RESOLUTION NO. 14-20

RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN LEANDRO UNIFIED SCHOOL DISTRICT AUTHORIZING EXECUTION OF LEASE FINANCING DOCUMENTS TO FINANCE A QUALIFIED ZONE ACADEMY PROGRAM, AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, the San Leandro Unified School District (the "District") has submitted six Qualified Zone Academy Bond Applications to the State of California Department of Education, School Facilities Planning Division (the "Department"), which were approved to provide Qualified Zone Academy Bond financing in the maximum amount of $5,000,000 for an educational program of the District (the "QZAB Program"), which consists generally of fiber optic connections, network and technology upgrades and modernization projects (collectively, the "Equipment") to be located at the Bancroft Middle School S.T.E.A.M. Academy (Science, Technology, Engineering, Arts and Mathematics), the John Muir Middle School S.T.E.A.M. Academy (Science, Technology, Engineering, Arts and Mathematics) and the San Leandro High School S.T.E.A.M. Academy (Science, Technology, Engineering, Arts and Mathematics), as more particularly described in the District's applications to the Department; and

WHEREAS, the California Public Agencies Financing Corporation (the "Corporation") has been formed to provide financial assistance to public agencies by financing various facilities, land and equipment, and by leasing facilities, land and equipment for the use of such public agencies; and

WHEREAS, the District has received a proposal (the "Proposal") from Banc of America Leasing & Capital, LLC (or another institution which has submitted or submits in the future a proposal to finance the QZAB Program if Banc of America Leasing & Capital, LLC fails to perform under its Proposal (in either case, the "Lender") to enter into a lease financing obligation to finance the costs of the QZAB Program: and

WHEREAS, the District intends to finance the costs of the QZAB Program through the issuance of (1) Qualified Zone Academy Bonds ("QZABs") in the form of a financing lease in a total principal amount not to exceed $5,000,000 (the "QZAB Lease Component") and (2) a taxable lease component of such financing lease in the amount not to exceed $150,000 (the "Taxable Lease Component"); and

WHEREAS, in order to provide financing for the QZAB Program, the District has proposed to lease certain real property consisting generally of the Washington Elementary School, or such other property as the District's Superintendent may designate (the "Leased Property"), to the Corporation for an up-front rental payment (the "Site Lease Payment") which is sufficient for that purpose, under a Site Lease, between the District and the Corporation (the "Site Lease"), and the Corporation has proposed to lease the Leased Property back to the District in consideration of the payment by the District of annual lease payments as the rental

for the Leased Property (the "Lease Payments") payable under a Lease Agreement (Qualified Zone Academy Bonds, Tax Credit), between the Corporation and the District (the "Lease Agreement"); and

WHEREAS, the Lease Payments are comprised of two separate components – the QZAB Lease Payments and the Taxable Lease Payments; and

WHEREAS, in order to provide a source of financing to fund the Site Lease Payment, the Corporation has proposed to enter in an Assignment Agreement (the "Assignment Agreement"), between the Corporation and the Lender and its successors and assigns (the "Assignee"), under which the Corporation assigns (1) the QZAB Lease Payments, and (2) the Taxable Lease Payments, to the Assignee; and

WHEREAS, the District shall enter into a Program Fund Agreement (the "Program Fund Agreement") with Bank of America, N.A., or such other custodian acceptable to the Assignee (the "Custodian Bank"), the Corporation and the Assignee, whereby the Custodian Bank will hold the proceeds of the Lease Agreement in a program fund and a costs of issuance account, administer the payment of QZAB Program Costs, and invest such proceeds; and

WHEREAS, the Board of Trustees wishes at this time to authorize all proceedings relating to the execution, delivery and sale of the lease financing and the approval of all agreements and documents relating thereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the San Leandro Unified School District as follows:

SECTION 1. *Approval of Financing Documents*. For the purpose of providing funds to finance the QZAB Program, the Board of Trustees hereby approves the following financing documents in substantially the respective forms on file with the Clerk of the Board, together with any changes therein or additions thereto deemed advisable by the President of the Board, or such other member of the Board as the President may designate, the Superintendent of the District, the Assistant Superintendent, Business Services of the District, or such other officer or employee of the District as the Superintendent may designate (each, an "Authorized Officer"), whose execution thereof shall be conclusive evidence of approval thereof:

(a) Site Lease between the District and the Corporation, whereby the District leases the Leased Property to the Corporation in consideration of the payment by the Corporation to the District of a Site Lease Payment, which will be used to finance the QZAB Program.

(b) Lease Agreement, between the District and the Corporation, whereby the District leases the Leased Property back from the Corporation and agrees to pay annual lease payments as rental for the Leased Property.

(c) Purchase Agreement, among the District, the Corporation and the Lender, under which the District agrees to enter into the Lease Agreement and the

Lender, as assignee, agrees to purchase the Lease Payments payable by the District under the Lease Agreement, to fund the QZAB Program.

(d) Program Fund Agreement, among the District, the Corporation, the Lender, as assignee, and the Custodian Bank, as custodian.

The Board of Trustees authorizes and directs the Authorized Officer to execute, and the Clerk of the Board to attest, the final form of each of the foregoing documents for and in the name of the District. The lease of the Leased Property by the Corporation to the District shall be upon the terms and conditions set forth in the Lease Agreement, which is hereby incorporated in this resolution by this reference. The execution of the Proposal by the Authorized Officer on behalf of the District is hereby confirmed and ratified.

SECTION 2. *Approval of Lease Financing*. The Board of Trustees hereby approves the lease transactions described above relating to the Leased Property. The Board of Trustees hereby approves the Site Lease, the Lease Agreement, the Purchase Agreement and the Program Fund Agreement, each in substantially the forms on file with the Clerk, together with any changes therein or additions thereto deemed advisable by the Authorized Officer, whose execution thereof shall be conclusive evidence of such approval, provided that the principal amount of the lease financing does not exceed $5,150,000.

SECTION 3. *Material Terms of Lease Agreement*. The Lease Agreement will be for a term which will not extend beyond May 16, 2030 (except in the case of default or abatement). The aggregate principal components of the Lease payment payable under the Lease Agreement will not exceed $5,150,000. In addition to the principal amount of the Lease Payments, the principal amount of the Lease Payments may bear interest at a weighted average rate of interest not to exceed 2.25% per annum.

SECTION 4. *Assignment to Assignee*. The Board of Trustees hereby approves the assignment of the Lease Payments and the rights of the Corporation under the Lease Agreement to the Assignee, pursuant to the Assignment agreement, in substantially the form on file with the Clerk of the Board together with any changes therein or additions thereto deemed advisable by an Authorized Officer.

SECTION 5. *Official Actions*. The President of the Board, the Superintendent, the Assistant Superintendent Business Services, and any 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, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, including but not limited to agreements which are necessary or convenient to accomplish the lease financing transactions and filing requirements for tax credit payments from the U.S. Treasury, which they, or any of them, may deem necessary or advisable in order to consummate any of the transactions contemplated by the documents approved pursuant to this resolution including the agreements for services on file with Jones Hall as Bond Counsel and KNN Public Finance as financial advisor. Whenever in this resolution any action is authorized to be taken by an officer of the District and such officer is absent or unavailable, such action may be taken on behalf of the District by any designee of such officer.

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SECTION 5. *Effective Date*. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 6th day of May, 2014.

President of the Board of Trustees of the
San Leandro Unified School District

ATTEST:

Clerk of the Board of Trustees of the
San Leandro Unified School District