for 2002-03 and 2003-04; however, the Governor has indicated these reimbursements will be deferred to at least 2004-05 as a result of the State budget crisis. When reimbursement is eventually received, interest will be included. Even though this process has been interrupted, districts should submit claims to maintain eligibility and to receive reimbursement when funds become available.

It is recommended that the District engage the services of SixTen and Associates for the preparation of the 2003-04 mandated reimbursement claims at a fee not to exceed \$24,000. This fee has remained the same since 2001-02.

ITEM NO. 03-76 - Continued  
April 1, 2003  
Page 2

Recommendation:

It is recommended that the Board of Trustees:

- a) authorize entering into an Agreement with SixTen and Associates in an amount not to exceed \$24,000 for the preparation and submission of the 2003-04 mandate reimbursement claims;  
and
- b) authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign the Agreement on behalf of the District.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

---

SUBJECT: Consideration to Select Auditor for  
Measure E Bond Funds

ITEM NO. 03-77

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EXHIBIT: None

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Background:

With the passage of Measure E, the State Center Community College District Board of Trustees established a Citizens' Bond Oversight Committee at the March 4, 2003, Board meeting. At its January 7, 2003, meeting, the Board adopted Bylaws for the Oversight Committee. One responsibility of the Board is to provide an annual independent financial audit, as provided for in Article XIII A, Section 1(b)(3) of the California Constitution. The Citizens' Bond Oversight Committee's major functions are to ensure and report to the public on the District's compliance with the requirements in the law and to review expenditures of Measure E funds and the proceedings and activities of the Committee for the proceeding year.

The administration recommends contracting with the District's auditors, Vavrinek, Trine, Day & Co. (VTD), to perform the required audit of the Measure E bond funds. The administration further recommends contracting with VTD to perform up to four audits on a quarterly basis, plus any additional testing the Citizens' Bond Oversight Committee may request. The cost of each quarterly audit and presentation to the Committee would be \$2,000 for a total yearly cost of \$8,000. The cost of an annual audit is \$2,700; however, the Citizens' Bond Oversight Committee may want to review the Measure E expenditures on a quarterly basis. The administration is, therefore, recommending authorization to contract for up to four audits per year at a cost of \$2,000 per audit.

Estimated Fiscal Impact:

\$8,000 - General Fund (not an allowable expense from bond proceeds)

Recommendation:

It is recommended that the Board of Trustees:

- a) authorize utilizing the firm of Vavrinek, Trine, Day & Co. for the purpose of conducting up to four audits per year of the Measure E expenditures at a cost of \$2,000 per audit; and
- b) authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign an Agreement on behalf of the District.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

---

SUBJECT: Consideration of Bids,  
Asbestos Removal, Math/Science Building  
Fresno City College

ITEM NO. 03-78

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EXHIBIT: None

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Background:

Bid #0203-14 is for the work necessary for the spot removal of asbestos from the Math/Science building on the Fresno City College campus. This project will provide for abatement of approximately 260 square feet of asbestos containing fireproofing material necessary for the placement of conduits and cable trays for the LAN WAN Phase 3 project. The work of this project will be performed over the spring recess when the building is unoccupied.

Funding for this project will be provided by Hazardous Substances Program Funds. The engineer's estimate for this project is \$20,000.00. Bids were received from two (2) contractors as follows:

<u>Bidder</u>	<u>Award Amount</u>
APC Contractors, Inc.	\$ 14,470.00
PARC Environmental	\$ 23,750.00

Fiscal Impact:

\$14,470.00 – Hazardous Substances Program Funds

Recommendation:

It is recommended that the Board of Trustees award Bid #0203-14, in the amount of \$14,470.00 to APC Contractors, Inc., the lowest responsible bidder for Asbestos Removal, Math/Science Building at Fresno City College, and authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign an Agreement on behalf of the District.



STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO THE BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Public Hearing on Initial Bargaining  
Proposals Presented by California School  
Employees Association Local #379

ITEM NO. 03-79

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EXHIBIT: None

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Background:

Government Code Section 3547 sets forth the "sunshine" provisions of the Rodda Act. The Board is required to hold a public hearing on the initial proposal of the employee group. The California School Employees Association Local #379 on behalf of the classified employees presented its initial proposals for a successor contract to the Board on March 4, 2003. The proposals are as follows:

**ARTICLE 1  
TERM OF AGREEMENT**

This agreement between the State Center Community College District (hereinafter referred to as "District"), its successor and/or affiliates and the California School Employees Association, Chapter 379 (hereinafter referred to as "CSEA") is effective on July 1, ~~2000~~ 2003, and shall remain in full force and effect until the close of the workday June 30, ~~2003~~ 2004, or until a successor agreement is in effect.

**ARTICLE 2  
RECOGNITION**

The District recognizes the CSEA as the sole and exclusive representative of those members of the bargaining unit enumerated in the certification by ~~Educational Employment~~ Public Employee Relations Board and the parties to this Agreement voluntarily agree not to seek a change in the unit during the term of the Agreement and shall make good faith efforts to resolve new or changed position designation disputes prior to such disputes being submitted to the ~~Educational Employment~~ Public Employee Relations Board for decision.

~~The classification of Personnel Assistant/Personnel Commission and Personnel Assistant/  
Certificated Personnel and District Office Payroll positions of: Account Clerk III,~~

~~Account Tech II, Account Tech I and Benefits Specialist, shall hereafter be deemed a confidential position not contained within the bargaining unit represented by the Exclusive Representative CSEA.~~

### ARTICLE 3 SEVERABILITY

Savings Clause: In the event of suspension or invalidation of any Article or Section of this Agreement, the parties ~~shall mutually agree~~ to meet and negotiate within thirty (30) days after such determination for the purpose of arriving at a mutually satisfactory replacement for such Article or Section.

### ARTICLE 7 DISTRICT/CSEA RELATIONS - CSEA RIGHTS

2. CSEA may use bulletin boards designated for its use in appropriate places located on campus and at off-campus facilities. All items to be posted shall be officially authorized by the CSEA chapter president, and shall bear the date of posting, ~~and the date of removal. A copy shall be provided to the Chancellor and the College Presidents.~~
4. CSEA shall be supplied monthly with a list of all permanent classified employees within the bargaining unit. ~~upon written request one time each academic year~~ The list shall containing the name, present classification, date of hire, home address, and home telephone number. ~~The District will comply with Case No. SA CE 1908~~
9. District shall provide CSEA annually with one set of books of Board Policies and Administrative Regulations and one book of Personnel Commission Rules and Regulations. During the term of the Agreement, District will provide to CSEA any changes, additions, alterations, or deletions to each book.
12. Released Time: CSEA is limited to ~~six (6)~~ eight (8) hours of released time per month for each 100 employees represented within the unit. Each time a designee is to be released from his/her job assignment, the designee shall complete an absence report and have it approved by his/her immediate supervisor. If the designee is taking released time to assist an employee with a grievance, the designee shall notify the supervisor of the employee that he/she is assisting prior to giving any assistance. In order for the designee to be released, he/she shall give his/her immediate supervisor a prior day's notice before leaving his/her work station. The CSEA President and Chief Job Steward shall not be required to give notice to conduct Chapter business or representative duties. The CSEA President, CSEA Field Representative, or the President's designee ~~authorize designee who may request released time and shall~~ authorize who may be granted release time. ~~notify the District Associate Vice Chancellor, Personnel and the designee's immediate supervisor prior to the released time.~~ Any district called meetings requiring attendance by any officer; job steward or site representative shall

not be deducted from the CSEA release time. All unused monthly release time shall accrue month to month and shall be carried forward into the following year. CSEA and the Associate Vice Chancellor, Personnel, shall serve as designees for the purposes of such release time.

## ARTICLE 9 SICK LEAVE

Upon retirement any accumulated sick leave shall be credited toward a member's retirement, except that any employee who becomes a member of PERS on or after July 1, 1980, shall not receive retirement credit for accumulated sick leave. (G.C. 20963)

The district shall provide a catastrophic leave program pursuant to California Education Code Section 874045. Employees may contribute sick leave and/or vacation to an eligible recipient employee. A District/CSEA committee consisting of three members each shall adopt rules and regulations for the administration of this leave program. If this committee cannot agree upon these rules, it shall revert to the CSEA/District negotiation teams. In the event that the District or CSEA cannot agree whether an employee or family member meets the definition of "catastrophic illness or injury," the attending physician shall rule on the issue.

## ARTICLE 16 LEAVE OF ABSENCE FOR STUDY

### 1. Eligibility

Members who have completed five (5) consecutive years of service in regular status with the District will be eligible to apply for a leave of absence for study purposes. The granting of such leave shall be determined by the CSEA/District Consultation Committee, entirely discretionary with the District. When a study leave has been authorized and taken, an additional five (5) years of service, after return to duty from the last leave, must be completed before another study leave may be granted. Any leave granted and taken under this rule will not constitute a break in service for any purpose, but the leave time shall not count toward eligibility for a future study leave. The CSEA/District Consultation Committee shall establish the administrative rules for applying and qualifying for this leave. In the case of two (2) employees from the same area requesting a leave of absence for study, the employee with the most seniority shall have preference.

### 2. Length

Study leave can be for any period of time not to exceed one (1) year and may be taken in any time increments as approved by the CSEA/District Consultation Committee, but must be completed within three (3) years after

the initial part of the leave was commenced. If the leave is not continuous, the service performed between the leave intervals shall be credited toward future study-leave eligibility.

### 3. Compensation

If a leave is granted under this Article, the employee will be paid ~~one-half (1/2) what his/her full salary or wage would have been had he/she not been on leave.~~ **And retain all district paid benefits** To qualify the employee shall use all accumulated vacation prior to being eligible for pay.

**If the employee does not return to work after this leave, the employee shall reimburse the district for all salary and benefits taken during the study leave period.**

**The employee must work for a ratio of two to one (2-1) in order to pay back the District for the study leave time taken. If the employee leaves the District after returning back to work and before paying back the two to one (2-1) leave time taken, he/she shall repay the District that portion of the leave time, on a prorated basis, for any pay and benefits earned during the study leave.**

Compensation shall be paid as follows:

- a. ~~If the member does not provide a bond as determined by the District or provide a written statement indicating that he/she will serve at least two (2) years (or a two to one [2-1] ratio, if leave is taken for a semester only, thereby requiring service of two (2) consecutive semesters) with the District upon return from leave, the agreed to compensation shall be paid in two (2) equal annual installments during the first two (2) years of service to the District following return to duty after termination of leave.~~
- b. ~~If the member provides the required bond or submits a written document, approved by the District, the member will be paid the agreed upon compensation in the same manner as if he/she were in active service with the District. If the member fails to complete two (2) years of service for the District following return from leave, except as provided below, he/she may be required to refund to the District a prorated portion of any compensation received while on leave.~~
- e. ~~If a member has provided a bond or written agreement and fails to complete the required two (2) years of service because of his/her death or physical or mental disability, the bond or conditions of the agreement shall be exonerated in the same manner as if the required service had been performed.~~

- f. ~~Willingness by the member to provide a bond to the District for at least two (2) years after termination of the leave.~~
- g. Willingness to provide the CSEA/District Consultation Committee evidence or to make satisfactory study progress at agreed intervals during the leave. Failure to provide such evidence or to make satisfactory progress may, at the option of the CSEA/District Consultation Committee, result in the immediate cancellation of the leave. Furthermore, the unit member agrees to refund any monies paid pursuant to this Article if it is determined by the District that the employee has not used the leave for its designated purpose and/or has failed to make satisfactory progress toward the goals established in the application.
- h. ~~An agreement by the member that he/she will report any employment during the leave to the Personnel Director, who shall determine whether conflicts exist with the purpose of the leave.~~

**ARTICLE 17  
LEAVE OF ABSENCE FOR RETRAINING**

- 5. Employee shall receive ~~one-half (1/2)~~ full (100%) pay.

**ARTICLE 20  
HOLIDAY SCHEDULE**

Each year the Board of Trustees shall determine the holiday schedule. The Board shall provide ~~eleven (11)~~ twelve (12) paid holidays for all bargaining unit members. Employees in unpaid status on the last Friday prior to the last Monday in May and continuing through July 31, shall not receive pay for Memorial Day and Independence Day. The twelfth (12<sup>th</sup>) paid holiday shall be Cesar Chavez Day (March 31<sup>st</sup>).

**ARTICLE 21  
EMPLOYEE EVALUATIONS**

- 1. The following schedule shall be followed for the completion of the performance evaluation:
  - a. For regular probationary employees at the end of the second and fifth months of service.
  - b. For all regular permanent employees: ~~at least~~ once each year.

**ARTICLE 22**  
**RECRUITMENT, TRANSFER, PROMOTION, ELIGIBILITY LISTS**

Section 1. Posting of Notice

Notice of all vacancies shall be posted on bulletin boards in prominent locations at each District job site together with the normal use of newspapers and bulletins for public notice for open or promotional vacancies. **Notice of Lateral Transfers, Promotional and Open Positions, shall also be posted on the District web site and District bulk email.** The job notice shall remain posted for a period of not less than ten (10) working days during which time employees may file for the vacancy. Any employee who will not be reporting at his/her work location during the period of the posting of the notice (e.g., paid or unpaid leave of absence, vacation, or layoff) and who has previously requested notification, shall be mailed a copy of the notice on the date the position is posted.

The job vacancy notice shall include the **classification title, minimum qualifications required, description of the scope of the duties and responsibilities of the position/classification, salary and other forms of compensation, closing date, examinations that may be given, expected location of employment, expected number of vacancies (single, multiple, or more specific number, if known), duration of the eligibility list if less than one year, and other such information that will assist the potential applicant to fully understand the nature of the employment and procedures necessary to participate in the recruitment.** ~~job title, a brief description of the position duties, the minimum qualifications required for the position and the deadline for filing to fill the position.~~

Section 2. Lateral Transfers

Any employee in the bargaining unit in the same class or related class as determined by the Personnel Commission may apply for transfer to that position by filing a written notice with the Personnel Department of the District. **The most senior** persons seeking lateral transfer shall be **granted the vacant position.** ~~offered an interview in addition to those persons in the top three (rule of 3) ranks on the eligibility list.~~

**ARTICLE 23**  
**TRANSFERS-WORK LOCATION**

Work location is defined as Fresno City College, Reedley College, North Centers, District Office, ~~Vocational Training Center~~ **Career and Technology Center** or any such other work location as may be developed.

**Mileage:** Any member of the bargaining unit assigned to a temporary work location shall be entitled to mileage reimbursement upon submission of proper verification forms to the immediate supervisor for up to ninety (90) **work days.**

Police officers will not be transferred involuntarily to other sites except in the event of an emergency and, if so, will receive mileage reimbursement as defined in the section above (this change is contingent upon the District agreeing to upgrade police personnel to PERS Safety retirement). Notwithstanding the above mileage provision, only police officers hired prior to June 30, 2000, shall be entitled to mileage reimbursement.

## ARTICLE 27 GRIEVANCE PROCEDURE

### Section 7 - Complaints Not Covered in This Article

Any complaint not covered by the grievance definition shall be resolved through the complaint procedure. A complaint procedure form shall be made available through the immediate supervisor. Any complaint by the employee may be appealed to the Personnel Commission for a final resolution of the complaint.

## ARTICLE 29 HOURS OF WORK

Work Load: In the event any new position is approved by the Board which requires Classified positions that require Saturday and/or Sunday duty or swing or graveyard shift duty, such position shall be offered to existing employees on a volunteer basis. If no volunteer is accepted, eligible candidates will be considered for the assignment. In the event of necessity, as determined by the District, the least senior employee shall be assigned.

## ARTICLE 31 HEALTH AND WELFARE BENEFITS

### Section 1. HEALTH INSURANCE.

- A. The District shall provide health plan insurance coverage for eligible unit members and their dependents at no cost to the member, and equal to or better than that provided during the 2003-2003 contract year. ~~conditioned upon the provisions of this Article, including but not limited to the District contribution as set forth in Section 5 of this Article.~~

### Section 2. Dental Insurance

- A. The District shall provide a dental care insurance program for eligible unit members and their dependents at no cost to the member and equal to or better than that provided during the 2002-2003 contract year. ~~comparable to that provided during the 1996/97 contract year except that the benefit level cap shall be increased to one thousand five hundred dollars (\$1,500.00) per policy year.~~



Section 3. VISION INSURANCE:

- A. The District shall provide a vision care insurance program for eligible unit members and their dependents at no cost to the member and equal to or better than that provided during the 2002-2003 contract year.

Section 4. LIFE INSURANCE

- A. The District shall provide a level term life insurance program for eligible unit members and their dependents: \$50,000 level term plus \$5,000.00 dependent coverage. Permanent part-time members are also included in this benefit at no cost to the member. This benefit shall become effective as soon after the ratification approval process as practicable.

Section 5. Voluntary Flex Savings Account

The District will provide a payroll deductible account into which each member may contribute an amount of pre-tax dollars to be used for that member's medical, dental, optical, insurance, transportation and other allowable expenses, to be reimbursed to the member tax free.

~~Section 5. District Premium Contributions:~~

~~The District contribution toward the health, dental, vision and life insurance plans for the 2000-01 fiscal year shall not exceed \$630.00 per month.~~

~~The 2001-02 District contribution shall not exceed \$660.00.~~

~~The 2002-03 District contribution shall not exceed \$690.00.~~

~~The unit member will pay the difference between the District contribution and the cost of any premium in excess of the District contribution for any selected health plan.~~

Section 6. LONG TERM DISABILITY INSURANCE:

- A. The District shall provide a long term disability program for eligible unit members. The District will contribute the full L.T.D. premium for bargaining unit members.

Eligibility

1st year	waiting period
After 1 year	eligible up to one (1) year
After 2 years	eligible up to two (2) years
After 3 years	eligible up to three (3) years
After 4 years	eligible up to four (4) years
After 5 years	eligible up to age sixty-five (65)



To be eligible for District paid insurance, an employee's regular assignment must be a minimum of twenty (20) hours per week during their assignment work year.

- B. Assuming insurance carrier availability, the program shall be equal to the long term disability plan in effect during the fiscal year 1990/91 2002-2003.

Section 7. Retiree Health Insurance

- A. For unit members retiring prior to their full retirement age per the current Social Security definition, ~~early (prior to age 65)~~, and who wish to continue coverage under the District's health insurance program, the District will contribute a maximum of three thousand dollars (\$3,000.00) ~~two thousand, four hundred dollars (\$2,400.00)~~ per year conditioned upon the following:
1. The unit member shall have retired or after July 1, 2003 ~~2000~~,
  2. The unit member has attained his/her fiftieth (50th) birthday,
  3. The unit member shall have served the District for a minimum of five (5) ~~ten (10)~~ consecutive years immediately preceding retirement,
  4. The unit member is receiving his/her regular retirement allowance from PERS,
  5. ~~This benefit terminates on the date the unit member reaches his/her sixty fifth (65th) birthday,~~
  6. Retirees who are eligible for the benefit of ~~the section~~ Section 7A and who attain their full retirement age per current Social Security definition, ~~sixty fifth (65th) birthday~~ shall be eligible to receive the benefits of Section 7B if the retiree meets all the conditions stated in Section 7B.
- B. The District shall contribute a maximum sum of Two Thousand Dollars (\$2,000.00) ~~One Thousand Six Hundred Dollars (\$1,600.00)~~ annually toward health insurance premiums to unit members who retire after July 1, 2003 ~~2000~~. The unit member may waive the health insurance coverage under this provision, and he/she may elect to purchase dental insurance or vision insurance or both to the extent allowable by the carrier, conditioned upon the following:
1. The unit members have has attained their ~~sixty fifth (65th) birthdays~~, his/her full retirement age per current Social Security definition, and ~~prior to reaching age 70~~;
  2. The unit members have has served the District for five (5) ~~fifteen (15)~~ consecutive years prior to retirement;

- C. The maximum District contribution as stated in Section 7B and in effect on September 1, ~~2002~~ 2000, shall be increased annually by two percent (2%) effective September 1, ~~2003~~ 2001.
- G. Such contribution shall be paid by the District **for life**, ~~only until the retiree attains age seventy (70), except any unit member who has served the District for twenty (20) years or more shall continue to be eligible for B above for life.~~

Option 2:

- A. For any unit member retiring prior to full retirement age per current Social Security definition, ~~unit members retiring early (prior to age 65), and who wishes to continue coverage under the District's health insurance program, the District will contribute a maximum of seventy (70%) percent of the District's contribution to the premium of the health insurance program~~ **conditioned upon the** following:
1. The unit member shall have retired on or after July 1, 2003, ~~ratification/approval of this Collective Bargaining Agreement by both parties;~~
  2. The unit member has attained his/her fiftieth (50<sup>th</sup>) ~~sixtieth (60<sup>th</sup>)~~ birthday;
  3. The unit member shall have served the District for a minimum of five (5) ~~(10)~~ consecutive years immediately preceding retirement;
  5. ~~This benefit terminates on the date the unit member reaches his/her sixty-fifth (65<sup>th</sup>) birthday;~~
  6. Upon death of retiree, surviving spouse shall not be eligible for benefit contribution until he/she reaches age sixty (60);
  7. Surviving spouse's benefit terminates on the date surviving spouse reaches full retirement age per current Social Security definition ~~age sixty-five (65).~~
- B. Unit members who elect OPTION 2 prior to full retirement age per current Social Security definition, which provides an enhanced ~~pre-age sixty-five (65)~~ contribution toward health coverage, are not eligible for a District contribution toward the health insurance supplement to Medicare. (Option 1B)

Section 8. Retiree Life Insurance:

~~Life Insurance:~~ Retiree may continue life insurance coverage at retiree's expense. ~~up to age sixty-five (65).~~

**Section 9: Retirement Incentive Program**

**The District shall purchase two years of service seniority from the Public Employee Retirement System (PERS) for all eligible CSEA members who retire prior to June 30, 2004. A portion of the savings from this retirement buyout will be used to provide improved salary and benefits for existing employees.**

**Section 10. Benefits Equity**

**Benefits for the bargaining group shall be equal to or better than that provided to any other employee group in the District.**

**ARTICLE 33  
OPENERS**

~~During 2001-02 and 2002-2003~~ **If during the term of this agreement the State of California increases the funding to the District above the original 2003 State published budget, both parties neither party shall be obligated to bargain on wages and benefits. All other article in amendment to this Agreement shall remain closed unless both parties mutually agree to reopen negotiations.**

CSEA shall submit their proposal for a successor contract to the District not later than the regular Board meeting in March ~~2003~~ **2004** and the Board shall hold the public hearing on the proposal at the next regular Board meeting.

**ARTICLE 34  
PAY AND ALLOWANCES**

**Section 1. Salary**

~~2000-01 Salary~~

**A. 2003-04 Salary**

The District shall provide for ~~the 2003-2004~~ ~~2000-01~~ school year an increase of **COLA plus 1.5%** ~~5.5%~~ to each cell of the salary schedule in effect during the ~~2003-2004~~ ~~1999-00~~ school year retroactive to July 1, **2003**. ~~2000 for unit members in paid status on the date the Agreement is ratified and/or approved.~~

**If any other employee group receives any additional wage increase during the 2003-04 fiscal year, that increase shall also be applied to each cell of the classified salary schedule retroactive to July 1, 2003.**

### 2001-02 Salary

The District shall provide for the 2001-02 school year an increase equivalent to the Statutory Cost of Living Adjustment plus 1.0% to each cell of the salary schedule in effect during the 2000-01 school year for unit members.\* In addition, if the District's 2000-01 growth of full-time equivalent students (FTES) is at least 3.5% greater than the 1999-00 FTES, the District will increase each cell of the 2001-02 salary schedule by an additional one (1%) percent to the extent the FTES growth is fully funded by the state. Such District salary schedule increase shall be made only to the extent that the COLA is fully funded by the state.

The Statutory Cost of Living Adjustment shall be defined as that percentage amount included for California community colleges as contained in the 2001-02 California State Budget Act to the extent that it is actually funded.

#### \*Example

The Statutory Cost of Living Adjustment for the 1990-91 school year for California Community Colleges was 4.6%. Suppose the Statutory Cost of Living Adjustment for the 2001-02 school year for California Community Colleges is 5.0%, then each cell of the salary schedule in effect for 2000-01 would be increased by the sum of 5.0% plus 1.0% for a total of 6.0%. However, if the Cost of Living Adjustment for 2001-02 is 5.0% but is funded through the state budget at only 3.5%, then each cell of the salary schedule in effect for 2000-01 would be increased by 3.5% plus 1.0% for a total of 4.5%. If, at any time during the term of this Agreement, the unfunded amount of 1.5% is restored or partially restored and paid to the District, it shall, to the extent paid to the District be applied retroactively to the salary schedule for bargaining unit members in paid work status on the date the District is actually paid said funds by the state. If the Cost of Living Adjustment for 2001-02 is 5.0% but is totally unfunded by the state, each cell of the 2000-01 salary schedule shall be increased by 1.0%. Additionally, if the District's FTES for 1999-00 grows by at least 3.5% for 2000-01, each cell of the salary schedule shall be increased by an additional one (1%) percent effective July 1, 2001.

### 2002-03

The District shall provide for the contract year for 2002-03 an increase equivalent to the Statutory Cost Of Living Adjustment plus 1.0% to each cell of the salary schedule in effect during the 2001-02 school year for unit members. \*Such District salary schedule increase shall be made only to the extent the COLA is fully funded by the state. The District shall provide an additional 1% to each cell of the salary schedule if during the 2001-02 school year, the District achieves a full-time equivalent student number (FTES) of an amount which is 3.5% greater than the 2000-2001 school year.

~~The Statutory Cost of Living Adjustment shall be defined as that percentage amount included for California community colleges as contained in the 2002-03 California State Budget Act to the extent that it is actually funded.~~

\*Example

~~The Statutory Cost of Living Adjustment for the 1990-91 school year for California Community Colleges was 4.6%. Suppose the Statutory Cost of Living Adjustment for the 2002-03 school year for California Community Colleges is 5.0%, then each cell of the salary schedule in effect for 2001-02 would be increased by the sum of 5.0% plus 1.0% for a total of 6.0%. However, if the cost of living adjustment for 2002-03 is 5.0% but is funded through the state budget at only 3.5%, then each cell of the salary schedule in effect for 2001-02 would be increased by 3.5% plus 1.0% for a total of 4.5%. If, at any time during the term of this Agreement, the unfunded amount of 1.5% is restored or partially restored and paid to the District, it shall, to the extent paid to the District be applied retroactively to the salary schedule for bargaining unit members in paid work status on the date the District is actually paid said funds by the state. If the Cost of Living Adjustment for 2002-03 is 5.0% but is totally unfunded by the state, each cell of the 2001-02 salary schedule shall be increased by 1.0%. Additionally, each cell of the salary schedule shall be increased by an additional 1.0% effective July 1, 2002 if the District's FTES for 2000-01 grows by at least 3.5% for 2001-02.~~

SALARY DISPUTE

Any dispute pertaining to the salary provisions contained herein for the 2003-04 ~~2000-01, 2001-02 and 2002-03~~ school years is subject to the Grievance Procedure of this Agreement except, however that only the CSEA may bring a grievance concerning such implementation and any such grievance must be filed within ten (10) days of notice from the District of any proposed implementation of these provisions

Section 8. Compensation for Working Out of Class

Classified employees in the bargaining unit are not permitted to perform duties which are not fixed and prescribed for the position by the Governing Board unless the duties reasonably relate to those fixed for the position by the board, except as provided in this provision for working out-of-class. If doubt exists concerning any particular classification, the ~~personnel office~~ Personnel Commission will clarify what is and what is not within classification. The Personnel Commission Director shall be notified immediately of any employee required to work out of class.

A unit member shall work out-of-class only when directed to do so and is therefore required to perform duties inconsistent with the duties for their assigned position. If the period of time the unit member is required to perform the inconsistent duties exceeds five (5) working days within a 15 calendar day period ~~and the inconsistent duties are in the higher classification than the regular assigned position~~, the unit member shall be paid for each such day, at the rate commencing the first day of out-of-class work by being placed

in the step of the higher salary classification which is greater than but nearest to a ~~five percent (5%)~~ **ten percent 10%** increase in rate. If a bargaining unit member is directed to perform the duties ~~in a higher classification for~~ **of** a management position, and such work period exceeds five working days in any fifteen (15) calendar day period, the unit member shall be paid an additional amount not to exceed ~~fifteen percent (15%)~~ **twenty-five percent (25%)** of the current base pay rate of the unit member. **No member shall be worked out of class for more than thirty (30) days.**

#### Section 9. Pay Warrant Option

~~Effective the first day of the 2001-2002 fiscal year,~~ The 12 month pay warrant option shall **remain in effect** ~~be extinguished~~ for employees working less than twelve (12) months. ~~A committee shall be established to review options regarding pay warrant.~~

### **ARTICLE 35 LAYOFF/REDUCTION OF HOURS/ABOLITION OF POSITIONS**

#### Section 1. NOTICE OF LAYOFF:

The District shall notify California School Employees Association (CSEA) as soon as possible, **but no later than fifteen (15) days,** ~~of the proposed layoff~~ prior to **the** notification of affected employees **of the proposed layoff.** Following ~~the~~ Board action, **the District employer** shall meet with CSEA to review the seniority list, to review the said order of layoff, prior to effective date of layoff, and to negotiate the effects of said layoff.

#### Section 2. DISPLACEMENT OF BARGAINING UNIT WORK:

2. No regular employee (permanent or probationary) of the classified service shall be laid off from any position **in the District** while **there are persons doing classified work whose status is not defined as being a Classified employee as per the Education code definition of "Classified" under the Merit System (88060 thru 88130).** **Also, there shall be no student employees retained in any area where there will be classified layoffs.** ~~employees serving under emergency, provisional or limited term employment are retained in positions of the same class, or related class for which the employee is qualified.~~

#### Section 3. MAINTENANCE OF BENEFITS:

Employees who elect service retirement in lieu of layoff shall be eligible for the district contribution toward the health insurance premium for retirees. See Contract, Article 31. The requirement for **five (5)** ~~ten (10)~~ years of district service is waived for early service retirement to avoid layoff. Health benefits shall be paid by the District for one (1) additional month in case of layoff.

Section 6. EQUAL SENIORITY:

If two (2) or more employees in a class subject to layoff have equal seniority, the determination as to who shall be laid off will be made on the basis of the greater bargaining unit seniority, or if that be equal, the greater hire date seniority, and if that be equal, then the determination shall be made by lot.

**Effective on signing of this agreement, all persons hired after the contract signing date with equal seniority dates shall be determined by the highest score of the position test. If test scores are equal, then the most senior person will be the one with the higher ranking on the hiring list. Furthermore, seniority of total equal persons shall be determined on the day that they report for work and their position on the seniority list shall be given to the new employee.**

Section 7. REEMPLOYMENT RIGHTS:

~~Laid off persons are eligible for reemployment for a period of thirty nine (39) months in the class from which laid off or in a lower class in which they have served and shall be reemployed in the reverse order of layoff. Their reemployment shall take precedence over any other person, defined or undefined, in this agreement. In addition, they shall have the right to apply for promotional positions and use their bargaining unit seniority therein for a period of thirty nine (39) months following layoff. An employee on a reemployment list shall be notified of promotional opportunities in accordance with administrative regulations and contract provisions, also members are eligible for reemployment in a lower class in which they meet minimum qualifications for a thirty-nine (39) month period, and shall be reemployed in the reverse order of layoff.~~

**Persons laid off because of lack of work or lack of funds are eligible for reemployment for a period of 39 months and shall be reemployed in preference to new applicants. In addition, such persons laid off have the right to participate in promotional examinations within the district during the period of 39 months. Employees who take voluntary demotions or voluntary reductions on assigned time in lieu of layoff or to remain in their present positions rather than be reclassified or reassigned, shall be granted the same rights as persons laid off and shall retain eligibility to be considered for reemployment for an additional period of up to 24 months, provided that the same tests of fitness under which they qualified for appointment to the class shall still apply. The personnel commission shall make the determination of the specific period of eligibility for reemployment on a class-by-class basis. Employees who take voluntary demotions or voluntary reductions in assigned time in lieu of layoff shall be, at the option of the employee, returned to a position in their former class or to positions with increased assigned time as vacancies become available, and without limitations of time, but if there is a valid reemployment list they shall be ranked on that list in accordance with their proper seniority.**



**ARTICLE 36  
DISCIPLINARY ACTION**

**CLASSIFIED PERSONNEL/DISCIPLINARY ACTIONS**

9. Notice of: Charges and Recommended Disciplinary Action

Notice of Charges and Recommended Disciplinary Action sets forward the alleged charges and incidents upon which the District seeks to discipline an employee. The Notice of Charges and Recommended Disciplinary Action shall not be considered a formal disciplinary recommendation until the Skelly Conference has taken place and the President, Vice Chancellor, **Chancellor** or his/her designee, has a recommendation to the Board of Trustees that the employee be disciplined. Until the President, Vice Chancellor, Chancellor or his/her designee, has approved the Notice of Charges and Recommended Disciplinary Action, it shall merely be considered a proposed disciplinary measure by the immediate supervisor.

**ARTICLE 37  
CLASSIFICATION STUDIES**

Classification studies **are** designed to analyze and study a whole class or classes and/or job families, ~~shall be performed only by mutual agreement by and between the CSEA and The District which shall~~ **request that the Personnel Commission perform a district-wide, complete, classification study, to be completed within one (1) year of the signing of this agreement.** ~~be limited in frequency to not more than one such study in any five (5) year period.~~

**Recommendation:**

At this point the Board should open the meeting for public comment on CSEA's initial proposals. Following the open comment, no action is necessary on the part of the Board.



STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO THE BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Public Hearing on the District's Initial  
Bargaining Proposals to the State Center  
Federation of Teachers, Local #1533, CFT/AFT,  
CIO/AFL

ITEM NO. 03-80

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EXHIBIT: None

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Background:

The District Proposes:

Article I – Term of Agreement

The District proposes a three-year term, July 1, 2003 or date of ratification, which ever is later, through June 30, 2006.

Article V – Waiver of Bargaining

Section 2. Beginning Negotiations

The District proposes successor contract shall be given to the District between January 1, 2006 and June 30, 2006.

Article IX – Federation Rights

The District proposes:

1. A maximum of three (3) authorized unit members of the Federation Bargaining Committee shall be released from their regular work duties, with pay, if negotiation meetings with management are scheduled during the working hours of the unit members involved.
2. To add there shall be no obligation on the part of the District to schedule meetings during the chairperson's regularly scheduled class time.

Article XII – Hours, Workload, Class Size

Section 3. Lecture Hour Equivalentents

The District proposes to:

1. Add Large Group Instruction to identify the classes in this section.
2. Increase the number of students per LHE for Large Group Instruction.

Section 5. Office Hours

The District proposes to:

1. Delete language that identifies a minimum of three (3) office hours per week and a maximum of five (5) office hours per week.
2. Add not less than one (1) office hour for each class offered weekly to be considered a minimum requirement.
3. Scheduling of an office hour delete five (5) day work week and add two (2) successive week period.

Section 8. Copy right

The District proposes to:

1. Add the District is presumed owner of all intellectual property used in any course developed for and/or taught on behalf of the College except as otherwise mutually agreed upon by the College and faculty member.

Section 13. Distance Education

The District proposes to:

1. Add Online Education to title of this section.
2. Add internet courses taught by faculty members shall receive LHE credit on the ratio of one (1) LHE per one (1) unit taught except as otherwise mutually agreed between the faculty member and College administration. Faculty members teaching online courses must teach at least 40% of their load per semester on campus.
3. Add Course Development Factor - online education may receive released time at the discretion of the College administration.
4. Office hours held by faculty members teaching a distance education course shall be consistent with the provisions of Article XII, Section 5. OFFICE HOURS.

## Article XIII – Faculty Conditions

### Section 1.C. Evaluation of Faculty - Committee Compensation

The District proposes each faculty committee member shall receive compensation for up to ten (10) hours or the actual number of hours performed, whichever is less.

### Section 1. F. Evaluation Timeline

The District proposes to:

1. Add timeline for 9-week courses.
2. Administer student questionnaires no earlier than the 6<sup>th</sup> week.

### Section 5. Special Assignments

The District proposes to add five (5) unscheduled hours to each special assignment.

### Section 8. Transfer and Reassignment

The District proposes to:

1. Delete current language entitled “Voluntary Transfer.”
2. Add language that will clarify the process and timeline.

## Article XIV-A – Leaves with Pay

### Section 1. Sick Leave Provisions

The District proposes to add a member absent for more than five (5) duty days shall notify their immediate supervisor of his/her approximate return date.

### Section 7. Sabbatical Leave

The District proposes to:

1. Delete the word shall and add may grant leaves.
2. Add the Board may suspend sabbatical leaves due to budgetary considerations that warrant such a suspension.

## Article XV – Insurance Programs

The District proposes to add in view of the escalating health care costs locally as well as nationwide, the District believes it is essential for the parties to review cost containment options which may be added to the District’s insurance plans.

## Article XVII – Compensation

The District proposes due to the state's fiscal condition forced upon the District which includes unknown and unpredictable factors, step and column increases are proposed to be frozen for 2003-04.

## Article XVIII – Retirement and Retirees

### Section 5. Early Retirement Incentive

The District proposes one-time only incentive bonus of \$14,000.00 will be granted to any certified bargaining unit member age 56 or older who chooses to retire at the end of the Spring semester 2005.

Representatives from the District do formally reserve the right under Article V to propose additional issues and subjects, both economic and/or non-economic, as the District becomes better aware of the changing budget conditions which are being experienced.

### Recommendation:

At this point the Board should open the meeting for public comment on the District's Initial Bargaining Proposal to the State Center Federation of Teachers. Following the open comment, no action is necessary on the part of the Board.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: California Community College Trustees  
2003 Ballot for Board of Directors

ITEM NO. 03-81

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EXHIBIT: List of Candidates

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Background:

The election of members of the CCCT Board will take place between March 10 and April 25. There are ten (10) two-year vacancies on the Board. A list of the candidates nominated to fill the vacancies is enclosed. The ten candidates who receive the most votes will serve two-year terms. In the event of a tie vote for the last position to be filled, the CCCT Board of Directors will vote to break the tie.

The Board may vote for up to ten (10) individuals. The deadline for mailing the ballot is April 25, 2003.

Recommendation:

It is recommended that the Board of Trustees authorize the Secretary of the Board to cast a ballot for up to ten (10) individuals, as directed, from the list of nominees for the 2003 election of the Board of Directors of the California Community College Trustees.

## 2003 CCCT BOARD OFFICIAL BALLOT

### NOMINEES

### VACANCIES

- Edward C. Ortell, Citrus CCD
- Jess H. Reyes, Contra Costa CCD
- Donald L. Singer, San Bernardino CCD
- \*Maria Nieto Senour, San Diego CCD
- \*John Moore, Cerritos CCD
- \*Mary Mason, Foothill-De Anza CCD
- Patricia Miljanich, San Mateo CCD
- \*Georgia L. Mercer, Los Angeles CCD
- Bill McMillin, Ohlone CCD
- \*Michele R. Jenkins, Santa Clarita CCD
- \*Luis Villegas, Santa Barbara CCD
- Walter G. Howald, Coast CCD
- \*Charles H. Hayden, Jr., Desert CCD
- Dawn M. Wright, San Jose-Evergreen CCD
- John S. Williams, South Orange County CCD
- \*Anthony E. Bugarin, San Joaquin Delta CCD
- \*Mark Takano, Riverside CCD
- \*Thomas J. Clark, Long Beach CCD

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**Clerk of the board should sign the verification acknowledgment on the ballot return envelope.**

\*Incumbent      *List order Based on Secretary of State's random drawing, February 18, 2003*

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Consideration of Bids,  
SCCCD LAN/WAN Renovations, Phase 3  
Districtwide

ITEM NO. 03-82

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EXHIBIT: None

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Background:

Bid #0203-12 is for all labor and materials necessary to complete phase three of the District Wide Area Network (WAN) and Local Area Network (LAN) infrastructure project. This project, as a continuation of Goal 30 of the 1998-2003 master plan, will improve the District's Wide Area and Local Area network infrastructure to support instructional, administrative, and student service activities. Phase 3 work includes: 1) extension of the existing site pathway foundation previously installed in the Phase 1 project at Fresno City College; 2) complete renovation of the Math/Science and Library buildings telecommunications infrastructure, horizontal pathways, and network electronics at Fresno City College; 3) new network electronics for designated buildings at Fresno City College; and 4) renovation of the 1<sup>st</sup> floor telecommunications room at the Clovis Center campus. This phase, when completed, will expand the existing network foundation to provide a continuous state-of-the-art, districtwide network to support demands for increased speed, capacity, connectivity and reliability of our integrated information management system.

The summer months offer the best opportunity to complete the critical components of this project with the least disruption to the District. If awarded, critical site work is scheduled to be completed by the start of the Fall 2003 semester. Because of the significant impact of this project, bidders were directed to submit extensive qualifications and technical criteria with their bid response. Responses were evaluated by the engineer and our technical staff based upon these submittal requirements.

Funding for this project will be provided by Measure E General Obligation Bonds. The engineer's estimate for this project is \$1,560,000.00.

Bids were received from three (3) contractors as follows:

<u>Bidder</u>	<u>Award Amount</u>
HCI, Inc.	\$1,297,952.00
Contra Costa Electric, Inc.	\$1,444,447.00
Walker Comm, Inc.	\$1,712,827.00

Fiscal Impact:

\$1,297,952.00 - Measure E General Obligation Bonds

Recommendation:

It is recommended that the Board of Trustees award Bid #0203-12 in the amount of \$1,297,952.00 to HCI, Inc., the lowest responsible bidder for SCCCD LAN/WAN Renovations, Phase 3, and authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign an Agreement on behalf of the District.



STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Consideration of Bids,  
Room Modifications, Various Buildings,  
Fresno City College

ITEM NO. 03-83

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EXHIBIT: None

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Background:

Bid #0203-13 is for all labor and materials necessary to modify existing space into network rooms in seventeen buildings at Fresno City College and one location at the Clovis Center campus. This project is in support of the LAN/WAN project and provides for the renovations necessary to create network rooms to house required network electronics. The work of this project consists of selective demolition to existing rooms; the construction of new doors, partitions, windows and finishes; modification of existing and installation of new air conditioning systems; and modification of fire alarm, plumbing, and electrical systems in support of the new facilities. Interior and exterior renovations of existing buildings are required to complete the work of this project. Additionally, the work sequence will be phased to provide the least possible interference between this contract and the activities of other contractors performing LAN/WAN Phase 3 construction. The buildings involved in this project include Math Science, Library, T-100, T-200, T-300, T-400, T-500, Administration, Art Home Economics, Language Arts, Faculty Offices, Health Science, Forum Hall, Business Education, Social Science, Theatre, Speech Music and the two-story Clovis Center building. As indicated in the LAN/WAN Phase 3 project, the Math Science and Library buildings will have complete network buildouts with the balance of the buildings receiving this treatment in a future phase.

Funding for this project will be provided by Measure E General Obligation Bonds. The engineer's estimate for this project is \$520,000.00. As with the LAN/WAN Phase 3 bid, this is a re-bid of a prior year project. Last year's attempt was rejected for a lack of adequate capital project funding. With the passage of Measure E, this funding issue has been remedied. Three contractors that participated in bidding for this work last year were unable to do so due to other project commitments. However, these prior bid responses were price competitive and gave an acceptable range of bid pricing. The current bid is from last year's low bidder and also is in line with the engineer's estimate. Bid specifications were requested by five (5) prime contractors and a single bid was received from one (1) contractor as follows:

ITEM NO. 03-83 - Continued  
Page 2

<u>Bidder</u>	<u>Award Amount</u>
<b>Mark Wilson Construction, Inc.</b>	<b>\$530,586.00</b>

Fiscal Impact:

\$530,586.00 - Measure E General Obligation Bonds

Recommendation:

It is recommended that the Board of Trustees award Bid #0203-13 in the amount of \$530,586.00 to Mark Wilson Construction, Inc., the lowest responsible bidder for Room Modifications, Various Buildings, and authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign an Agreement on behalf of the District.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Consideration of Resolution for Participation  
in Community College League of California  
2003-04 Cash-Flow (TRANs) Financing Program

ITEM NO. 03-84

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EXHIBIT: Resolution

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Background:

Because of the method of payment on State apportionment monies, the District has experienced a cash-flow shortfall in the fall months in recent years. While State apportionment monies and tax revenues are ultimately received, the majority of these funds are received during the second half of the fiscal year. This amount of shortfall fluctuates from year to year based upon the timing of payments received from the property taxes and State apportionment, as well as expenditures by the District.

To ease the cash-flow burden, the District is authorized to sell Tax and Revenue Anticipation Notes (TRANs) that provide an adequate cash flow to meet the District's General Fund obligations until receipt of property taxes and State apportionments. A program called the Tax and Revenue Anticipation Note Financing Program, sponsored by the Community College League of California, provides a pooled structure that simplifies the issuance of TRANs in a cost-effective, secure manner. By participating in the program, the District will issue a tax-exempt note at a fixed rate of interest and simultaneously secure a fixed-rate investment to generate income, offsetting the debt service expense. The program provides a guarantee on both the interest paid and the interest received, removing all market risks from the transaction.

Based upon last year's cash flows, it is anticipated that the District can borrow approximately \$5 million to meet its obligations in 2003-04; however, it is recommended that an amount not to exceed \$10 million be approved to provide some flexibility in case the District's needs increase over last year's and also to compensate for an anticipated State funding reduction associated with State cash-flow shortfalls or delays. This is the same authorization as received from the Board in 1999-00, 2000-01, 2001-02, and 2002-03. The District actually borrowed approximately \$5 million in the last four years' TRANs issues and \$7 million in 1997-98. The actual amount borrowed will

be determined by the financial consultant for the California Community College League based upon submittal of financial data from the District and consultation with staff.

Consistent with past years' TRANs issues, the administration is recommending the authorization to borrow on the TRANs issue for a period up to 13 months. The interest earnings rate is locked into a guaranteed investment contract and the TRANs borrowing rate is also fixed, resulting in no additional risk to the District.

The program requires that the Board adopt a Resolution that delegates to the administration the right to decide on participation at the time of the sale when the interest costs and reimbursement costs are locked in. Approving this Resolution will allow the Chancellor or her designee to proceed with the necessary steps to take part in the program.

Recommendation:

It is recommended that the Board of Trustees:

- a) approve the Resolution of the Governing Board that authorizes:
  - 1) the borrowing of funds for fiscal year 2003-04 not to exceed \$10 million;
  - 2) the issuance and sale of 2003-04 Tax and Revenue Anticipation Notes (TRANs);
  - 3) participation in the Tax and Revenue Anticipation Note Financing Program; and
- b) authorize the administration to borrow up to a 13-month period, with a final determination made at time of pricing.

STATE CENTER COMMUNITY COLLEGE DISTRICT

RESOLUTION NO. 03-84

RESOLUTION AUTHORIZING THE ISSUANCE OF A 2003 TAX AND REVENUE ANTICIPATION NOTE AND PARTICIPATION IN THE COMMUNITY COLLEGE LEAGUE OF CALIFORNIA CASH FLOW FINANCING PROGRAM

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WHEREAS, pursuant to Sections 53850 et seq. of the Government Code of the State of California (the "Act") contained in Article 7.6 thereof, entitled "Temporary Borrowing," on or after the first day of any fiscal year (being July 1), the State Center Community College District (the "District") may, pursuant to a resolution of its Board of Trustees (the "Board"), borrow money by issuing notes for any purpose for which the District is authorized to expend moneys, including but not limited to current expenses, capital expenditures, and the discharge of any obligation or indebtedness of the District;

WHEREAS, the Board hereby determines that an amount (the "Principal Amount") not to exceed \$10,000,000 (the "Maximum Principal Amount"), which Principal Amount is to be confirmed and set forth in the Pricing Confirmation (as defined in Section 4 hereof), is needed for the requirements of the District to satisfy obligations of the District, and that it is necessary that the Principal Amount be borrowed for such purpose by the issuance of a temporary note therefor in anticipation of the receipt of taxes, revenue and other moneys to be received by the District during or attributable to fiscal year 2003-2004;

WHEREAS, it appears, and the Board hereby finds and determines, that the Principal Amount, when added to the interest payable thereon, does not exceed eighty-five percent (85%) of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys of the District attributable to fiscal year 2003-2004, and available for the payment of said note and the interest thereon;

WHEREAS, pursuant to Section 53856 of the Code, certain revenues that will be received by the District during and attributable to fiscal year 2003-2004 can be pledged for the payment of said note and the interest thereon (as hereinafter provided);

WHEREAS, the Board has determined that it is in the best interests of the District to participate in the Community College League of California Cash Flow Financing Program (the "Program"), whereby participating community college districts (collectively, the "Participating Districts") will simultaneously issue tax and revenue anticipation notes;

WHEREAS, the tax and revenue anticipation note authorized hereby (the "Note") will be sold to the Community College League Financing Authority (the "Authority") pursuant to a note purchase agreement, dated as of the date of the Pricing Confirmation, by and between the Authority and the District (the "Note Purchase Agreement"); and

WHEREAS, as part of the Program, the Authority will issue one or more series (each a "Series") of 2003 Tax and Revenue Anticipation Bonds (the "Bonds") pursuant to an Indenture (the

“Indenture”) between the Authority and Wells Fargo Bank, National Association (the “Trustee”), which Bonds will be secured by the tax and revenue anticipation notes of the Participating Districts, each Series to be distinguished by the type of credit enhancement, if any, that secures such Series, the principal amounts of the notes securing such Series the date of maturity of such Series, or by such other factors as may be determined by the Authority pursuant to the advice of RBC Dain Rauscher Inc., as financial advisor for the Program (the “Financial Advisor”);

NOW, THEREFORE, the Board of the District hereby resolves as follows:

Section 1. Recitals. All of the above recitals are true and correct and the District so finds, determines, and represents.

Section 2. Authorization of Issuance of Note; Terms. The District hereby determines to borrow, solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be received by the District during or attributable to fiscal year 2003-2004, an aggregate principal amount not to exceed the Maximum Principal Amount by the issuance, by the District, of a temporary note under Sections 53850 et seq. of the Code designated as the District’s “2003 Tax and Revenue Anticipation Note.” The Note shall be dated the date of delivery thereof; shall mature (without option of prior redemption) not more than 13 months from said date of delivery on a date indicated on the face of the Note and set forth in the Pricing Confirmation (as defined below), or if such date is not a day on which banks in New York or California are open for business, on the first business day prior to such date; and shall bear interest, payable on the dates set forth in the Note and computed on the basis of a 365/366 day year and the actual number of days elapsed, at the rate indicated on the face of the Note and set forth in the Pricing Confirmation (the “Note Rate”), but not in excess of twelve percent (12.0%) per annum. If the Note is not fully paid at maturity, then the unpaid portion thereof shall continue to bear interest thereafter at the Default Rate (to be set forth in the Pricing Confirmation). Both the principal of and interest on the Note shall be payable only upon surrender thereof, in lawful money of the United States of America, at the corporate trust office of the Trustee, which Trustee is hereby designated to be the Paying Agent for the Note (the “Paying Agent”).

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

Section 4. Sale of the Note. The Note shall be sold to the Authority pursuant to the Note Purchase Agreement. The form of the Note Purchase Agreement, including the form of the pricing confirmation supplement (the “Pricing Confirmation”) set forth as Exhibit B thereto, presented to this meeting is hereby approved. The Chancellor, Vice Chancellor, Finance & Administration, Associate Vice Chancellor, Human Resources, chief business officer or any other person designated by the Vice Chancellor, Finance & Administration of the District (the “Authorized Representatives”) are each hereby authorized and directed to execute (which execution shall be accomplished by execution of the Pricing Confirmation) and deliver the Note Purchase Agreement (including the Pricing Confirmation) in substantially said form, with such changes thereto as such Authorized Representative shall approve, such approval to be conclusively evidenced by his or her execution and delivery thereof; provided, however, that the interest rate on the Note shall not exceed twelve percent (12.0%) per annum, the discount on the Note, when added to the District’s share of the costs of

issuance of the Bonds, shall not exceed one and one-half percent (1.5%), and the Principal Amount shall not exceed the Maximum Principal Amount.

Section 5. Program Approval. The District's participation in the Program is approved; provided, however, that the District's decision to participate in the Program shall not be binding on the District until the execution and delivery of the Pricing Confirmation.

The District acknowledges that the Authority will execute and deliver the Indenture, (currently on file with the District), to the Trustee in substantially said form, with such changes thereto as an Authorized Representative shall approve, such approval to be conclusively evidenced by execution and delivery of the Pricing Confirmation. The District authorizes and requests the Authority to issue Bonds pursuant to and as provided in the Indenture as finally executed.

The District acknowledges that the Authority, acting upon the advice of the Financial Advisor, may seek such credit enhancement for the Note and for the Series of Bonds related thereto as it deems necessary or desirable. The District agrees to be bound by the terms of such credit enhancement, if any, and the agreements related thereto. The District's approval of such credit enhancement, if any, and the agreements related thereto shall be conclusively evidenced by execution and delivery of the Pricing Confirmation. Each Authorized Representative is authorized to execute and deliver, on behalf of the District, all agreements related to credit enhancement for the Note and for the Series of Bonds related thereto that such Authorized Representative shall approve, such approval to be conclusively evidenced by execution and delivery of such agreements.

The Authorized Representatives of the District are hereby authorized and directed to provide the Financial Advisor with such information relating to the District as the Financial Advisor shall reasonably request for inclusion in the Preliminary Official Statement and Official Statement related to the Bonds. Upon inclusion of the information relating to the District therein, the Preliminary Official Statement is, except for certain omissions permitted by Rule 15c2-12 of the Securities Exchange Act of 1934, as amended (the "Rule"), hereby deemed final within the meaning of the Rule with respect to the District. If, at any time prior to the execution of the Pricing Confirmation, any event occurs as a result of which the information contained in the Preliminary Official Statement related to the District might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the District shall promptly notify the Financial Advisor.

The District agrees to pay or cause to be paid, in addition to the amounts payable under the Note, its share of any fees or expenses of the Trustee in connection with its participation in the Program, as determined in accordance with the Indenture. Such additional fees and expenses will be paid by the District within twenty-five (25) days of receipt by the District of a bill therefor from the Trustee.

Section 6. Transfer; Exchange. The Note shall initially be registered in the name of the Authority. Thereafter, the Note may not be transferred or exchanged except for a transfer to a provider of credit enhancement for the Note or for the Series of Bonds related thereto as provided by the terms of such credit enhancement and any agreement related thereto.

Section 7. Deposit of Note Proceeds; No Arbitrage. A portion of the proceeds from the sale of the Note, in an amount equal to the District's share of the costs of issuance (including any fees and expenses incurred in connection with credit enhancement) of the Note and of the Series of

Bonds related to the Note, shall be deposited in the Costs of Issuance Fund established under the Indenture and expended as directed by the Authority on costs of issuance as provided in the Indenture. The remainder of the proceeds from the sale of the Note shall be deposited in the Proceeds Fund established under the Indenture and, until transferred pursuant to a requisition of the District, be invested in Permitted Investments (as defined in and under the terms of the Indenture) as directed by the Authority. While they are on deposit in the Proceeds Fund, proceeds from the sale of the Note shall constitute additional security for repayment of the Note. Upon requisition submitted to the Trustee in accordance with the Indenture, the Note proceeds deposited in the Proceeds Fund shall be transferred to or on behalf of the District for any purpose for which the District is authorized to use and expend moneys. The District hereby covenants that it will make no use of the proceeds of the Note that would cause the Note to be an "arbitrage bond" under Section 148 of the Code; and, to that end, so long as the Note is outstanding, the District, and all of its officers having custody or control of such proceeds, shall comply with all requirements of said section, including restrictions on the use and investment of proceeds of the Note and the rebate of a portion of investment earnings on certain amounts, including proceeds of the Note, if required, to the Federal government, and of the Income Tax Regulations of the United States Treasury promulgated thereunder or under any predecessor provisions, to the extent that such regulations are, at the time, applicable and in effect, so that the Note will not be an "arbitrage bond."

Section 8. Payment of Note.

(a) Source of Payment. The principal amount of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys which are received by the District during fiscal year 2003-2004 and which are available therefor. The Note shall be a general obligation of the District, and to the extent the Note is not paid from the Pledged Revenues defined below, the Note shall be paid with interest thereon from any other moneys of the District lawfully available therefor, as provided herein and by law.

(b) Pledged Revenues. As security for the payment of the principal of and interest on the Note, the District hereby pledges certain unrestricted revenues (as further described in the following paragraph, the "Pledged Revenues") which are received by the District in the months specified in the Pricing Confirmation as Pledge Months (each a "Pledge Month" and collectively the "Pledge Months"). The term "unrestricted revenues" shall mean taxes, income, revenue, cash receipts, and other money of the District as provided in Section 53856 of the Act, which are intended as receipts for the general fund of the District and which are generally available for the payment of current expenses and other obligations of the District.

With respect to each Pledge Month, the amount of unrestricted revenues which shall constitute Pledged Revenues will be equal to a percentage of the Principal Amount plus a percentage of the interest due on the Note on the applicable interest payment dates, including maturity, such percentages, and dates to be specified in the Pricing Confirmation. Any one of the Authorized Representatives of the District is hereby authorized to approve the determination of the Pledge Months and the amount of Pledged Revenues with respect to each Pledge Month by executing and delivering the Pricing Confirmation, such execution and delivery to be conclusive evidence of approval by this Board and such Authorized Representative.

The principal of the Note and the interest thereon shall be a first lien and charge against and shall be payable from the first moneys received by the District from such Pledged Revenues, as provided by law.



In the event that there are insufficient unrestricted revenues received by the District to permit the deposit into the Repayment Account, as hereinafter defined, of the full amount of Pledged Revenues to be deposited from unrestricted revenues in any Pledge Month, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the repayment of the Note and the interest thereon.

(c) Deposit of Pledged Revenues in Repayment Account. Pledged Revenues shall be held by the District in a special account within the District's general fund designated as the District's "2003 Tax and Revenue Anticipation Note Repayment Account" (the "Repayment Account") and applied as directed in this resolution. Any moneys placed in the Repayment Account shall be for the benefit of the holder of the Note, and until the Note and all interest thereon are paid or until provision has been made for the payment of the Note at maturity with interest to maturity, the moneys in the Repayment Account shall be applied only for the purposes for which the Repayment Account is created. Upon the written request of the Trustee or any provider of credit enhancement for the Note or the Series of Bonds related thereto, the District shall, within ten (10) Business Days following its receipt of such request, provide written evidence that the deposits to the Repayment Account required by this resolution have been made. In addition, the District shall provide such additional financial information as may be required by any provider of credit enhancement for the Note or the Series of Bonds related thereto. The District may satisfy the requirement of depositing moneys in the Repayment Account by directing the Trustee to so designate such deposit from moneys in the Proceeds Fund attributable to the District.

(d) Disbursement of Moneys in Repayment Account. The District shall, to the extent necessary to pay the principal of and the interest on the Note, cause the moneys in the Repayment Account to be transferred to the Trustee, or credited by the Trustee from the Proceeds Fund, at least five (5) Business Days (as defined in the Indenture) prior to the date that interest on the Note must be paid, as applicable, and prior to the maturity of the Note. Moneys so transferred to, or credited by, the Trustee shall be deposited in the appropriate Bond Payment Fund established under the Indenture and applied to the payment of the principal of and interest on the Note when due and at maturity, as provided in the Indenture. In the event that moneys in the Repayment Account are insufficient to pay the principal of and interest on the Note when due and at maturity, such moneys shall be applied first to pay interest on the Note and second to pay principal of the Note. Any moneys remaining in or accruing to the Repayment Account after the principal of and the interest on the Note have been paid, or provision for such payment has been made, shall be transferred to the general fund of the District, subject to any other disposition required by the Indenture.

Section 9. Execution and Delivery of Note. The Note shall be executed by the manual or facsimile signature of an Authorized Representative and countersigned by the manual or facsimile signature of the Secretary or the Clerk of the Board. The proper officers of the District are hereby requested to deliver the Note to the Authority.

Section 10. Covenants and Warranties.

(a) It is hereby covenanted and warranted by the District that all representations and recitals contained in this resolution are true and correct.

(b) The District shall not incur any indebtedness secured by a pledge of its unrestricted revenues unless such pledge is subordinate in all respects to the pledge of unrestricted revenues hereunder.

(c) So long as any Bonds issued in connection with the Note are outstanding, the District will not create or suffer to be created any pledge of or lien on the Note other than the pledge and lien of the Indenture.

(d) The District and its appropriate officials have duly taken, or will take, all proceedings necessary to be taken by them for the levy, collection and enforcement of the Pledged Revenues in accordance with the law and for carrying out the provisions of this resolution and the Note.

Section 11. Ratification and Approval of Past and Future Actions. All actions heretofore taken by the officers and agents of the District with respect to the Note, the Bonds, and the Program are hereby approved, confirmed and ratified, and the officers and agents of the District are hereby authorized and directed to do any and all things and take any and all actions, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Note and the District's participation in the Program in accordance with this resolution and resolutions hereafter adopted by the District. The Authorized Representatives are hereby designated as "Authorized District Representatives" under the Indenture.

Section 12. Events of Default and Remedies.

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

(a) Failure by the District to make or cause to be made the transfers and deposits to the Repayment Account or any other payment required to be paid hereunder on or before the date on which such transfer, deposit or other payment is due and payable;

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

(c) Any warranty, representation or other statement by or on behalf of the District contained in this resolution or the Note Purchase Agreement (including the Pricing Confirmation) or in any requisition or any financial report delivered by the District or in any instrument furnished in compliance with or in reference to this resolution or the Note Purchase Agreement or in connection with the Note, is false or misleading in any material respect;

(d) A petition is filed against the District under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 30 days after such filing, but the Paying Agent shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its interests and the interests of the registered owner of the Note;

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

(f) The District admits insolvency or bankruptcy or is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a custodian (including without limitation a receiver, liquidator or trustee) of the District or any of its property is appointed by court order or takes possession thereof and such order remains in effect or such possession continues for more than 30 days, but the Paying Agent shall have the right to intervene in the proceedings prior to the expiration of such 30 days to protect its interests and the interests of the registered owner of the Note.

Whenever any Event of Default referred to in this Section shall have happened and be continuing, the Paying Agent shall, in addition to any other remedies provided herein or by law or under the Indenture, have the right, at its option without any further demand or notice, to take one or any combination of the following remedial steps:

(1) Without declaring the Note to be immediately due and payable, require the District to pay to the Paying Agent an amount equal to the principal of the Note and interest thereon to maturity, plus all other amounts due hereunder, and upon notice to the District the same shall become immediately due and payable by the District without further notice or demand; and

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

Section 13. Proceedings Constitute Contract. The provisions of the Note and of this resolution shall constitute a contract between the District and the registered owner of the Note, and such provisions shall be enforceable by mandamus or any other appropriate suit, action or proceeding at law or in equity in any court of competent jurisdiction, and shall be irrevocable.

Section 14. Request to Borrow; Transmittal of Resolution. The Note shall be issued in conjunction with the note or notes of one or more other community college districts, as described in Section 53853(b) of the Act. Following its adoption by the Board, signed copies of this resolution shall be transmitted by the Secretary of the Board to the treasurer of the county (the "County") in which the District is located, to the County's board of supervisors (the "County Board"), and to the County's superintendent of schools. Transmittal of this resolution to the County Board shall constitute a request by the Board for borrowing and for the issuance of the Note by the County Board. This resolution is based on the assumption that the County Board will fail to authorize, by resolution, the issuance of the Note within 45 calendar days of its receipt hereof or that the County Board will notify the District that it will not authorize the issuance of the Note within such 45-day period. If within such 45-day period the County Board authorizes, by resolution, issuance of the Note, then, notwithstanding this resolution, the Notes shall be issued in the name of the District by the County Board pursuant to such resolution of the County Board.

Section 15. Limited Liability. Notwithstanding anything to the contrary contained herein or in the Note or in any other document mentioned herein or related to the Note or to any Series of Bonds to which the Note may be assigned, the District shall not have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby except to the extent payable from moneys available therefor as set forth in Section 8 hereof.

Section 16. Amendments. At any time or from time to time, the District may adopt one or more Supplemental Resolutions, without the necessity for consent of the owner of the Note, for any one or more of the following purposes:

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

(b) to add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect,

(c) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Resolution, of any monies, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(d) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution; or

(e) to amend or supplement this Resolution in any other respect;

provided, however, that any such Supplemental Resolution does not adversely affect the interests of the owner of the Note.

Any modification or amendment of this Resolution and of the rights and obligations of the District and of the owner of the Note may be made by a Supplemental Resolution, with the written consent of the owner of the Note; provided, however, that if such modification or amendment will, by its terms, not take effect so long as the Note remains outstanding, the consent of the owner of the Note shall not be required. No such modification or amendment shall change or modify any of the rights or obligations of the Paying Agent without its written assent thereto.

In addition to the amendments permitted by the above paragraphs, this Resolution, including the form of the Note, may be amended at any time prior to the execution and delivery of the Note pursuant to the Note Purchase Agreement or the Indenture, the provisions of which are incorporated herein by reference to the extent that they relate to the Note, the District, and the District's participation in the Program. Any amendment of this Resolution pursuant to this paragraph shall not require the execution and delivery of a Supplemental Resolution

Section 17. Severability. In the event any provision of this Resolution shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 18. Appointment of Bond Counsel. The law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California is hereby appointed as Bond Counsel for the Note and for the Program. The District acknowledges that Bond Counsel regularly performs legal services for many private and public entities in connection with a wide variety of matters, and that Bond Counsel has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, financial, and other consultants who may have a role or interest in the proposed financing or that may

be involved with or adverse to the District in this or some other matter. Given the special, limited role of Bond Counsel described above the District acknowledges that no conflict of interest exists or would exist, waives any conflict of interest that might appear to exist, and consents to any and all such relationships.

Section 19. Effective Date. This Resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED by the District this 1<sup>st</sup> day of April, 2003, by the following vote:

AYES:

NOES:

ABSENT:

---

President, Board of Trustees

Attest:

---

Secretary, Board of Trustees

EXHIBIT A

STATE CENTER COMMUNITY COLLEGE DISTRICT  
2003 TAX AND REVENUE ANTICIPATION NOTE

Registered No. 1 \$ \_\_\_\_\_

Rate of Interest: \_\_\_\_\_%      Maturity Date: \_\_\_\_\_, 2004      Note Date: \_\_\_\_\_, 2003

REGISTERED OWNER: COMMUNITY COLLEGE LEAGUE FINANCING AUTHORITY

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

FOR VALUE RECEIVED, the State Center Community College District (the "District") acknowledges itself indebted to and promises to pay the Registered Owner identified above, at the corporate trust office of Wells Fargo Bank, National Association, in Los Angeles, California, (the "Paying Agent"), the Principal Amount specified above, in lawful money of the United States of America, on the Maturity Date specified above, together with interest thereon at the Rate of Interest per annum set forth above (computed on the basis of a 365/366 day year and the actual number of days elapsed) in like lawful money from the Note Date specified above until payment in full of said principal sum. Both the principal of and interest on this Note shall be payable as specified above; provided, however, no interest shall be payable for any period after maturity during which the holder hereof fails to properly present this Note for payment.

It is hereby certified, recited and declared that this Note has been made, executed and given pursuant to and by authority of a resolution of the Board of Trustees of the District duly passed and adopted under and by authority of Article 7.6 (commencing with Section 53850) of Chapter 4, Part 1, Division 2, Title 5, California Government Code, and that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note have existed, happened and been performed in regular and due time, form and manner as required by law, and that this Note, together with all other indebtedness and obligations of the District, does not exceed any limit prescribed by the Constitution or statutes of the State of California.

The principal amount of the Note, together with the interest thereon, shall be payable from taxes, income, revenue, cash receipts and other moneys that are received by the District during fiscal year 2003-2004. As security for the payment of the principal of and interest on the Note the District has pledged an amount equal to fifty percent (50%) of the principal amount of the Note plus fifty percent (50%) of the interest due on the Note from the unrestricted revenues received by the District in the month ending January 31, 2004; and an amount equal to fifty percent (50%) of the principal amount of the Note plus fifty percent (50%) of the interest due on the Note at maturity from the unrestricted revenues received by the District in the month ending April 30, 2004 (such pledged amounts being hereinafter called the "Pledged Revenues"); and the principal of the Note and the interest thereon shall constitute a first lien and charge thereon and shall be payable from the Pledged Revenues, and to the extent not so paid shall be paid from any other moneys of the District lawfully available therefor.

The District and the Paying Agent may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

IN WITNESS WHEREOF, the District has caused this Note to be signed by the manual or facsimile signature of its Authorized Representative and countersigned by the manual or facsimile signature of the Secretary of its Board of Trustees, each as of the Note Date.

**STATE CENTER COMMUNITY COLLEGE  
DISTRICT**

By \_\_\_\_\_  
Authorized Representative

Countersigned:

By \_\_\_\_\_  
Secretary, Board of Trustees

**EXHIBIT B**  
**FORM OF NOTE PURCHASE AGREEMENT**



## NOTE PURCHASE AGREEMENT

**THIS NOTE PURCHASE AGREEMENT**, dated as of the purchase date (the "Purchase Date") specified in the Pricing Confirmation Supplement attached hereto as Exhibit A (the "Pricing Supplement"), is entered into by and between the California Community College Financing Authority (the "Authority") and the community college district (the "District") named in the Pricing Supplement.

### WITNESSETH:

**WHEREAS**, community college districts are authorized by Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Act") to borrow money by the issuance of temporary notes;

**WHEREAS**, the District's board of trustees (the "Board") has adopted a resolution (the "Resolution") determining to borrow, solely for the purpose of anticipating taxes, income, revenue, cash receipts and other moneys to be received by the District during or attributable to its fiscal year 2003-2004, an aggregate principal amount not to exceed the Maximum Principal Amount (as defined in the Resolution) by the issuance by the District of a temporary note designated as the District's 2003 Tax and Revenue Anticipation Note (the "Note");

**WHEREAS**, the District has determined that it is in the best interests of the District to participate in the Community College League of California Cash Flow Financing Program (the "Program"), whereby participating community college districts (the "Participating Districts") will simultaneously issue tax and revenue anticipation notes for purchase by the Authority;

**WHEREAS**, as part of the Program, the Authority will issue its 2003 Tax and Revenue Anticipation Bonds (the "Bonds") pursuant to an Indenture (the "Indenture") between the Authority and Wells Fargo Bank, National Association (the "Trustee"), which Bonds will be secured by the 2003 tax and revenue anticipation notes of the Participating Districts;

**WHEREAS**, in order to participate in the Program, the District has agreed to be responsible for its share of the fees and expenses of the Trustee and the costs of issuing the Bonds, which anticipated fees, expenses and costs of issuance will be deducted from the purchase price set forth in the Pricing Supplement and which unanticipated fees, expenses and costs of issuance will be billed to the District as the same may arise; and

**WHEREAS**, the costs of issuance which will be deducted from the purchase price set forth in the Pricing Supplement shall not exceed one and one-half percent (1.5%) of the principal amount of the Note;

**NOW, THEREFORE**, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**Section 1. Purchase and Sale of the Note.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Authority hereby agrees to purchase from the District, and the District hereby agrees to sell to the Authority, the Note, as described herein and in the Resolution.

**Section 2. Purchase Price.** The purchase price of the Note shall be the purchase price set forth in the Pricing Supplement. The Note shall bear interest at the interest rate per annum set forth in the Pricing Supplement, which is hereby agreed to by and between the Authority and the District by its duly authorized representative executing this Purchase Agreement on behalf of the District.

**Section 3. Adjustments to Principal Amount of Note and Purchase Price.** The Authority and the District hereby agree that the principal amount of the Note shall be reduced, as determined by the Authority and the District, based upon the advice of Stradling Yocca Carlson & Rauth, a Professional Corporation ("Bond Counsel"), in order that the proceeds produced from the sale of the Note will be an amount which will not be subject to either (i) yield restriction (in order for interest to be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code")) or (ii) a rebate requirement (under Section 148 of the Code). The Authority and the District hereby further agree that the purchase price of the Note shall be reduced as a result of the reduction of the principal amount of the Note as may be agreed upon by the Authority and the District.

**Section 4. Delivery of and Payment for the Note.** The delivery of the Note (the "Closing") shall take place at 8:00 a.m., California time, on the closing date set forth in the Pricing Supplement or at such other time or date as may be mutually agreeable to the Participating Districts, the Authority and the Original Purchaser, at the San Francisco office of Stradling Yocca Carlson & Rauth, a Professional Corporation or such other place as the Participating Districts, the Authority and the Original Purchaser shall mutually agree. At the Closing, the District shall cause the Note to be delivered to the Authority, duly executed and authenticated, together with the other documents hereinafter mentioned, and the proceeds of the purchase price of the Note set forth in the Pricing Supplement shall be deposited in an amount indicated in the Pricing Supplement as the Deposit to Proceeds Fund which shall be held by the Trustee for the District in the amount attributable to the District under the Indenture and the remainder in the Costs of Issuance Fund held thereunder. The Note shall be made available to the Authority or the Original Purchaser for inspection at least 24 hours prior to the Closing.

If at any time prior to 90 days after the Closing Date, any event occurs as a result of which information relating to the District included in the official statement of the Authority related to the Bonds (the "Official Statement") contains an untrue statement of a material fact or omits to state any material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, the District shall promptly notify the Authority and the Original Purchaser thereof, and if, in the opinion of the Authority or the Original Purchaser, such event requires the preparation and publication of a supplement or amendment to the Official Statement the District shall cooperate with the Authority and the Original Purchaser in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Authority and the Original Purchaser, and all reasonable expenses incurred thereby shall be paid by the Original Purchaser.

**Section 5. The Note.** The Note shall be issued in registered form, without coupons, in the principal amount set forth in the Pricing Supplement.

**Section 6. Representations and Warranties of the District.** The District represents and warrants to the Authority and the Original Purchaser that:

(a) All representations and warranties set forth in the Resolution are true and correct on the date hereof and are made for the benefit of the Authority and the Original Purchaser as if set forth herein.

(b) A copy of the Resolution has been delivered to the Authority, and the Resolution will not be amended or repealed without the consent of the Authority, which consent will not be unreasonably withheld.

**Section 7. Conditions Precedent to the Closing.** Conditions precedent to the Closing are as follows:

(a) The execution and delivery of the Note consistent with the Resolution.

(b) Delivery of each certificate, document, instrument and opinion required by the Contract of Purchase related to the Bonds.

(c) Delivery of such other certificates, instruments or opinions as Bond Counsel may deem necessary or desirable to evidence the due authorization, execution and delivery of documents pertaining to this transaction, the legal, valid and binding nature thereof, and compliance of all parties with the terms and conditions thereof.

(d) Delivery of a legal opinion addressed to the District (with a reliance letter to the Authority and the Credit Provider), dated the date of Closing, of counsel to the District with respect to the validity of the Note, in form and substance acceptable to the Authority.

**Section 8. Events Permitting the Authority to Terminate.** The Authority may terminate its obligation to purchase the Note at any time before the Closing if any of the following occurs:

(a) Any legislative, executive or regulatory action (including the introduction of legislation) or any court decision which, in the judgment of the Authority, casts sufficient doubt on the legality of the Note or the tax-exempt status of interest on obligations such as the Bonds, so as to impair materially the marketability or to reduce materially the market price of such obligations;

(b) Any action by the Securities and Exchange Commission or a court which would require registration of the Note, the Bonds or any instrument securing the Note or Bonds under the Securities Act of 1933, as amended, in connection with the public offering thereof, or qualification of the Resolution or the Indenture under the Trust Indenture Act of 1939, as amended;

(c) Any restriction on trading in securities, or any banking moratorium, or the inception or escalation of any war or major military hostilities which, in the judgment of the Authority, substantially impairs the ability of the Original Purchaser to market the Bonds; or

(d) The Original Purchaser terminates its obligation to purchase the Bonds pursuant to the terms of the Contract of Purchase related to the Bonds.

Neither the Original Purchaser nor the Authority shall be responsible for the payment of any fees, costs or expenses of the issuance, offering and sale of the District's Note except that the Original Purchaser shall be responsible for California Debt and Investment Advisory Commission fees and for its own internal costs. The fees, costs and expenses that are categorized in the "Costs of

Issuance" definition in the Indenture shall be paid from the Costs of Issuance Fund. The District shall pay any additional costs attributable to it as set forth in the Indenture other than the fees, costs and expenses so payable from the Costs of Issuance Fund.

**Section 9. Limited Liability.** Notwithstanding anything to the contrary contained herein or in the Note or in any other document mentioned herein or related to the Note or to the Bonds, the District shall not have any liability hereunder or by reason hereof or in connection herewith or with the transactions contemplated hereby except to the extent payable from moneys available therefor as set forth in Section 8 of the Resolution.

**Section 10. No Assignment.** The Purchase Agreement has been made by the District and the Authority, and no person other than the District and the Authority or their successors or assigns shall acquire or have any right under or by virtue of the Purchase Agreement. All of the representations, warranties and agreements contained in the Purchase Agreement shall survive the delivery of and payment by the Authority for the Note and any termination of the Purchase Agreement.

**Section 11. Applicable Law.** The Purchase Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of California.

**Section 12. Effectiveness.** The Purchase Agreement shall become effective upon the execution hereof by the Authority and execution of the Pricing Supplement by the District, and the Purchase Agreement, including the Pricing Supplement, shall be valid, binding and enforceable from and after the time of such effectiveness.

**Section 13. Severability.** In the event any provision of the Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

**Section 14. Headings.** Any headings preceding the text of several sections hereof shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

**Section 15. Execution in Counterparts.** This Purchase Agreement may be executed and entered into in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have caused this Purchase Agreement to be executed by their duly authorized representatives as of the Purchase Date. The District shall execute this Purchase Agreement by executing and delivering the Pricing Supplement.

CALIFORNIA COMMUNITY COLLEGE  
FINANCING AUTHORITY

By: \_\_\_\_\_  
Executive Director

Exhibit A

Pricing Confirmation Supplement

District: \_\_\_\_\_

Pricing Information

Principal Amount of Note: \$ \_\_\_\_\_  
Interest Rate on Note: \_\_\_\_\_ %  
Re-Offering Yield: \_\_\_\_\_ %  
Net Interest Cost: \_\_\_\_\_ %  
Default Rate: \_\_\_\_\_ %  
Purchase Price: \$ \_\_\_\_\_  
Less: Costs of Issuance: \_\_\_\_\_ %  
Deposit to Proceeds Account: \$ \_\_\_\_\_

Important Dates

Purchase Date: \_\_\_\_/\_\_\_\_/2003  
Closing Date: \_\_\_\_/\_\_\_\_/2003  
Maturity Date: \_\_\_\_/\_\_\_\_/2004  
Interest Payment Date(s) \_\_\_\_/\_\_\_\_/2004  
\_\_\_\_/\_\_\_\_/2004  
Principal Repayment Date: \_\_\_\_/\_\_\_\_/2004  
First Pledge Month:  
Pledge Amount: \$ \_\_\_\_\_  
Pledge Percentage: \_\_\_\_\_ %  
Second Pledge Month:  
Pledge Amount: \$ \_\_\_\_\_  
Pledge Percentage: \_\_\_\_\_ %

The undersigned (the "Authorized Representative") certifies that he or she has reviewed the Note Purchase Agreement (the "Purchase Agreement") to which this Pricing Confirmation Supplement (the "Pricing Supplement") is attached as Exhibit A. By execution of this Pricing Supplement, the District acknowledges, agrees and directs, as the case may be, as follows:

1. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement or, if not defined in the Purchase Agreement, in the Indenture.

2. The undersigned has been duly authorized by the Board to execute this Pricing Supplement and to take the other actions contemplated herein.

3. The representations, warranties and covenants set forth in Section 10 of the Resolution are true and correct on and as of the date hereof.

4. The information related to the District contained in the Preliminary Official Statement related to the Bonds, including the Appendices thereto, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

5. The District agrees to provide the required Payment Account Deposit Certification (upon a request therefor) in accordance with the Indenture.

6. The District hereby directs the Trustee to transfer, at least five (5) Business Days (as defined in the Indenture) prior to an interest payment date, if appropriate, and the Note Maturity Date (as defined in the Indenture), the moneys in the Payment Account (if held by the Trustee) to the Bond Payment Fund (as defined in the Indenture).

IN WITNESS WHEREOF, the District has caused this Pricing Confirmation Supplement to be executed by its duly authorized representative as of the Purchase Date. By its execution and delivery of this Pricing Confirmation Supplement, the District agrees to and accepts the terms of the Purchase Agreement, including this Pricing Confirmation Supplement.

\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Representative

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Consideration to Authorize Agreement with  
Stradling Yocca Carlson & Rauth for Legal  
Services Relating to 2000 TRANs Audit

ITEM NO. 03-85

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EXHIBIT: None

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Background:

For a number of years the District has been going through the California Community College League (League) for the development and issuance of Tax and Revenue Anticipation Notes (TRANs). In recent years the IRS has begun conducting random audits to determine compliance with tax laws. The IRS is auditing the 2000 TRANs issuance placed by the California Community College League Financing Authority (Authority) on behalf of 39 community college districts, including State Center.

In early October 2002 Stradling Yocca Carlson & Rauth (Stradling), bond counsel for the issue, distributed an information request to districts in response to the audit of the League's 2000 TRANs issue. The IRS audit is to verify the District had a need for the TRANs by the District's demonstration of a deficit in its cash flow for the year. State Center was the first district to respond completely to bond counsel's request for information, and the District's documentation has been forwarded to the IRS. The documentation demonstrated a deficit in the District's cash flow for the year in question.

The California Community College League Financing Authority is engaging Stradling to represent the Authority to ensure the audit is handled professionally and consistently and to ensure the TRANs program remains of benefit to the districts in the years ahead. With each district having separate and unique issues related to the audit and because the League believes there is value to having one firm handle all matters relating to the audit before the IRS (which is needed for all the districts and the Authority), the League is recommending that State Center have a formal arrangement with Stradling with respect to the audit. Most public agencies that receive IRS audit notices engage counsel. Stradling has successfully assisted other California public agencies with the audit process, is familiar with all transactions, and is very qualified to handle the audit.



Throughout the audit, Stradling will handle any necessary negotiations with the IRS and will assist the District in preparing a response if additional information is requested. Stradling may also separately subcontract certain financial analyses to RBC Dain Rauscher.

Stradling will update the District regularly regarding the progress of the audit and the costs associated with the District's audit, and State Center will be billed directly for the legal services and expenses associated with the work performed on the District's audit.

Estimated Fiscal Impact:

\$5,000-\$10,000 - General Fund

Recommendation:

It is recommended that the Board of Trustees:

- a) authorize entering into an Agreement with Stradling Yocca Carlson & Rauth for the performance of legal services related to the audit of the District's 2000 TRANs at the rate of \$360/hour for David Casnocha, \$360/hour for Carol Lew, and \$205/hour for Lisa Kim, plus certain out-of-pocket expenses, including costs paid to RBC Dain Rauscher for preparing financial analyses; and
- b) authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign the Agreement on behalf of the District.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Consideration to Authorize Salomon Smith Barney and RBC Dain Rauscher as Co-Managers of the Measure E General Obligation Bonds      ITEM NO. 03-86

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EXHIBIT: None

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Background:

At the March 4, 2003, Board meeting, Robert Barna, bond financing consultant with RBC Dain Rauscher, provided an update on the process involving the issuance of Measure E bonds. Since that time, Mr. Barna has terminated his employment with RBC Dain Rauscher and joined the firm of Salomon Smith Barney. In order to maintain continuity on the issuance of the District's General Obligation, Series A Bonds, RBC Dain Rauscher and Salomon Smith Barney have agreed to become underwriting co-managers on the bonds. The administration believes it is important to maintain continuity with the representative who has the background on the District's programs and plans and is recommending that the Board authorize the firms to act as co-managers on the bonds. The fees will not change and the firms will work out an arrangement as to how the fees are handled.

Estimated Fiscal Impact:

None

Recommendation:

It is recommended that the Board of Trustees:

- a) authorize RBC Dain Rauscher and Salomon Smith Barney to act as co-managers on the issuance of the District's General Obligation, Series A Bonds; and
- b) authorize the Chancellor or Vice Chancellor, Finance and Administration, to sign the letter agreement provided by RBC Dain Rauscher acknowledging the Board's decision to allow the firms to act as co-managers.

STATE CENTER COMMUNITY COLLEGE DISTRICT  
1525 E. Weldon  
Fresno, California 93704

PRESENTED TO BOARD OF TRUSTEES

DATE: April 1, 2003

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SUBJECT: Consideration to Adopt Resolution Authorizing      ITEM NO. 03-87  
Sale and Issuance of General Obligation Bonds,  
Election of 2002, Series 2003A

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EXHIBIT: Resolution

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Background:

The District is scheduled to issue the first in a series of bonds related to the passage of Measure E in November of 2002. This first series will be titled "Series 2003A Bonds". After reviewing the Capital Facilities Program Schedule and the cash-flow needs to accommodate the Program, the District must issue bonds (the Series "2003A Bonds"). To proceed with the issuance of the bonds the Board of Trustees of the District (the "Board") must determine it is necessary and desirable to issue a series of such bonds in the aggregate principal amount not to exceed \$20,000,000. As stated in the Resolution, 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 the general obligation bonds of the District, and the indebtedness of the District, including this proposed issuance of the Series 2003A Bonds, is within all limits prescribed by law.

Recommendation:

It is recommended that the Board of Trustees adopt a Resolution authorizing the sale and issuance of State Center Community College District general obligation bonds, Election of 2002, Series 2003A.

## RESOLUTION NO. 03-87

RESOLUTION OF THE BOARD OF TRUSTEES OF THE STATE CENTER COMMUNITY COLLEGE DISTRICT (FRESNO COUNTY, MADERA COUNTY, TULARE COUNTY AND KINGS COUNTY, CALIFORNIA) AUTHORIZING THE SALE AND ISSUANCE OF STATE CENTER COMMUNITY COLLEGE DISTRICT, (FRESNO COUNTY, MADERA COUNTY, TULARE COUNTY AND KINGS COUNTY, CALIFORNIA) GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES 2003A.

**WHEREAS**, a duly called municipal election (the "Election") was held in the State Center Community College District (the "District"), (County of Fresno (the "County"), County of Madera, County of Tulare and County of Kings, California (collectively, with the County, the "Counties")), on November 5, 2002, at which the following proposition (the "Bond Measure") was submitted to the qualified electors of the District:

"To prepare students at Fresno City/Reedley College (Clovis, Madera, Oakhurst Centers) for transfer to four-year colleges and careers, including public safety, firefighting, healthcare technology and business, by upgrading equipment, lighting, wiring, fire safety; replacing portables; repairing plumbing, heating/ventilation; repairing/constructing/equipping classrooms, libraries, computer labs, buildings, parking, acquiring land, shall State Center Community College District issue \$161,000,000 of bonds at legal rates, with a Citizens Oversight Committee, annual financial audits and no money for administrator salaries?"

**WHEREAS**, at such election, the Bond Measure received the affirmative vote of fifty-five percent or more 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; and

**WHEREAS**, at this time this Board of Trustees of the District (the "Board") has determined that it is necessary and desirable to issue a series of such Bonds in the aggregate principal amount not to exceed \$20,000,000 (the "Series 2003A Bonds");

**WHEREAS**, the Board of Supervisors of the County of Fresno has provided by resolution pursuant to Education Code Section 15140(b) that the District may sell the Series 2003A Bonds on its own behalf;

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

**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 Series 2003A Bonds, is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE STATE CENTER COMMUNITY COLLEGE DISTRICT (FRESNO COUNTY, MADERA COUNTY, TULARE COUNTY AND KINGS COUNTY, CALIFORNIA), AS FOLLOWS:

**SECTION 1. Purpose of Series 2003A Bonds.** 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, the Board hereby authorizes the issuance of the Series 2003A Bonds, orders such Series 2003A Bonds sold at a negotiated sale such that the Series 2003A 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 Series 2003A Bonds, and shall be in an aggregate principal amount not to exceed \$20,000,000 for some or all of the purposes authorized by the Bond Measure.

**SECTION 2. Terms and Conditions of Sale.** The Series 2003A Bonds shall be sold at a negotiated sale upon the direction of the Chancellor of the District (the "Chancellor"), the Vice Chancellor, Finance and Administration of the District (the "Vice Chancellor"), or such other person designated by the Chancellor. The Series 2003A Bonds shall be sold pursuant to the terms and conditions set forth in the Purchase Contract, as described below.

**SECTION 3. Approval of Purchase Contract.** The form of Contract of Purchase (the "Purchase Contract") by and among the District, Salomon Smith Barney Inc. and RBC Dain Rauscher Inc. (the "Underwriters"), for the purchase and sale of the Series 2003A Bonds, substantially in the form on file with the Secretary of the Board, is hereby approved and the Chancellor, Vice Chancellor, or such other person designated by the Chancellor, each alone, is hereby authorized and requested to acknowledge the execution of such Purchase Contract, if necessary; provided, however, that the maximum true interest cost on the Series 2003A Bonds shall not exceed the maximum rate permitted by law and the underwriters' discount, excluding original issue discount, shall be equal to .925% of the aggregate principal amount of Series 2003A Bonds issued. The Chancellor, Vice Chancellor, or such other person designated by the Chancellor, each alone, is further authorized to determine the principal amount of the Series 2003A Bonds to be specified in the Purchase Contract for sale by the District up to \$20,000,000 and to enter into and execute the Purchase Contract with the Underwriters, if the conditions set forth in this Resolution are satisfied.

**SECTION 4. 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) "**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 August 1, 2003 (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.

(c) "**Accretion Rate**" means, unless otherwise provided by the Contract of

Purchase, 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 August 1, 2003), produces the Accreted Value on the maturity date.

(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 Series 2003A Bonds.

(e) **“Bond Payment Date”** means (unless otherwise provided by the Purchase Contract) February 1 and August 1 of each year, commencing February 1, 2004, with respect to the interest on the Current Interest Bonds; August 1 of each year, commencing February 1, 2004, with respect to the principal payments on the Current Interest Bonds; and, with respect to the Capital Appreciation Bonds, the stated maturity dates thereof, as applicable.

(f) **“Bond Registrar”** means BNY Western Trust Company, or any successor thereto.

(g) **“Capital Appreciation Bonds”** means the Series 2003A Bonds the interest component of which is compounded semiannually on each Bond Payment Date to maturity as shown in the table of Accreted Value for such Series 2003A Bonds in the Purchase Contract.

(h) **“Current Interest Bonds”** means the Series 2003A Bonds the interest on which is payable semiannually on each Bond Payment Date specified for each such Series 2003A Bond as designated and maturing in the years and in the amounts set forth in the Purchase Contract.

(i) **“Denominational Amount”** means, with respect to the Capital Appreciation Bonds, the initial purchase price thereof, which represents the principal amount thereof, and, with respect to the Current Interest Bonds, the principal amount thereof.

(j) **“Depository”** means the securities depository acting as Depository pursuant to Section 5(c) hereof.

(k) **“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 Series 2003A Bonds.

(l) **“Information Services”** means Financial Information, Inc.’s Financial Daily Called Bond Service; Moody’s Municipal and Government; or Standard & Poor’s J. J. Kenny Information Services Called Bond Service.

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

(n) **“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.

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

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

(q) **“Term Bonds”** means those Series 2003A Bonds for which mandatory redemption dates have been established in the Purchase Contract.

(r) **“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 5. Terms of the Series 2003A Bonds.**

(a) Denomination, Interest, Date of Delivery. The Series 2003A 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). The Series 2003A 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 “Date of Delivery”), 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, 2004, in which event it shall bear interest from the Date of Delivery.

The Series 2003A 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.

The Capital Appreciation Bonds shall mature in the years and shall be issued in the aggregate Denominational Amount set forth in the Purchase Contract and shall have an interest rate 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 Purchase Contract; 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 4 differ, the latter amount shall be the Accreted Value of such Capital Appreciation Bond.

(b) Redemption.

(i) Optional Redemption. Unless otherwise provided in the Purchase Contract or the Official Statement, the Current Interest Bonds maturing on or before August 1, 20\_\_, are not subject to redemption prior to their fixed maturity dates. Unless otherwise provided in the Purchase Contract, the Current Interest Bonds maturing on or after August 1, 20\_\_, may be redeemed before maturity at the option of the District, from any source of funds of the District, on August 1, 20\_\_, or on any date thereafter as a whole, or in part. Unless otherwise provided in the Purchase Contract, the Current Interest Bonds called prior to maturity will be redeemed at the following redemption prices, expressed as a percentage of par value, together with accrued interest to the date of redemption:

<u>Redemption Periods</u>	<u>Redemption Prices</u>
August 1, 20__ through July 31, 20__	102%
August 1, 20__ through July 31, 20__	101
August 1, 20__ and thereafter	100

Unless otherwise provided in the Purchase Contract or the Official Statement, the Capital Appreciation Bonds are not subject to optional redemption prior to maturity.

(ii) Mandatory Redemption. Unless otherwise provided in the Purchase Contract or the Official Statement, the Term Bonds are subject to mandatory redemption from moneys in the Debt Service Fund established in Section 11 hereof prior to their stated maturity date, at the Principal Amount or Accreted Value thereof without premium on each August 1, in Principal Amounts as set forth in the Purchase Contract and in the Official Statement described below.

(iii) Selection of Bonds for Redemption. Whenever provision is made in this Resolution for the redemption of Series 2003A Bonds and less than all Outstanding Series 2003A Bonds are to be redeemed, the Bond Registrar identified below, upon written instruction from the District, shall select Series 2003A Bonds for redemption as so directed and if not directed, in inverse order of maturity. Within a maturity, the Bond Registrar, shall select Series 2003A 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.

(iv) Notice of Redemption. When redemption is authorized or required pursuant to Section 5(b)(i) hereof, the Bond Registrar, upon written instruction from the District, shall give notice (a "Redemption Notice") of the redemption of the Series 2003A Bonds. Such Redemption Notice shall specify: (a) the Series 2003A Bonds or designated portions thereof (in the case of redemption of the Series 2003A Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Bond Registrar, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Series 2003A Bonds to be redeemed, (f) the Bond numbers of the Series 2003A Bonds to be redeemed in whole or in part and, in the case of any Series 2003A Bond to be redeemed in part only, the Principal Amount of such Series 2003A Bond to be redeemed, and (g) the original issue date, interest rate or Accretion Rate and stated maturity date of each Series 2003A 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 Series 2003A 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 each of the Securities Depositories.

(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 Series 2003A Bonds. Each check issued or other transfer of funds made by the Bond Registrar for the purpose of redeeming Series 2003A Bonds shall bear or include the CUSIP number identifying, by issue and maturity, the Series 2003A Bonds being redeemed with the proceeds of such check or other transfer.

(v) Partial Redemption of Series 2003A Bonds. Upon the surrender of any Series 2003A Bond redeemed in part only, the Bond Registrar shall execute and deliver to the Owner thereof a new Series 2003A Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amounts to the unredeemed portion of the Series 2003A 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.

(vi) 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 Series 2003A 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 Series 2003A Bonds to be redeemed as provided in Section 5(b)(i) 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 Series 2003A 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 Series 2003A Bonds shall be held in trust for the account of the Owners of the Series 2003A Bonds so to be redeemed.

All Series 2003A Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions of this Section 5 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.

(vii) Series 2003A Bonds No Longer Outstanding. When any Series 2003A 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 Series 2003A 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 Series 2003A 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. The Series 2003A 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 Series 2003A Bonds in an authorized denomination (except for any odd denomination Bond). The ownership of each such Series 2003A 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 Series 2003A Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 5(c)(ii)(4).

With respect to book-entry Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Series 2003A Bonds to be prepaid in the event the District redeems the Series 2003A 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 Series 2003A Bonds. The District and the Bond Registrar may treat and consider the person in whose name each book-entry Series 2003A Bond is registered in the Bond Register as the absolute owner of such book-entry Series 2003A Bond for the purpose of payment of Accreted Value or Principal of and premium and interest on and to such Series 2003A Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2003A Bond, for the purpose of registering transfers with respect to such Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A Bonds shall designate, in accordance with the provisions of this Section 5(c).

3. Payments to Depository. Notwithstanding any other provision of this Resolution to the contrary, so long as all outstanding Series 2003A 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 Series 2003A Bonds and all notices with respect to such Series 2003A 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 Series 2003A Bonds shall be initially issued as described in the Official Statement described herein. Registered ownership of such Series 2003A 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 5(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 5(c)(ii)(4)(A)(1) or (2), upon receipt of all outstanding Series 2003A Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar designating the Substitute Depository, a single new Series 2003A Bond, which the District shall prepare or cause to be prepared, shall be executed and delivered for each maturity of Series 2003A 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 5(c)(ii)(4)(A)(3), upon receipt of all outstanding Series 2003A Bonds by the Bond Registrar, together with a written request of the District to the Bond Registrar, new Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A Bonds, and the Bond Registrar may rely conclusively on its records as to the identity of the owners of the Series 2003A Bonds.

**SECTION 6. Execution of Series 2003A Bonds.** The Series 2003A Bonds shall be signed by the Chancellor or the Vice Chancellor, by their manual or facsimile signatures and countersigned by the manual or facsimile signature of the Secretary of the Board, all in their official capacities. No Series 2003A 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 Series 2003A Bond is signed by the Bond Registrar as authenticating agent. Authentication by the Bond Registrar shall be conclusive evidence that the Series 2003A 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 7. Bond Registrar; Transfer and Exchange.** This Board does hereby appoint BNY Western Trust Company to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Bond Registrar") for the Series 2003A Bonds.

So long as any of the Series 2003A 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 Series 2003A Bonds as provided in this Section. Subject to the provisions of Section 8 below, the person in whose name a Series 2003A Bond is registered on the Bond Register shall be regarded as the absolute owner of that Series 2003A 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 Series 2003A 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 Series 2003A Bonds, including interest, to the extent of the amount or amounts so paid.

Any Series 2003A Bond may be exchanged for Series 2003A 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 Series 2003A Bond may be transferred on the Bond Register only upon presentation and surrender of the Series 2003A 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 Series 2003A Bond or Series 2003A Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Series 2003A 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 Series 2003A Bond shall become mutilated, the District, at the expense of the Owner of said Series 2003A Bond, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Series 2003A Bond of like series, tenor and Transfer Amount in exchange and substitution for the Series 2003A Bond so mutilated, but only upon surrender to the Bond Registrar of the Series 2003A Bond so mutilated. If any Series 2003A 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 Series 2003A Bond owner, shall execute, and the Bond Registrar shall thereupon authenticate and deliver, a new Series 2003A Bond of like Series 2003A tenor in lieu of and in substitution for the Series 2003A Bond so lost, destroyed or stolen (or if any such Series 2003A Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Series 2003A 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 Series 2003A 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 Series 2003A Bonds only after the new Series 2003A Bonds are signed by the authorized officers of the District. In all cases of exchanged or transferred Series 2003A Bonds, the District shall sign and the Bond Registrar shall authenticate and deliver Series 2003A 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 Series 2003A 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 Series 2003A Bonds surrendered upon that exchange or transfer.

Any Series 2003A 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 Series 2003A Bonds that the District may have acquired in any manner whatsoever, and those Series 2003A Bonds shall be promptly cancelled by the Bond Registrar. Written reports of the surrender and cancellation of Series 2003A Bonds shall be made to the District by the Bond Registrar on or before

February 1 and August 1 of each year. The cancelled Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A Bonds which have been selected or called for redemption in whole or in part.

**SECTION 8. 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 or Maturity Value 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 Series 2003A Bonds shall be payable in lawful money of the United States of America. The Bond Registrar is hereby authorized to pay the Series 2003A Bonds when duly presented for payment at maturity, and to cancel all Series 2003A Bonds upon payment thereof. The Series 2003A Bonds are general obligations of the District.

**SECTION 9. Form of Series 2003A Bonds.** The Series 2003A Bonds shall be in substantially the following forms, allowing those officials executing the Series 2003A Bonds to make the insertions and deletions necessary to conform the Series 2003A Bonds to this Resolution and the Purchase Contract.

(Form of Current Interest Bond)

REGISTERED  
NO.

REGISTERED  
\$

STATE CENTER COMMUNITY COLLEGE DISTRICT  
(FRESNO COUNTY, MADERA COUNTY,  
TULARE COUNTY AND KINGS COUNTY, CALIFORNIA)  
GENERAL OBLIGATION BOND, ELECTION OF 2002, SERIES 2003A

<u>INTEREST RATE:</u>	<u>MATURITY DATE:</u>	<u>DATED AS OF:</u>	<u>CUSIP</u>
___% per annum	August 1, 20__	Date of Delivery	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The State Center Community College District (the "District") in Fresno County (the "County"), Madera County, Tulare County and Kings County, California (collectively, with the County, 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, 2004. 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, 2004, in which event it shall bear interest from the Date of Delivery. 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 BNY Western Trust Company, Los Angeles, California. 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 \$\_\_\_\_\_ of bonds approved to raise money for the purposes authorized by the voters of the District at the Election and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant



to the laws of the State of California, and the requisite fifty-five percent vote of the electors of the District cast at an election held on November 5, 2002, upon the question of issuing bonds in the amount of \$161,000,000 and the resolution of the Board of Trustees of the District adopted on April 1, 2003 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest 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 are comprised of \$\_\_\_\_\_ 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 or in part on any 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 Periods</u>	<u>Redemption Prices</u>
August 1, 20__ through July 31, 20__	102%
August 1, 20__ through July 31, 20__	101
August 1, 20__ and thereafter	100

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:

Redemption Dates

Principal Amounts

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.

The principal and interest of and redemption premium, if any, on the bonds do not constitute a debt of the Counties or a pledge of the Counties' full faith and credit.

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 State Center Community College District, (Fresno County, Madera County, Tulare County and Kings County California), has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chancellor and the Vice Chancellor, and to be countersigned by the manual or facsimile signature of the Secretary of the Board of Trustees, all as of the date stated above.

[SEAL]

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

By: \_\_\_\_\_ (Facsimile Signature)  
Chancellor

By: \_\_\_\_\_ (Facsimile Signature)  
Vice Chancellor, Finance and Administration

**COUNTERSIGNED:**

\_\_\_\_\_  
(Facsimile Signature)  
Secretary, Board of Trustees

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on June \_\_, 2003.

\_\_\_\_\_  
*[form of bond only; do not sign]*  
Bond Registrar

**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 Trustees

(Form of Capital Appreciation Bond)

REGISTERED  
NO.

REGISTERED  
\$

STATE CENTER COMMUNITY COLLEGE DISTRICT  
(FRESNO COUNTY, MADERA COUNTY,  
TULARE COUNTY AND KINGS COUNTY, CALIFORNIA)  
ELECTION OF 2002 GENERAL OBLIGATION BOND, SERIES 2003A

ACCRETION RATE:      MATURITY DATE:      DATED AS OF:      CUSIP

August 1, 20\_\_      Date of Delivery

REGISTERED OWNER:      CEDE & CO.

DENOMINATIONAL AMOUNT:

MATURITY VALUE:

The State Center Community College District (the "District") in Fresno County (the "County"), Madera County, Tulare County and Kings County, California (collectively, with the County, the "Counties"), for value received, promises to pay to the Registered Owner named above, or registered assigns, the Maturity Value on the Maturity Date, each as stated above, such Maturity Value being comprised of the Denominational Amount and interest accreted thereon. This bond will not bear current interest but will accrete interest, compounded on each February 1 and August 1, commencing August 1, 2003, and, at the Accretion Rate specified above to the Maturity Date, assuming that in any such semiannual period the sum of such compounded accreted interest and the Denominational Amount (such sum being herein called the "Accreted Value") increases in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months. Accreted Value and redemption premium, if any, are payable in lawful money of the United States of America, without deduction for the paying agent services, to the person in whose name this bond (or, if applicable, one or more predecessor bonds) is registered (the "Registered Owner") on the Register maintained by the Bond Registrar, initially BNY Western Trust Company, Los Angeles, California. Accreted Value and redemption premium, if any, are payable upon presentation and surrender of this bond at the principal office of the Bond Registrar.

This bond is one of an authorization of \$\_\_\_\_\_ of bonds approved to raise money for the purposes authorized by the voters of the District at the Election and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite fifty-five percent vote of the electors of the District cast at an election held on November 5, 2002, upon the question of issuing bonds in the amount of \$161,000,000 and the resolution of the Board of Trustees of the District adopted on April

1, 2003 (the "Bond Resolution"). This bond and the issue of which this bond is one are payable as to both principal and interest 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 are comprised of \$\_\_\_\_\_ principal amount of Current Interest Bonds (each a "Current Interest Bond") and Capital Appreciation Bonds, of which this bond is a part, in the Denominational Amount of \$\_\_\_\_\_ and the Maturity Value of \$\_\_\_\_\_.

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 the dates and in the Accreted Value as set forth in the following table:

Redemption Dates

Accreted Values

The principal and interest of and redemption premium, if any, on the bonds do not constitute a debt of the Counties or a pledge of the Counties' full faith and credit

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 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; 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 State Center Community College District, (Fresno County, Madera County, Tulare County and Kings County California), California, has caused this bond to be executed on behalf of the District and in their official capacities by the manual or facsimile signatures of the Chancellor and the Vice Chancellor, and to be countersigned by the manual or facsimile signature of the Secretary of the Board of Trustees, all as of the date stated above.

[SEAL]

**STATE CENTER COMMUNITY COLLEGE DISTRICT**

By: \_\_\_\_\_ (Facsimile Signature)  
Chancellor

By: \_\_\_\_\_ (Facsimile Signature)  
Vice Chancellor, Finance and Administration

**COUNTERSIGNED:**

\_\_\_\_\_  
(Facsimile Signature)  
Secretary, Board of Trustees

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds described in the Bond Resolution referred to herein which has been authenticated and registered on June \_\_, 2003.

\_\_\_\_\_  
*[form of bond only; do not sign]*  
Bond Registrar



**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 Trustees

**SECTION 10. Delivery of Series 2003A Bonds.** The proper officials of the District shall cause the Series 2003A Bonds to be prepared and, following their sale, shall have the Series 2003A Bonds signed and delivered, together with a true transcript of proceedings with reference to the issuance of the Series 2003A Bonds, to the Underwriters upon payment of the purchase price therefor.

**SECTION 11. Deposit of Proceeds of Series 2003A Bonds.** The proceeds from the sale of the Series 2003A 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 "State Center Community College District Election of 2002 General Obligation Bonds, Series 2003A 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 Series 2003A Bonds are being issued and provided further that such proceeds shall be applied solely to authorized purposes. The accrued interest and any premium received by the County from the sale of the Series 2003A Bonds shall be kept separate and apart in the fund hereby created and established and to be designated as the "State Center Community College District Election of 2002 General Obligation Bonds, Series 2003A Debt Service Fund" (the "Debt Service Fund") for the Series 2003A Bonds and used only for payment of Accreted Value or Principal of and interest on the Series 2003A 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 excess proceeds of the Series 2003A Bonds not needed for the authorized purposes set forth herein for which the Series 2003A 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 Series 2003A Bonds. If, after payment in full of the Series 2003A Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the General Fund of the District.

Subject to federal tax restrictions and the County's investment policies, moneys in the funds created hereunder shall be invested in any lawful investment permitted by Sections 16429.1 and 53601 of the Government Code of the State of California (the "Government Code") or in 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, in the Local Agency Investment Fund administered by the Treasurer of the State of California ("LAIF"), or in a guaranteed investment contract with a financial institution or insurance company which has at the date of execution thereof one or more outstanding issues of unsecured, uninsured and unguaranteed debt obligations or a claims paying ability rated not lower than the second highest rating category (without regard to subcategories) by Standard & Poor's and Moody's Investors Service.

Except as required below to satisfy the requirements of Section 148(f) of the Internal Revenue Code of 1986, as amended (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 to pay the Accreted Value or Principal of and interest on the Series 2003A Bonds when due.

**SECTION 12. Rebate Fund.**

(a) The District shall create and establish a special fund designated the "State Center Community College District Election of 2002 General Obligation Bonds, Series 2003A 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 Series 2003A 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 Series 2003A Bonds (including amounts treated as proceeds of the Series 2003A 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 Series 2003A 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 Series 2003A 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. 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.

(e) Each payment required to be made pursuant to subsection (d) of this Section shall be made to the Internal Revenue Service Center, Ogden, Utah, 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.

(f) 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 shall withdraw the excess from the Rebate Fund and credit such excess to the Debt Service Fund.

(g) The District shall retain records of all determinations made hereunder until six years after the complete retirement of the Series 2003A Bonds.

(h) Notwithstanding anything in this Resolution to the contrary, the Rebate Requirement shall survive the payment in full or defeasance of the Series 2003A Bonds.

**SECTION 13. Security for the Series 2003A 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 Series 2003A Bonds are outstanding in an amount sufficient to pay the principal and Accreted Value of and interest on the Series 2003A 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 Series 2003A 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 Series 2003A Bonds as the same become due and payable, shall be transferred by the Auditor-Controller/Treasurer-Tax Collector of Fresno County (the "County Treasurer") 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 Series 2003A Bonds. DTC will thereupon make payments of principal and Accreted Value and interest on the Series 2003A Bonds to the DTC Participants who will thereupon make payments of principal and Accreted Value and interest to the beneficial owners of the Series 2003A Bonds. Any moneys remaining in the Debt Service Fund after the Series 2003A 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 14. Arbitrage Covenant.** The District has covenants that it will restrict the use of the proceeds of the Series 2003A Bonds in such manner and to such extent, if any, as may be

necessary, so that the Series 2003A 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 15. 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 Series 2003A 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 Series 2003A Bonds have been performed and have been met, in regular and due form as required by law; that the full faith, credit and revenues of the District are pledged for the timely payment of the principal of and interest on the Series 2003A Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series 2003A Bonds.

**SECTION 16. Official Statement.** The Underwriters and the District's bond counsel are hereby authorized to prepare a Preliminary Official Statement and an Official Statement relating to the Series 2003A Bonds to be used in connection with the offering and sale of the Series 2003A Bonds. The District and the Underwriters are hereby authorized to distribute copies of the Preliminary Official Statement and the Official Statement to persons who may be interested in the purchase of the Series 2003A Bonds and is directed to deliver copies of any final Official Statement to the purchaser of the Series 2003A Bonds, in such time and manner as to conform with the requirements of Rule 15c2-12 of the Securities and Exchange Commission. Execution of the Official Statement shall conclusively evidence the District's approval of the Official Statement. The Chancellor is also authorized to deem "final" pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934 the Preliminary Official Statement prior to its distribution.

**SECTION 17. Insurance.** In the event the District purchases bond insurance for the Series 2003A Bonds, and to the extent that the Bond Insurer makes payment of the principal, interest or Accreted Interest on the Series 2003A Bonds, it shall become the owner of such Series 2003A Bonds with the right to payment of principal, interest or Accreted Interest on the Series 2003A 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 Series 2003A 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 Series 2003A 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 Series 2003A Bonds maintained by the Bond Registrar upon surrender of the Series 2003A Bonds by the Owners thereof to the Bond Insurer or the insurance trustee for the Bond Insurer.

**SECTION 18. Defeasance.** All or any portion of the outstanding maturities of the Series 2003A 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 Series 2003A Bonds outstanding and designated for defeasance, including all principal and interest and premium, if any; or

(b) United States Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable United States 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 Series 2003A Bonds outstanding and designated for defeasance (including all principal and interest represented thereby and prepayment premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Series 2003A Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Series 2003A 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 Series 2003A Bonds not so surrendered and paid all sums due with respect thereto.

For purposes of this Section, United States Obligations shall mean:

Direct and general obligations of the United States of America, or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) 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 (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) 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 (c) 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, a Division of the McGraw-Hill Companies, or "Aaa" by Moody's Investors Service.

**SECTION 19. Nonliability of Counties.** Notwithstanding anything to the contrary contained herein, in the Bonds or in any other document mentioned herein, neither the Counties, nor its officials, officers, employees or agents shall have any liability hereunder or by reason hereof or in connection with the transactions contemplated hereby, the Series 2003A Bonds, including the principal and interest thereof and premium, if any, thereon are not a debt of the Counties or a pledge of the Counties' full faith and credit, and the Series 2003A Bonds, including the principal and interest thereof and premium, if any, thereon and any liability in connection therewith, shall be paid solely from the moneys of the District.

**SECTION 20. Indemnification of Counties.** The District shall defend, indemnify and hold harmless the Counties, its 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 Series 2003A Bonds, except with regard to the Counties' responsibilities under Section 22 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 21. Reimbursement of Counties' Costs.** The District shall reimburse the Counties for all costs and expenses incurred by the Counties, its officials, officers, agents and employees in issuing or otherwise in connection with the Series 2003A Bonds.

**SECTION 22. 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 Series 2003A Bonds in such year, and to pay from such taxes all amounts due on the Series 2003A Bonds. The District hereby requests the Board of Supervisors of the Counties to annually levy a tax upon all taxable property in the District sufficient to redeem the Series 2003A Bonds, and to pay the principal, redemption premium, in any, and interest thereon as and when the same become due.

**SECTION 23. Other Actions.** 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 Series 2003A 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.

**SECTION 24. Resolution to Auditor-Controller/Treasurer-Tax Collector.** The Secretary of this Board is hereby directed to provide a certified copy of this Resolution to the Auditor-Controller/Treasurer-Tax Collector of Fresno County (the "County Treasurer") immediately following its adoption.

**SECTION 25. Continuing Disclosure.** The District hereby covenants and agrees that it will comply with and carry out all of the provisions of that certain Continuing Disclosure Certificate executed by the District and dated the date of issuance and delivery of the Series 2003A Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof. Any Series 2003A 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 Series 2003A Bonds. The Counties are not obligated to undertake any continuing disclosure in connection with the Series 2003A Bonds.

**SECTION 26. Recitals.** All the recitals in this Resolution above are true and correct and this Board so finds, determines and represents.

**SECTION 27.** **Effective Date.** This Resolution shall take effect immediately upon its passage.

**PASSED AND ADOPTED** this 1st day of April, 2003, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

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President, Board of Trustees  
State Center Community College District

**COUNTERSIGNED:**

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Secretary, Board of Trustees  
State Center Community College District