KNN public finance

April 11, 2014

Song Chin-Bendib, Associate Superintendent, Business & Operations
San Leandro Unified School District
14735 Juniper Street
San Leandro, CA 94579-1222

Dear Song:

Please find enclosed two (2) original contracts for KNN Public Finance to provide financial advisory services relative to the issuance of certificates of participation under the federal Qualified Zone Academy Bond program for San Leandro Unified School District. Please return one (1) signed original to us at your earliest convenience. Retain one (1) original for the District's record.

Should you have any questions, please contact me at (510) 208-8202 or the office at (510) 839-8200. Thank you for choosing to work with KNN Public Finance as your financial advisor.

Sincerely,



Jon Armstrong
Vice President

1300 Clay Street, Suite 1000 | Oakland, CA 94612 | Main 510-839-8200 | Fax 510-208-8282

17901 Von Karman Avenue, Suite 600 | Irvine, CA 92614 | Main 949-556-8880 | Fax 949-556-8881

A Division of Zions First National Bank

April 11, 2014

Board of Trustees
San Leandro Unified School District
14735 Juniper Street
San Leandro, CA 94579-1222

Ladies and Gentlemen:

We are advised that the San Leandro Unified School District (the "District") is contemplating the issuance of certificates of participation under the federal Qualified Zone Academy Bond ("QZAB") program. Accordingly, KNN Public Finance, a Division of Zions First National Bank ("KNN") proposes to perform the services listed below for the District.

Services to be Performed by KNN:

1. Assist in selection of bond counsel, trustee and paying agent and other consultants, if any, if not yet selected, and a non-profit or joint powers authority to act as lessor, to the extent the District wishes such assistance.

2. Assist in preparing and submitting an application for QZAB program approval to the California Department of Education.

4. Advise and consult with the District and their bond tax counsel on achieving required State and tax counsel approval for issuing QZAB securities.

5. Advise and consult with District with respect to the par value and other terms and conditions upon which the District proposes to issue its QZAB certificates of participation (the "QZAB Certificates"). Advise District on administration and flow of funds for the payment of the Certificates.

6. Coordinate the efforts of bond counsel and, if involved, District counsel and any other legal counsel, with respect to the preparation and approval of the financing and QZAB approval documents by the District.

7. Attend all meetings and present materials for the financing procedure as appropriate.

8. For an issue that is to be rated, prepare and coordinate a comprehensive presentation to the rating services. This presentation will cover all relevant information regarding the financing and will be designed to address the District's ability to fund the annual debt service payments through its tax base or general fund, as the case may be, and the dynamics of the local economy. Prepare a similar presentation to bond insurers, if insurance qualification is sought. (Neither is anticipated in a private placement, but it is possible that a lender would ask for one or both.)

9. Assist the District in developing and distributing to potential investors disclosure information about the QZAB Certificates and QZAB program at the District.

(a) If a placement with a single institutional investor is used, assist District and bond and tax counsel in preparing and distributing disclosure information describing the financing, the QZAB program and the District directly to such potential institutional investors, so that they may make an investment decision as a "sophisticated investor".

(b) If a public offering is used, assist disclosure counsel (or bond counsel if serving also as disclosure counsel) in preparing the official statement for the financing in a manner consistent with existing laws and regulations and standards of the securities industry, based on information provided to us by the District and other participants in the financing. The official statement serves as a marketing instrument and a disclosure document of the District incident to the financing.

10. KNN shall recommend a method of sale and provide the following services:

(a) Advise as to securities market conditions and potential investor requirements;

(b) Should the District elect a private placement with a single sophisticated buyer (such as a bank, other institutional investor or, rarely, a qualified individual), KNN will assist City in first, evaluating such option for applicability, advantages and disadvantages; second, selecting qualified potential buyers; and third, negotiating terms and interest rates with the buyer selected. A private placement is the most likely approach with QZAB certificates of participation because, among other things, investors receive quarterly federal income tax credits rather than tax-exempt interest and because a debt service reserve funded from proceeds at closing, normally a market requirement for general fund lease obligation certificates of participation is

prohibited.

(c) However, should the District elect to offer its securities through public sale, KNN shall prepare (or cause to be prepared by bond or disclosure counsel) and distribute the official notice of sale and bid form, along with the preliminary official statement, to prospective underwriters, respond to their questions regarding the financing, actively solicit their bids, coordinate publication of notices of sale, coordinate the bid opening process and calculate the true (or net) interest cost of each bid received to determine the lowest bidder, and otherwise in general manage the marketing and sale of the bonds to underwriters;

(d) Should the District elect to offer its securities as a public offering through negotiated sale, KNN will assist the District in the selection of an underwriter, negotiate underwriting spread and interest rates and any other terms that may be subject to negotiation on behalf of the District and monitor the underwriter's sales effort to ensure the lowest financing costs are achieved. KNN's preferred method in a negotiated sale is to structure the financing and prepare the official statement, and wait to select an underwriter and negotiate, directly with its underwriting desk, until the issue is ready to sell. This approach, when pursued with three or four underwriters simultaneously, delivers the lowest possible negotiated underwriting cost, often approaching the results of a competitive sale.

11. Coordinate the delivery, printing and final approval of legal documents, and the preparation of closing certificates and final official statement.

12. Coordinate the work of the District and members of the financing team to ensure that the issue is consummated within a reasonable period of time.

B. District's Obligations

The District agrees to cooperate with KNN, bond counsel and other parties to the transactions, and to furnish the necessary information for the preparation and drafting of the legal documents and the official statement, and to assert its best efforts to verify the accuracy of the information contained in such documents.

Unless the securities are sold publically, there is no requirement to file “continuing disclosure reports” annually with the Securities and Exchange Commission's EMMA system concerning certain tax base and the finances of the District, including providing a copy of the District’s annual audited financial statements. However, any institutional buyer of the securites can be anticipated to ask for essentially the same information annually from the District.

F. Duration of Contract

This Agreement shall be valid and binding through the issuance of securities, including refunding thereof, unless previously terminated under the terms of this Agreement. This agreement may be terminated upon 30 day's written notice by either party to the other party.

G. Insurance

KNN maintains insurance coverage for general liability, professional liability, and errors and omissions in excess of most public agency requirements, and will provide a certificate of coverage upon request.

H. Compensation and Expenses

Our fee for a $5,000,000 QZAB certificates of participation financing (including an additional small non-QZAB certificate of participation to handle financing costs) is $47,500.00 Our fee is fully contingent upon issuing securities.

KNN agrees to pay its own out-of-pocket expenses for travel within California and computer and telephone charges incurred by us in performing our duties and obligations. Other costs of issuance, including but not limited to the fees charged by a non-profit or joint powers authority lessor/issuer, bond counsel's fee, KNN's fees, trustee, paying agent or fiscal agent fees and charges, if any, rating agency fees and bond insurance premiums, if any, publication of required notices, if any, printing and distribution of the preliminary and final official statements and notice of sale, if any, costs of preparing and distributing disclosure and marketing data to potential private placement investors, if any, printing and delivery of securities, travel expenses of District officials, out-of-state travel expenses of KNN, if any, outside copying costs, facsimile transmission charges, courier or delivery charges, and the costs of obtaining statistical data from outside sources, shall be paid by the District.

Costs of issuance, subject to approval of bond counsel, may be paid from proceeds of the securities issued.

KNN PUBLIC FINANCE
A Division of Zions First National Bank

By _____
Jon Armstrong, Vice President

Accepted:

SAN LEANDRO UNIFIED SCHOOL DISTRICT

By _____

Title _____

Date _____