

EXHIBIT B

FULL TEXT BALLOT PROPOSITION OF THE HERMOSA BEACH CITY SCHOOL DISTRICT BOND MEASURE ELECTION NOVEMBER 4, 2014

The following is the full proposition presented to the voters by the Hermosa Beach City School District.

"To reduce student overcrowding by reopening a school and to make safety, security, and health improvements; modernize, repair, construct, equip and upgrade classrooms and other school facilities; replace aging roofs; provide technology improvements for students; and upgrade/replace outdated electrical, plumbing, heating and air conditioning systems, shall Hermosa Beach City School District issue \$54,000,000 of bonds at legal interest rates, with an independent citizens' oversight committee, no money for administrative salaries and no funds taken by the state?"

PROJECT LIST FOR THE BOND MEASURE

The following are the types of projects that may be financed with proceeds of the bonds at the Valley School and the View School and both on and offsite at the North School:

Renovate and Modernize Existent Classrooms and Buildings, including roofs, walls, windows, doors and floors, ceilings, access improvements for disabled students and individuals and updated technology, furnishings and equipment to meet curriculum needs.

Renovate, Modernize and Construct Safety and Security Improvements, including fire safety systems, security systems, emergency communication systems, lighting, school entry and access areas, locks, parking and transportation areas, and fencing.

Renovate, Modernize and Construct Basic Infrastructure and Utilities, including roofs, site and building plumbing, sewer, gas, electrical, water, storm drainage, heating, ventilation and air conditioning systems, energy efficiency and water conservation improvements.

Renovate, Construct and Modernize Specialty Classrooms for technology, computers, science, library, art and performing arts, including the acquisition and installation of furnishings and equipment for such uses.

Construct New Classrooms, including removing portable classrooms and constructing, furnishing and equipping permanent classrooms.

Construct or Modernize Multipurpose, Administration and Support Facilities, including space for school and District administration, maintenance and operations and performing arts uses, student and faculty restrooms and access improvements for disabled students and individuals.

Renovate, Modernize and Construct Landscape and Hardscape Improvements, including playgrounds and equipment, turf, plantings, irrigation systems, fencing and parking and transportation improvements, including onsite and offsite parking for the North School.

Renovate, Modernize and Construct Food Service Improvements, including kitchen facilities and equipment and shelters for students to eat lunch.

In preparing the list of projects, the District has evaluated safety, class size reduction, and informational technology needs.

Each project financed will include its share of architectural, engineering, and similar planning costs, program management, project or construction management, a contingency for unforeseen circumstances, offsite/utility connection costs, and interim housing. Projects also may include the payment of the costs of preparation of all facility planning, facility assessment reviews, environmental studies, construction documentation, plan check, inspection and permit fees, and the acquisition of improvements on the project list that are financed by the District on an interim basis through temporary loans, leases, lease-leaseback, or lease-purchase arrangements. Projects may also include the costs of demolition and reconstruction of existing facilities currently scheduled for modernization, if the Board of Education determines that such an approach would be a more cost effective solution.

The District is eligible to receive State matching funds and intends to aggressively pursue State funding. In the absence of such funding, improvements at each school may be affected and the District may not be able to perform some of the projects listed above.

The budget for each project is an estimate and may be affected by factors beyond the District's control. The final cost of each project will be determined as plans are finalized, construction bids are awarded and projects are completed. Based on the final costs of each project, certain projects described above may be delayed or may not be undertaken.

Bond proceeds shall be expended only for the specific purposes identified herein. Proceeds of the bonds may be used to pay or reimburse the District for the cost of District staff when performing work on or necessary and incidental to the bond projects. The District shall create an account into which proceeds of the bonds shall be deposited and comply with the reporting requirements of Government Code § 53410.

Fiscal Accountability: In accordance with Education Code § 15272, the Board of Education will establish a citizens' oversight committee and will conduct annual independent audits to assure that funds are spent only on the list of projects authorized above and for no other purpose. The expenditure of bond money on these projects is subject to stringent financial accountability requirements. By law, performance and financial audits will be performed annually, and all bond expenditures will be monitored by an independent citizens' oversight committee to ensure that funds are spent as promised and specified. The citizens' oversight committee shall include at least seven members, with the following relationships: one member active in a business organization, one member active in a senior citizens' organization, one member active in a bona fide taxpayers' organization, one member who is a parent or guardian of a student, one member who is both a parent or guardian of a student and active in a parent-teacher organization. District employees, vendors, contractors and consultants may not serve on the citizens' oversight committee.

No Administrator Salaries: Proceeds from the sale of the bonds authorized by this proposition shall be used only for the construction, reconstruction, rehabilitation, or replacement of

school facilities, including the furnishing and equipping of school facilities, and not for any other purpose. No funds will be used toward teacher or administrator salaries or other operating expenses.