SAN LEANDRO UNIFIED SCHOOL DISTRICT

RESOLUTION NO. 14-02

RESOLUTION OF THE BOARD OF EDUCATION OF THE SAN LEANDRO UNIFIED SCHOOL DISTRICT AUTHORIZING THE FILING OF APPLICATIONS FOR QUALIFIED ZONE ACADEMY BOND ALLOCATION WITH THE CALIFORNIA DEPARTMENT OF EDUCATION, AND APPROVING RELATED MATTERS AND OFFICIAL ACTIONS

WHEREAS, the Taxpayer Relief Act of 1997 added Section 1397E to the Internal Revenue Code of 1986, authorizing the issuance of Qualified Zone Academy Bonds ("QZABs"); and

WHEREAS, the allocation for issuance of QZABs provided to the State of California (the "State") will be assigned and distributed to or for the benefit of school districts and county offices of education in the State by the California State Department of Education (the "Department of Education"); and

WHEREAS, the application for such allocation has recently been made available to school districts by the Department of Education; and

WHEREAS, applications for QZAB allocations will be received by the Department of Education; and

WHEREAS, the San Leandro Unified School District (the "District") is in need of funding for technology and solar projects (the "Projects") which qualify for the QZAB program for the Technology Academy at the San Leandro High School and at the Bancroft Middle School, which include the Academy for Business and Finance, the San Leandro Academy for Multimedia (SLAM) and/or the Social Justice Academy (individually, an "Academy", and together, the "Academies")), and in order to lower the borrowing costs associated with funding the Projects, desires at this time to authorize the filing of an application with the Department of Education in order that it may issue obligations which are QZABs; and

WHEREAS, to accomplish such QZAB Financing, it will be necessary for the District to enter into a lease financing, using either certificates of participation or lease revenue bonds (in either case, the "Bonds") executed and delivered by a trustee to be chosen, in the case of certificates of participation, or issued by a joint powers agency, in the case of lease revenue bonds, which Bonds will be secured by lease payments (the "Lease Payments") payable by the District under a Lease Agreement (the "Lease Agreement") between a lessor to be chosen and the District; and

WHEREAS, the District proposes to use a portion of the proceeds of the Bonds to reimburse expenditures made for the Project prior to the issuance of the Bonds;

WHEREAS, United States Income Tax Regulations section 1.150-2 provides generally that proceeds of tax-exempt debt and, by analogy, proceeds of Qualified Zone Academy Bonds, are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of issuance of such debt unless certain procedures are followed, one of which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer declares an intention to reimburse such expenditure; and

WHEREAS, it is in the public interest and for the public benefit that the District declares its official intent to reimburse the expenditures referenced herein.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the District as follows:

Section 1. Authorization to File QZABs Application. The Board of Education hereby authorizes the filing of one or more applications with the Department of Education for a portion of the 2013 unused volume cap for QZABs, in the principal amount of no more than $5,000,000 per application, in the form prescribed by the Department of Education (the "QZAB Application"). The Superintendent is hereby authorized and directed to cause the QZAB Applications, and all supporting documentation, to be completed and filed with the Department of Education not later than the deadline specified by the Department of Education for filing such QZAB Applications.

Section 2. School Board Certifications. The Board of Education hereby certifies that if it receives an allocation to issue obligations as QZABs, it will fulfill all of the federal Qualified Zone Academy Bond program requirements, including, but not limited to, the following:

(a) at least 35 percent of the students attending the Academies will be eligible for free or reduced-price lunches established under the National School Lunch Act; and

(b) the District will have written commitments from private entities to make qualified contributions of not less than 10% of the principal amount of the Bonds for use in the Academy where the Projects will be located which meet the requirements of Criterion 2 in the QZAB application;

(c) the programs at the Academies are established by and operated under the supervision of the District to provide education and training below the post-secondary level;

(d) proceeds of the Bonds will be used for one or more of the following purposes:

1. Rehabilitation or repair of the Academies;
2. Providing Equipment for use at the Academies;

3. Providing instructional materials at the Academies; or

4 Providing teacher and other school personnel professional development;

(e) all laborers and mechanics employed by contractors or subcontractors on projects funded with Bond proceeds shall be paid wages and benefits at rates not less than those prevailing on similar projects in San Leandro and/or surrounding communities in Alameda County;

(f) Within 15 days of issuance of the Bonds, the District will submit a copy of IRS Form 8038 to the Department of Education; and

(g) Upon completion of the projects to be funded with the proceeds of the Bonds, a completion report will be submitted to the Department of Education.

The Board of Education hereby authorizes the Superintendent to make any additional certification on behalf of the District with respect to the fulfillment of the federal Qualified Zone Academy Bond program requirements.

Section 3. Reimbursement.

a) The District intends to cause the Bonds to be issued for the purpose of paying the costs of acquiring and constructing the Projects.

b) The District hereby declares that it reasonably expects (i) to pay certain costs of the Projects prior to the date of issuance of the Bonds and (ii) to use a portion of the proceeds of the Bonds for reimbursement of expenditures for the Projects that are paid before the date of issuance of the Bonds.

c) The maximum principal amount of the Bonds is $5,000,000 per academy.

Section 4. Official Actions. The Superintendent, the Associate Superintendent Business and Operations, and all other officers of the District, are hereby authorized and directed for and in the name and on behalf of the District to do any and all things and take any and all actions relating to the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate any of the matters approved by this Resolution.

Section 5. Effective Date of Resolution. This Resolution will take effect from and after the date of its passage and adoption.

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PASSED AND ADOPTED on February 4, 2013, by the following vote:

AYES:

NOES:

ABSENT:

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President of the Board of Education

ATTEST:

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Clerk of the Board of Education