July 10, 2013

Dr. Mike McLaughlin
Superintendent
San Leandro USD
999 East 14th Street
San Leandro , CA 94579-1222

Ms. Song Chin-Bendib
Associate Superintendent
San Leandro USD
999 East 14th Street
San Leandro , CA 94579-1222

RE: $11,670,000 General Obligation Bonds, Election of 2006, Series E
$20,100,000 General Obligation Bonds, Election of 2010, Series B
Results of Today's Competitive Bond Sale

Dear Dr. McLaughlin and Ms. Chin-Bendib:

Congratulations on the successful competitive sale of the final two series of the San Leandro USD's Measure B and Measure M bonds! As you know, this morning we held two sales – one at 9:00 AM for the Measure B, Series E bonds ("Series E"), and one an hour later at 10:00 AM for the Measure M, Series B bonds ("Series B"). We received six bids for Series E, with the winning bid submitted by Robert W. Baird for a total interest cost ("TIC") of 3.30%. We also received six bids for Series B, with the winning bid submitted by Citigroup for a TIC of 4.58%. This memo provides the results of the sale, information about the District's bond program overall now that all bonds have been sold, and final costs of issuance.

Section 15146(c) of the Education Code requires that after the bond sale and closing, actual cost information be provided to the governing Board and the public at the Board's next scheduled public meeting. This letter provides information to be shared with your Board and the public regarding the sale of the bonds and the costs associated with the sale. No action is required by the Board, but the report should be available to the public.

Results of the Sale

The table below provides the details on the sale results.

Election of 2006, Series E (Measure B)	
Underwriter	TIC (as bid)
Robert W. Baird	**3.305388%**
Morgan Stanley	3.381850%
Hutchinson	3.503015%
JP Morgan	3.536190%
Citi	3.562926%
UBS	3.697140%

Election of 2010, Series B (Measure M)	
Underwriter	TIC (as bid)
Citi	**4.592288% ***
UBS	4.647776%
Morgan Stanley	4.648298%
JP Morgan	4.736837%
R.W. Baird	4.753235%
Hutchinson	4.870761%

* *The Series B maturity amounts were restructured slightly, resulting in a final TIC of 4.60%.*

As you can see, the competitive sale ensured the lowest possible interest costs for the District's taxpayers. Each bidder thought they had the lowest rates of the day, yet the range from high to low represents a difference in total interest of over $1.1 million.

Completion of Bond Issuance for Measure B and Measure M

The sale of Series E and Series B marks the completion of the bond issuance process for both Measure B and Measure M. The table below lists all bonds issued, from Measure A, B and M. In the past, the District has taken advantage of low interest rate periods by refinancing existing bonds. That could happen again, so the repayment information shown here could end up lower in the future.

Bond Measure	Series	Issue Date	Final Maturity	TIC (True Interest Cost)	Original Issue Amount	Original Net Debt Service	Original Repayment Ratio	Currently Outstanding (7/2013)
Measure A	Series A	8/1/1997	8/1/2022	5.10%	$ 15,500,000	$ 25,199,446	1.63	$ -
Election of 1997	Series B	8/1/2000	8/1/2025	5.40%	10,000,000	19,574,822	1.96	-
	Series C	8/1/2002	8/1/2012	4.78%	7,000,000	13,066,494	1.87	-
	Series D	8/22/2002	8/1/2023	5.11%	15,997,013	31,845,000	1.99	-
	Series E	6/22/2004	8/1/2028	4.96%	5,350,000	9,695,237	1.81	-
					$ 53,847,013	$ 99,381,000	1.85	$ -
	2004 Refunding	7/7/2004	8/1/2022	4.45%	9,915,000	14,834,561	1.50	-
	2007 Refunding	3/7/2007	8/1/2028	4.14%	$ 39,210,000	$ 60,109,820	1.53	$ 35,030,000
	2011 Refunding	10/19/2011	8/1/2022	2.72%	7,560,000	8,858,200	1.17	6,945,000
					$ 56,685,000			$ 41,975,000
Measure B	Series A	3/7/2007	8/1/2031	4.29%	29,000,000	46,645,931	1.61	22,335,000
Election of 2006	Series B	3/31/2009	8/1/2033	5.78%	30,000,000	64,613,189	2.15	29,800,000
	Series C CABs	1/27/2010	8/1/2035	6.91%	5,692,878	27,590,000	4.85	5,692,878
	Series C (Conv. CABs)	1/27/2010	8/1/2039	6.91%	14,306,165	80,630,960	5.64	14,306,165
	Series D (QSCB)	5/20/2010	2/1/2026	4.55%	18,327,344	27,246,406	1.49	18,327,344
	Series E	8/1/2013	8/1/2026	3.31%	11,670,000	14,931,889	1.28	11,670,000
					$ 108,996,387	$ 261,658,375	2.40	$ 102,131,387
Measure M	Series A	5/24/2011	8/1/2041	5.33%	30,000,000	67,298,533	2.24	30,000,000
Election of 2010	Series B	8/1/2013	8/1/2038	4.60%	20,100,000	36,785,156	1.83	20,100,000
					$ 50,100,000	$ 104,083,689	2.08	$ 50,100,000
	Total Per Original Program (exclude refundings):				212,943,400	465,123,065	2.18	
	Total Outstanding:							**$ 194,206,387**

FINAL COSTS OF ISSUANCE

From the $11.67 million and $20.1 million in bond proceeds, $240,000 will be set aside in two costs of issuance funds to be administered by U.S. Bank. Only invoices authorized by the District will be paid from these accounts, and any funds remaining will be returned to the District. The table below provides a summary of the costs as we know them at this time.

San Leandro Unified School District
2013 General Obligation Bonds
Election of 2006, Series E and Election of 2010, Series B
Estimate of Costs Related to Bond Issuance

	Paid To	Election of 2006, Series E	Election of 2010, Series B	Total	
		$ 11,670,000	$ 20,100,000		
Underwriting Costs of Issuance (ACTUAL):					
Underwriters Compensation	Robert W. Baird	$ 171,101		$171,101	
Underwriters Compensation	Citigroup		$ 313,231	$313,231	
Bond Insurance		NA	NA	$0.00	
Total Costs related to Underwriter				**$484,333**	
Other Costs of Issuance (Some ACTUAL, some ESTIMATES):					
Bond Counsel	Jones Hall	$28,173	$36,600	$64,773	
Disclosure Counsel	Jones Hall	$7,347	$12,653	$20,000	
BC & DC Expenses	Jones Hall	$2,500	$2,500	$5,000	*
Rating	Standard & Poor's	$6,979	$12,021	$19,000	
Rating	Moody's	$8,816	$15,184	$24,000	*
Financial Advisor Fee	KNN Public Finance	$33,059	$56,941	$90,000	
Financial AdvisorExpenses	KNN Public Finance	$1,102	$1,898	$3,000	*
Paying Agent	US Bank	$1,102	$1,898	$3,000	*
Printing	Imagemaster	$1,102	$1,898	$3,000	*
Electronic Sale	Ipreo	$1,500	$1,500	$3,000	
Contingency		$3,320	$1,907	$5,227	*
***Estimate* of Total Costs of Issuance**		**$95,000**	**$145,000**	**$240,000**	
***Estimate* of Total Costs Related to Bond Issuance**				**$724,333**	

*** Amount not yet final; number represents a "not-to-exceed".**

Once again, congratulations on a very successful sale! Please contact me if you have any questions.