

ADDENDUM TO AGENDA  
ELK GROVE UNIFIED SCHOOL DISTRICT  
Regular Meeting of the Board of Education  
Board Room, Education Center  
9510 Elk Grove-Florin Road  
Elk Grove, CA 95624  
February 17, 2015  
Closed Session – 5:00 p.m.  
Regular Session – 6:00 p.m.

Item

Time - Approximate

CLOSED SESSION – 5:00 P.M.

- 1A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code Section 54956.9(d)(1) *Ubois v. Elk Grove Unified School District et al.*, Sacramento County Superior Court Case No. 34-2014-80001887

REGULAR SESSION – 6:00 p.m.

XIV. Consent Agenda – Action

- 33A. Award of Request for Proposal (RFP) and Approval of Agreement: Authorization to Use Land for Child Care and Development and Memorandum of Understanding (MOU) for Child Care and Development Services for Marion Mix Elementary School

**AMERICAN WITH DISABILITIES COMPLIANCE NOTICE**

In compliance with the Americans with Disabilities Act, those requiring special assistance to access the Board meeting room, to access written documents being discussed at the Board meeting, or to otherwise participate at Board meetings, please contact the Board Secretary, Arlene Hein, at (916) 686-7700. Notification of at least 24 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to the Board meeting and to provide any required accommodation, auxiliary aids or services.

**DOCUMENT AVAILABILITY**

Documents provided to a majority of the Governing Board regarding an open session item on this agenda will be made available for public inspection in District office located at 9510 Elk Grove-Florin Road, Elk Grove, CA during normal business hours.

**Board Agenda Item**

**Subject:** \_\_\_\_\_ **Division:** Secondary Education

Award of Request for Proposal (RFP) and approval of agreement: Authorization To Use Land For Child Care And Development and Memorandum of Understanding (MOU) for Child Care and Development Services for Marion Mix Elementary School. (RFP #562-14/15)

**Action Requested:**

The Board of Education is asked to authorize the award of the Land Use Agreement, MOU and RFP #562-14/15 for Child Care and Development Services for Marion Mix Elementary School to KU Champions LLC.

**Discussion:**


On November 4, 2014, EGUSD released a Request for Proposal (RFP) to provide child care and development services at Marion Mix Elementary School. Ten potential providers responded with an intent to apply. Two providers submitted proposals. A review panel including Mix Principal Shelly Clark, Director of Facilities Bill Heinicke, retired parent and child educator Brenda Cunningham, and Elk Grove Adult and Community Education Vice Principal Jennifer Barrett Grove evaluated both proposals and interviewed teams from both respondents. Based on the results of this process, EGUSD recommends the award of RFP #562-14/15 to KU Champions LLC for a two-year term.

**Financial Summary:**

KU Champions LLC will pay the following annual fees to the District:

- A reimbursement to the District of \$258 per month for all electrical, water, garbage, and trash disposal costs related to the portable buildings housing the child care and development center.
- An annual land-use fee of \$3 per year
- An administration fee of \$4,500

Prepared By: Kathy Hamilton Division Approval: Christina C. Penna

Prepared By: \_\_\_\_\_ Superintendent Approval: Christopher R. Hoffman 

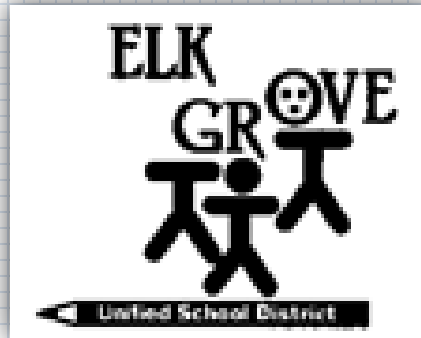
# **Attachment**

*February 17, 2015*

**Board Meeting**

**Agenda Item**

**# 5**



# OVERVIEW OF RESTRICTED GENERAL FUND AND OTHER FUNDS

## **2013-2014** **Unaudited Actuals** **REVENUES & EXPENSES**

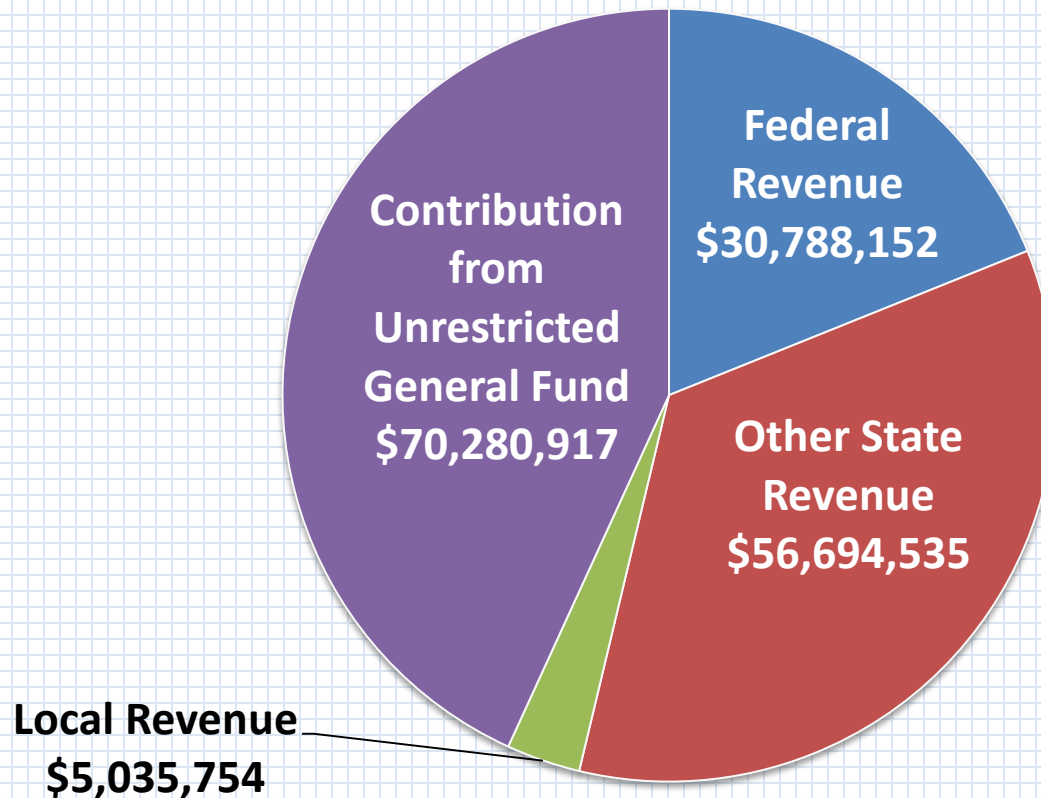
Presented by:  
*Rich Fagan, Associate Superintendent, Finance & School Support*

# Restricted General Fund

The Restricted General Fund (In Fund 01) is an aggregate of several funding sources distributed by the federal, state, and local governments. Additionally contributions are made from the unrestricted general fund to support Special Education, Routine Restricted Maintenance (RMM), and Transportation. The majority of the funds are used to provide educational services to children who meet certain income and need criteria. These programs include Title I, II, III, etc., Federal After School Programs, Special Education, Transportation, and RRM.

# 2013-14 REVENUES

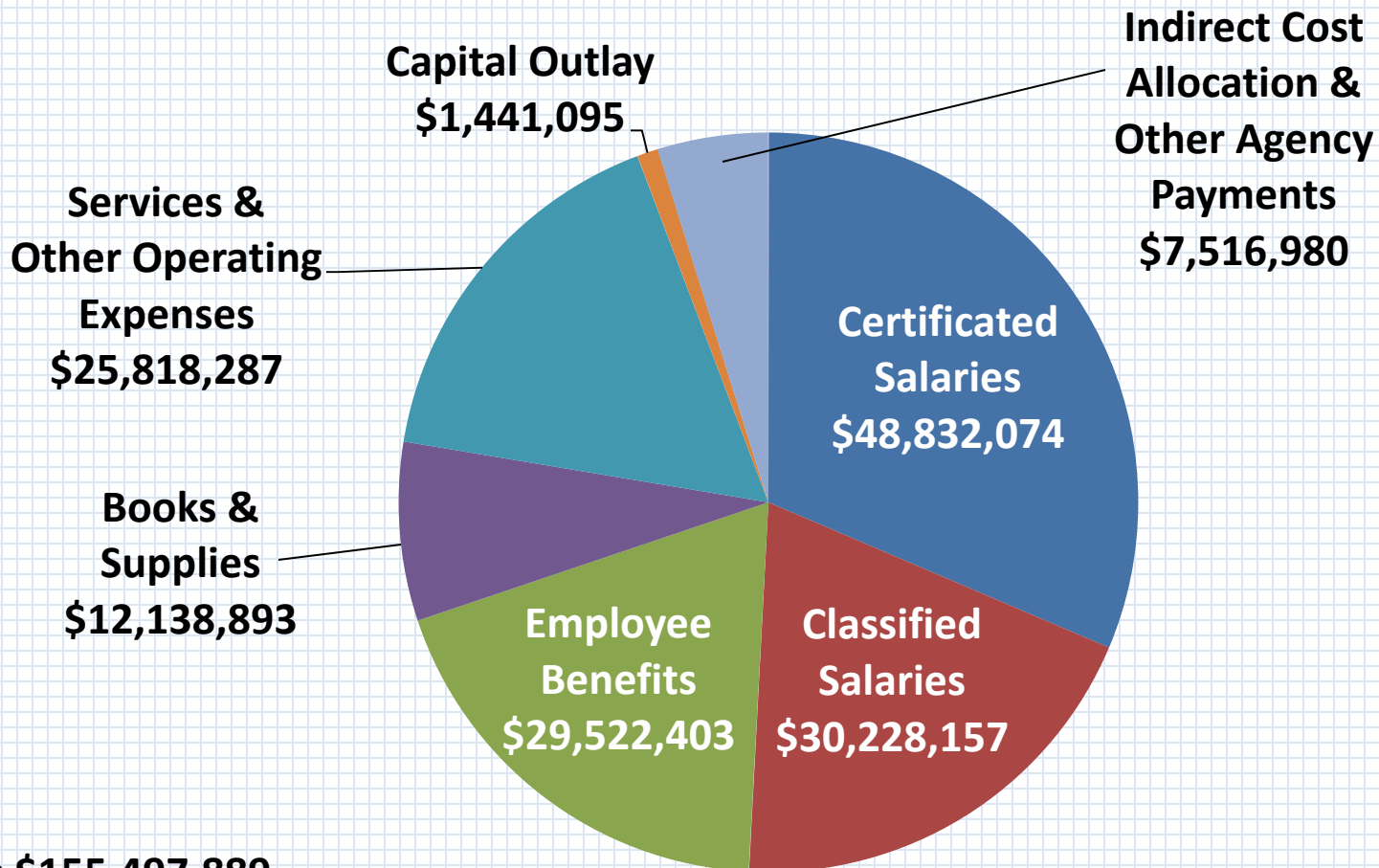
## Restricted General Fund



**Total: \$162,799,358**

# 2013-14 EXPENDITURES

## Restricted General Fund



**Total: \$155,497,889**

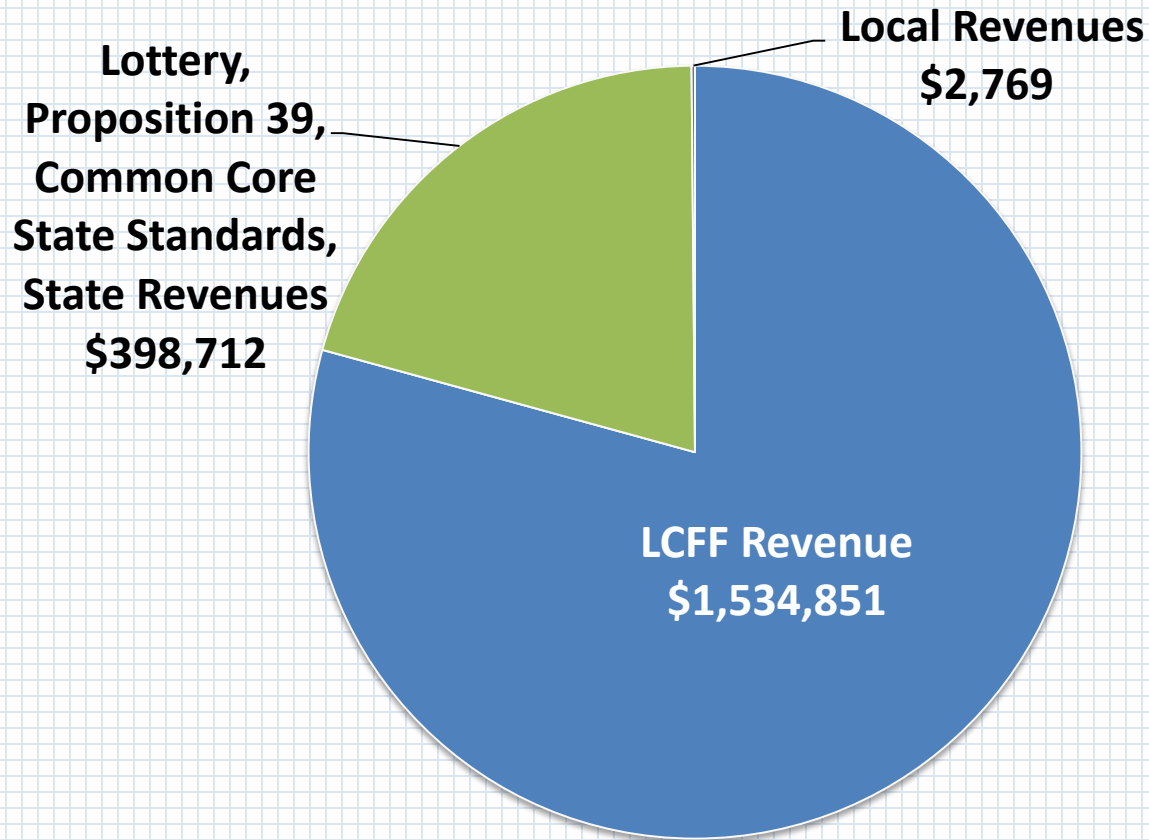
# **Charter Schools Special Revenue Fund**

The Charter Schools Special Revenue Fund (Fund 09) provides classroom and independent study instructional services to students at the District-sponsored Charter School.



# 2013-14 REVENUES

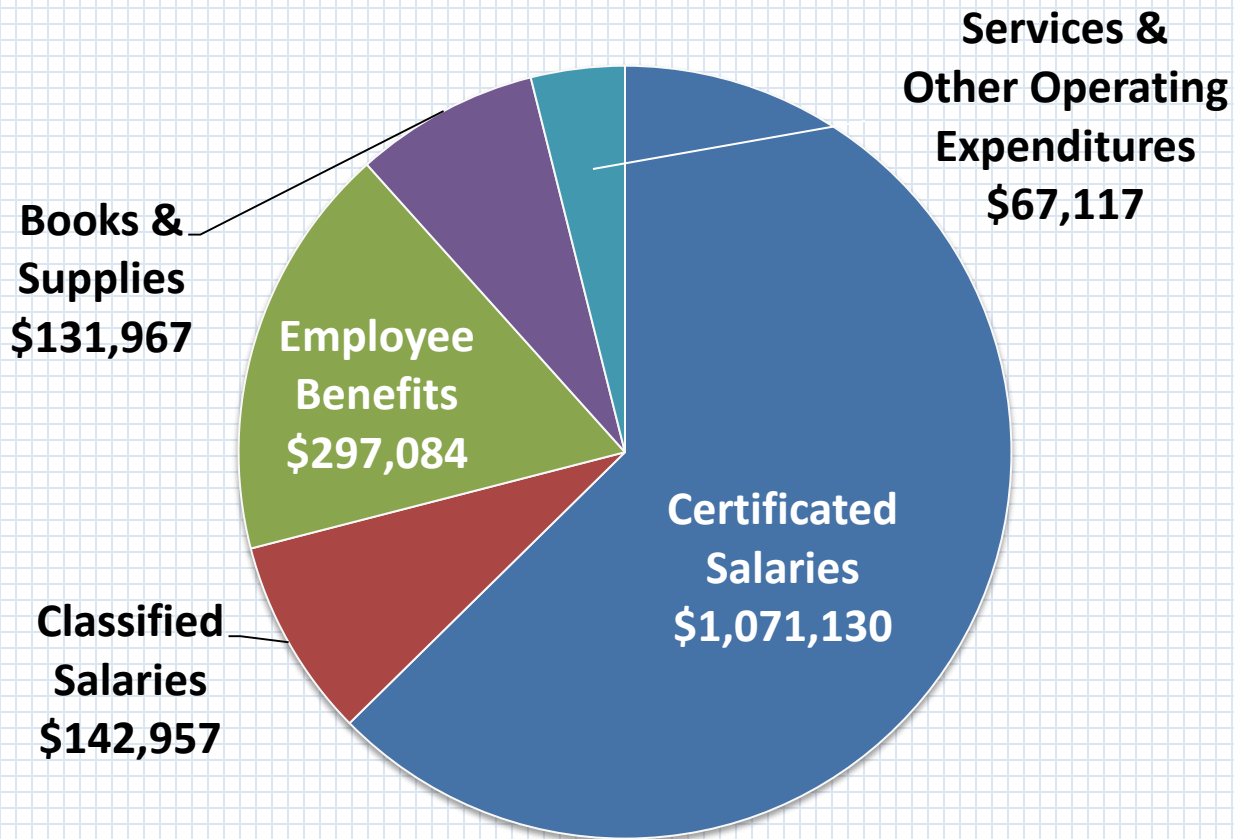
## Charter Schools, Special Revenue Fund



**Total: \$1,936,332**

# 2013-14 EXPENDITURES

## Charter Schools, Special Revenue Fund



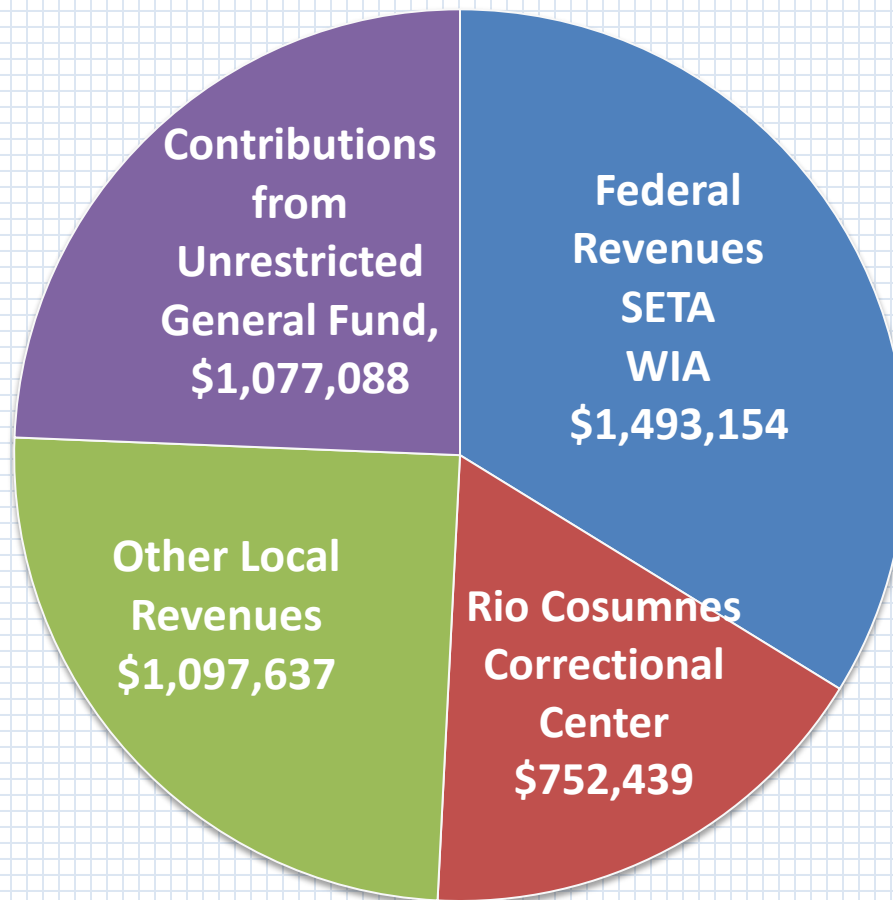
Total: \$1,710,255

# Adult Education Fund

Adult Education (Fund 11) is a public education program for all adults as well as concurrently enrolled adults and students returning to complete their high school education. Adult schools offer free to low-cost classes for adults 18 and older. Students can earn a high school diploma, general education diploma (GED), learn about jobs, learn to speak English, and learn how to become a U.S. citizen. The department also provides services to Sacramento County jail inmates in coordination with the Sacramento County Sheriff's Department.

# 2013-14 REVENUES

## Adult Education Fund



**Total: \$4,420,318**

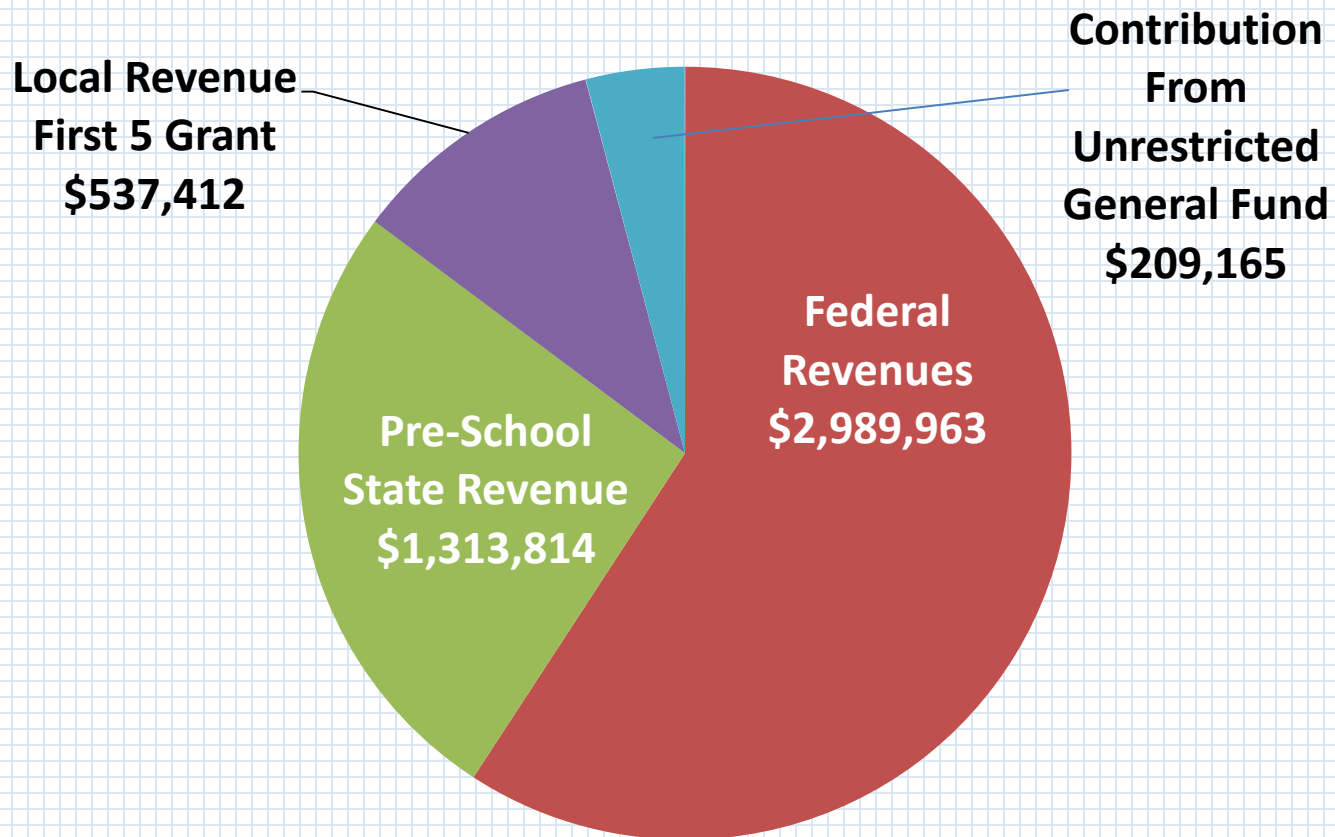
# Child Development Fund

The federal Child Care and Development Fund (CCDF) (Fund 12) is an aggregate of several funding sources distributed in block grants by the federal government. The majority of the funds are to be used to provide child care services to families who meet certain income and need criteria. A portion of the funding is to be used for activities to improve the quality of child care. The purpose of the CCDF is to increase the availability, affordability, and quality of child care services.

This fund also encompasses our HeadStart preschool program and our CalSafe program for our pregnant and parenting minors.

# 2013-14 REVENUES

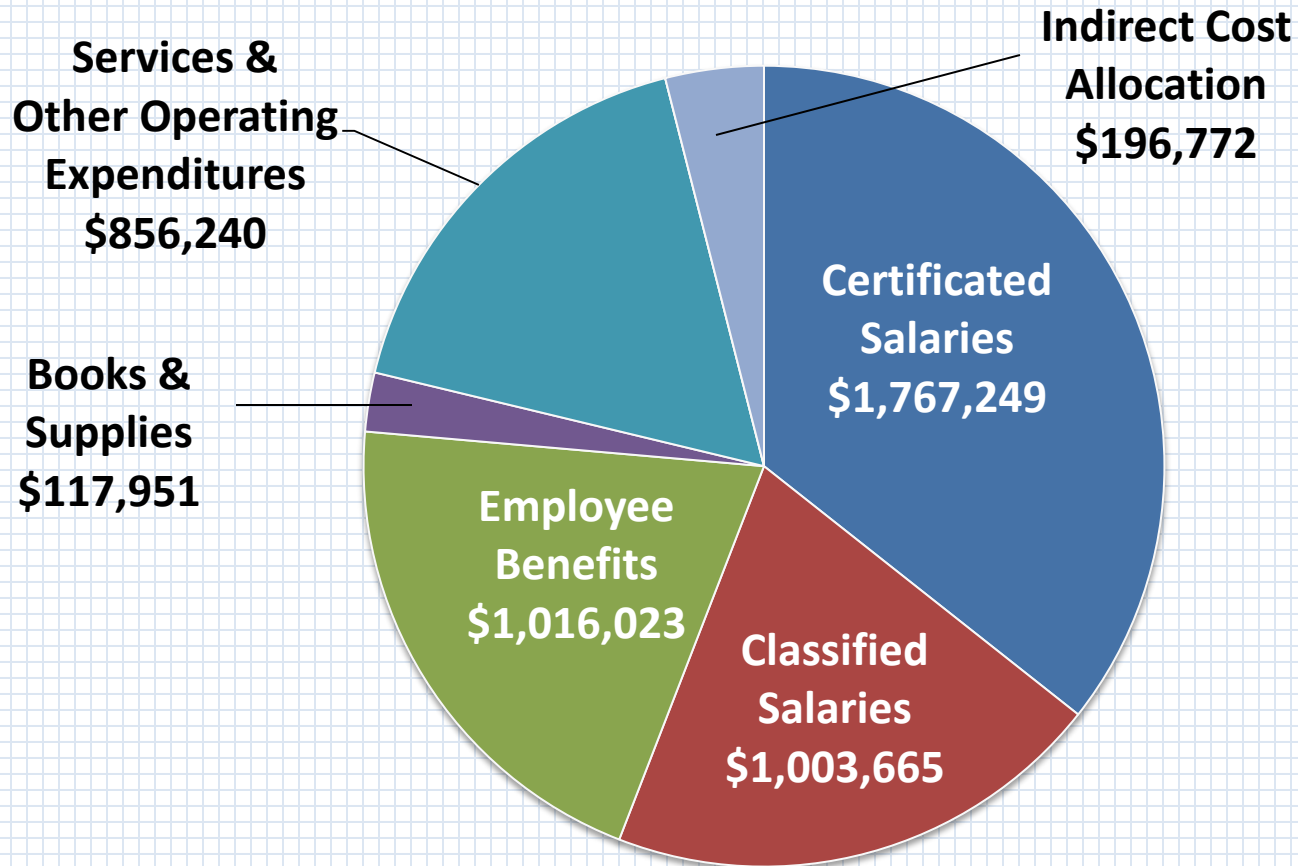
## Child Development Fund



**Total: \$5,050,354**

# 2013-14 EXPENDITURES

## Child Development Fund



**Total: \$4,957,900**

# Cafeteria Special Revenue Fund

The Cafeteria Special Revenue Fund (Fund 13) provides for over 6 million school breakfasts and lunches, served to students and staff.

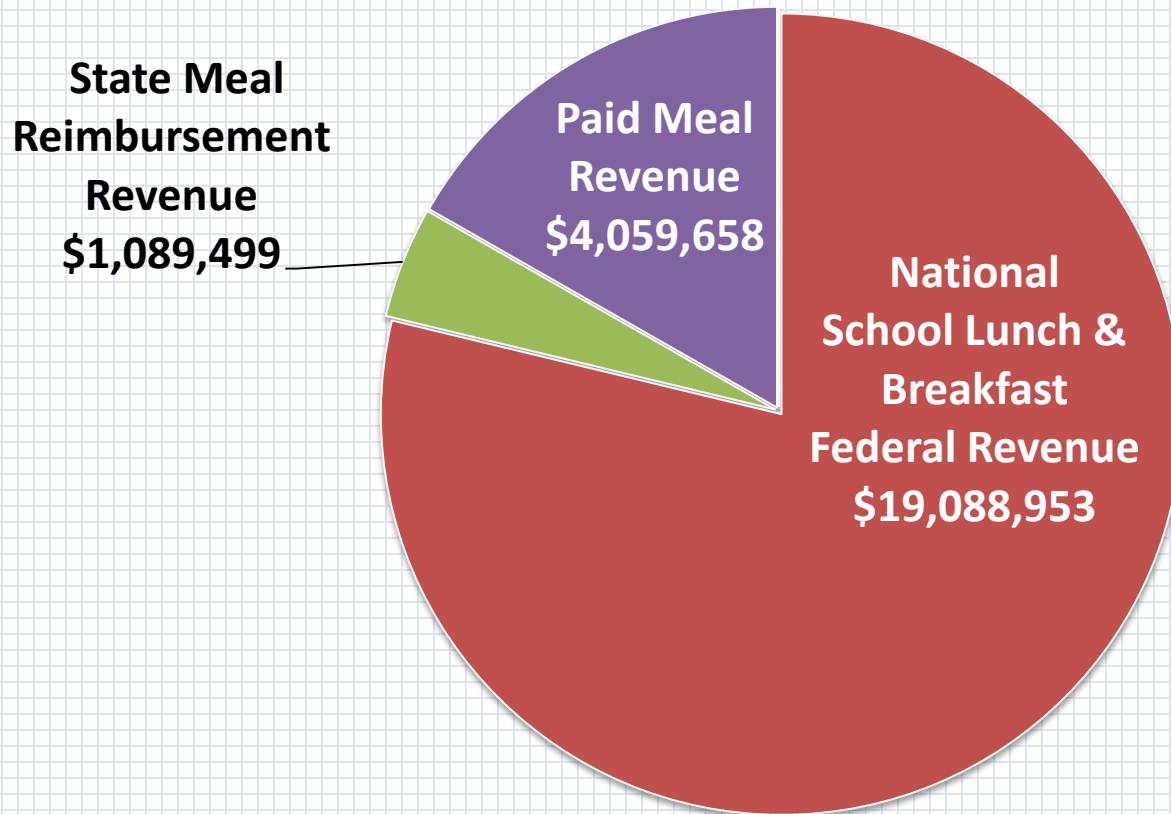
The department also provides ala carte food and beverages at secondary schools, nutritious snacks for several district programs.

This program has been awarded the contract to provide summer lunches and snacks for the U.S. Department of Agriculture, Summer Feeding Program sponsored by the City of Sacramento.



# 2013-14 REVENUES

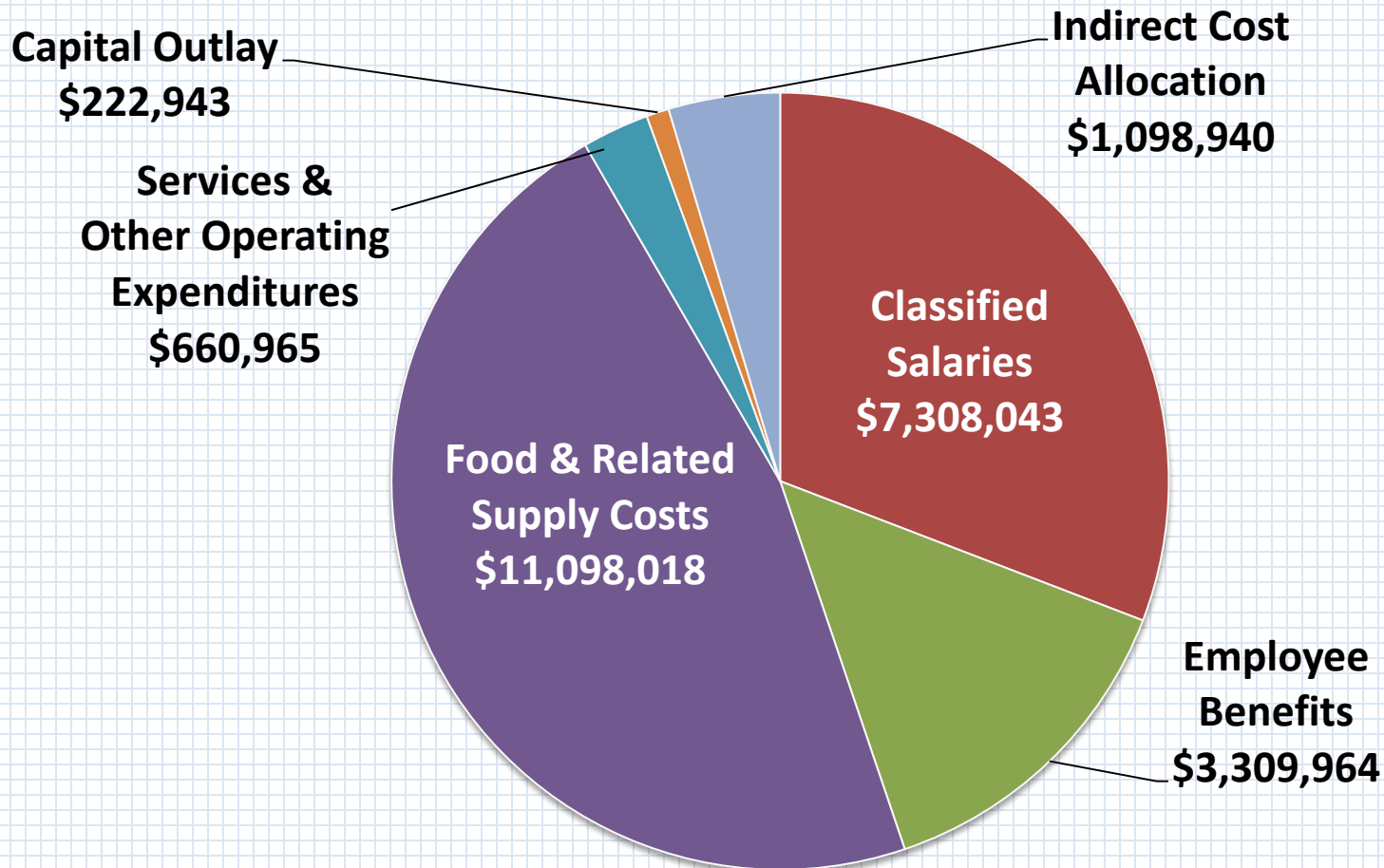
## Cafeteria Special Revenue Fund



**Total: \$24,238,110**

# 2013-14 EXPENDITURES

## Cafeteria Special Revenue Fund



**Total: \$23,698,873**

# **Fund 25**

## **Capital Facilities Fund**

### **(Developer Fees)**

The Capital Facilities Fund (Fund 25) is used primarily for revenue received from fees levied as a condition of approving development.

Expenditures are restricted to the purposes specified in Government Code sections 65970–65981 or to the items specified in agreements with developer (Government Code Section 66006).

# Fund 25

## 2013-14 REVENUES

### Capital Facilities Fund (Developer Fees)

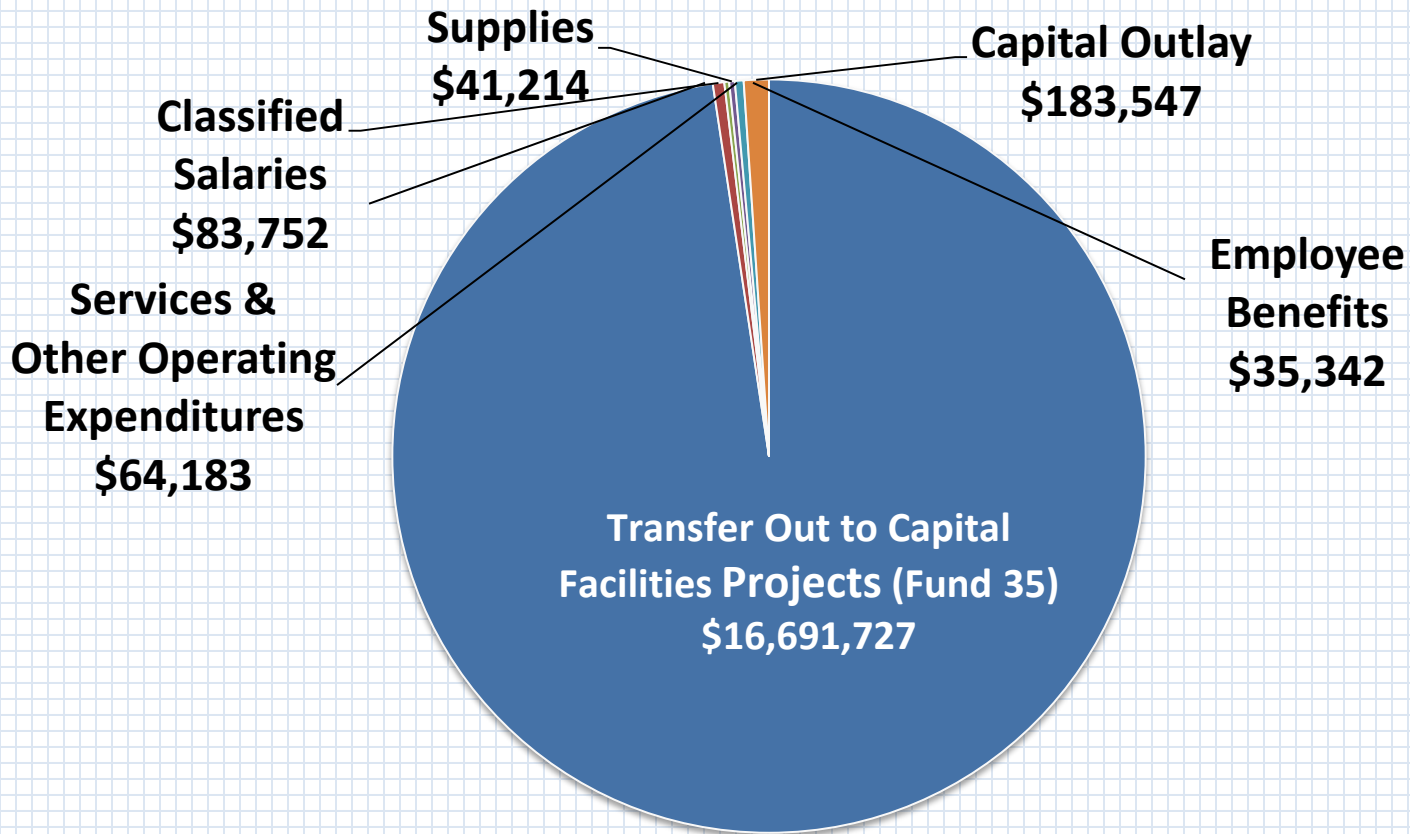


**Total: \$8,733,974**

# Fund 25

## 2013-14 EXPENDITURES

### Capital Facilities Fund (Developer Fees)



**Total: \$17,099,765**

# **Fund 35**

## **Schools Facilities Construction Fund**

### **(State School Facilities Fund)**

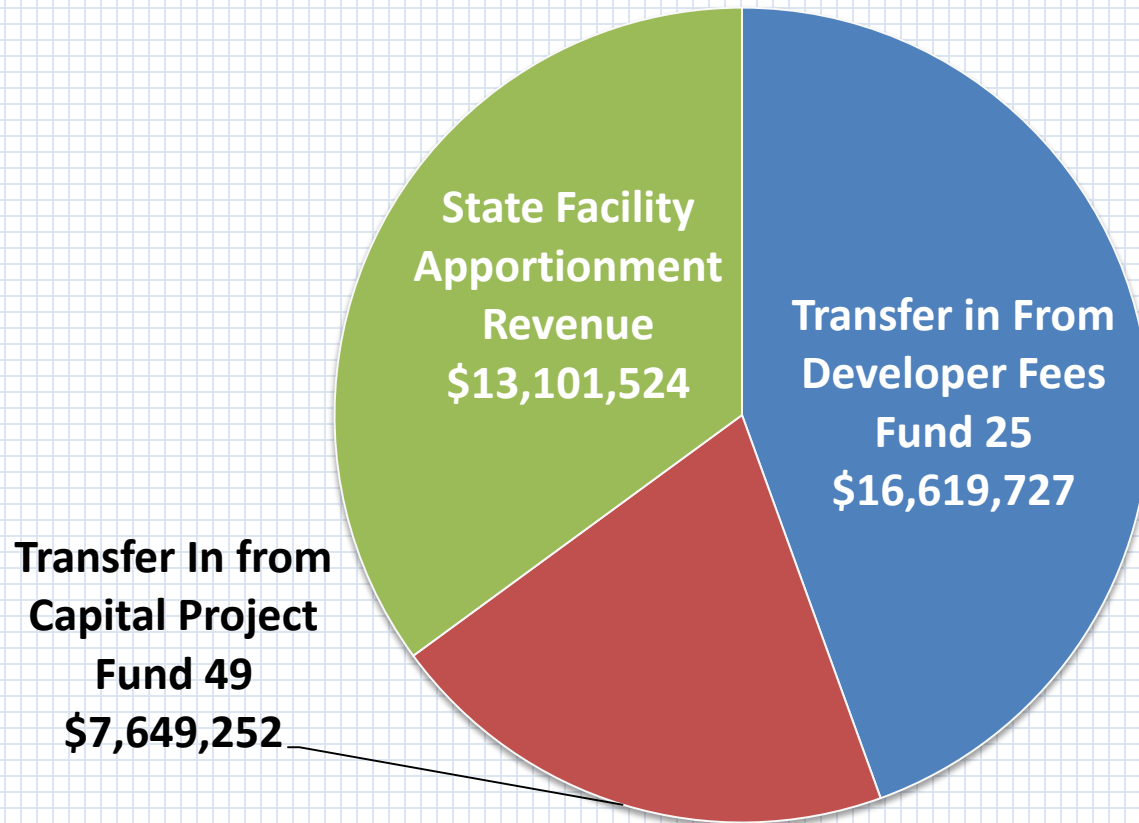
The County School Facilities Construction Fund (Fund 35) is established for apportionments from the State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Program authorized by the State Allocation Board for new school facility construction, modernization projects, facility hardship grants, and district match.

Typical expenditures in this fund are payments for the costs of sites, site improvements, buildings, building improvements, and furniture and fixtures capitalized as a part of the construction project.

# Fund 35

## 2013-14 REVENUES

### Schools Facilities Construction Fund (State School Facilities Fund)

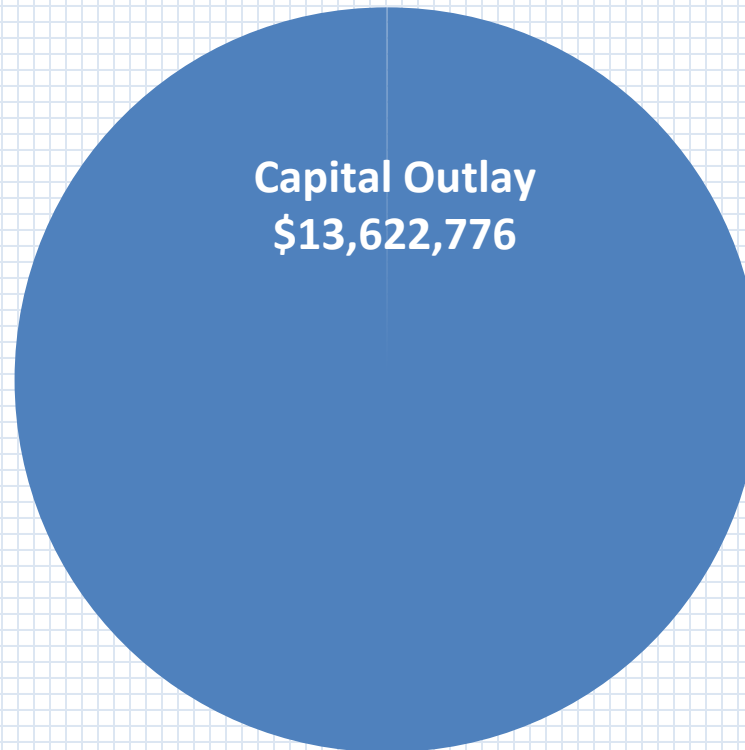


**Total: \$37,370,503**

# Fund 35

## EXPENDITURES 2013-14

### Schools Facilities Construction Fund (State School Facilities Fund)



**Total: \$13,622,776**



# **Fund 40**

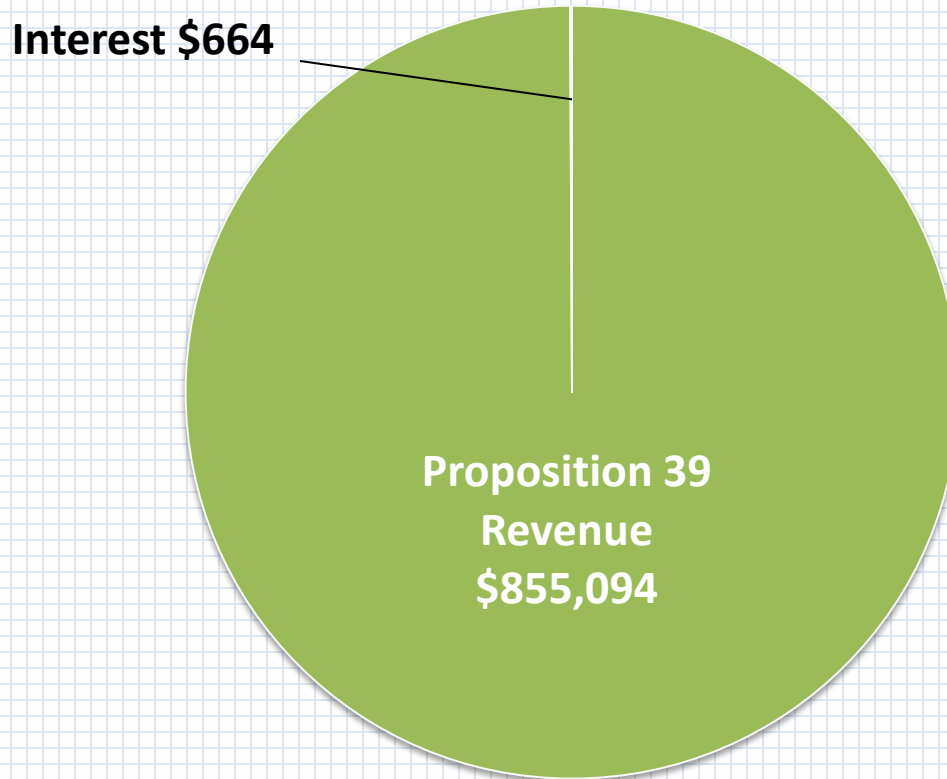
## **Special Reserve Fund for Capital Outlay Projects**

The Special Reserve for Capital Outlay Projects Fund (Fund 40) exists primarily to provide for the accumulation of general fund moneys for capital outlay purposes. Currently this fund accounts for revenue and expenditures related to proposition 39.

# Fund 40

## 2013-14 REVENUES

### Special Reserve Fund for Capital Outlay Projects



**Total: \$855,758**

**Fund 40**  
**2013-14 EXPENDITURES**  
Special Reserve Fund for  
Capital Outlay Projects

**No expenditures in 2013-14**

# **Fund 49 & Fund 47**

## **Capital Project Fund**

**(Mello-Roos Excess Tax & Bond Proceeds)**

The Capital Projects (Fund 49) is used to account for capital projects financed by our Mello-Roos Community Facilities District. This includes bond proceeds from Fund 47.

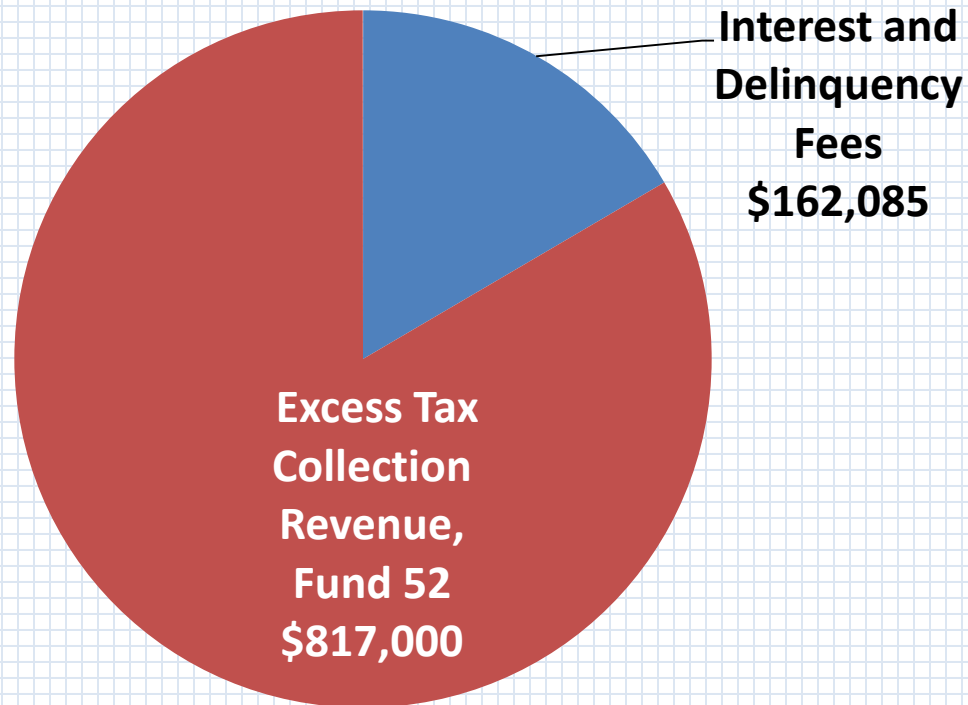
The Mello-Roos Community Facilities Act of 1982 allows any county, city, special district, school district, or joint powers authority to establish, upon approval of two-thirds of the voters in the district, a “Community Facilities District” (CFD) for the purpose of selling tax-exempt bonds to finance public improvements and services.

# Fund 49 & Fund 47

## 2013-14 REVENUES

### Capital Project Fund

(Mello-Roos Excess Tax & Bond Proceeds)



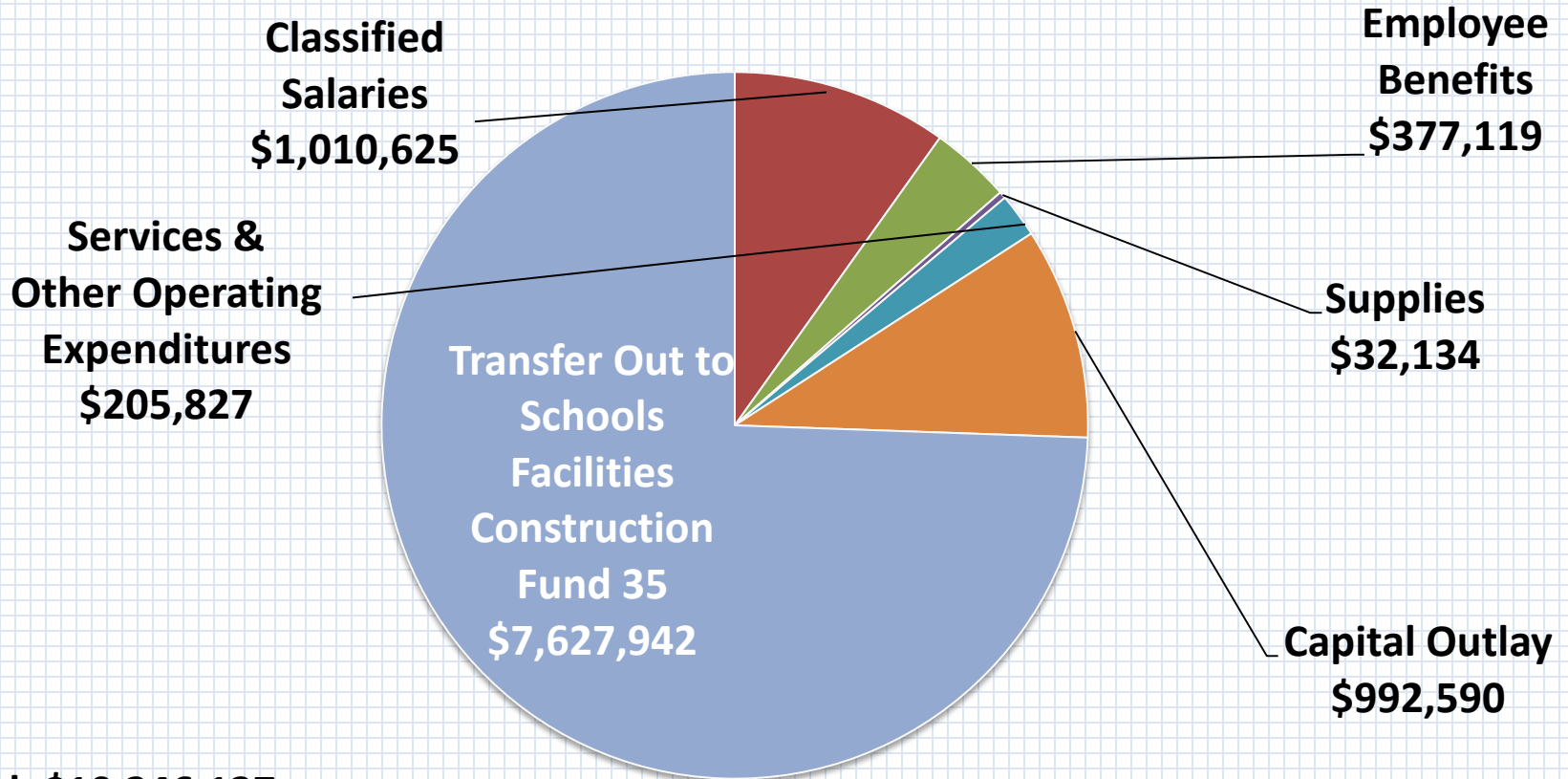
**Total: \$979,085**

# Fund 49 & Fund 47

## 2013-14 EXPENDITURES

### Capital Project Fund

(Mello-Roos Excess Tax & Bond Proceeds)



**Total: \$10,246,137**

# **Fund 52**

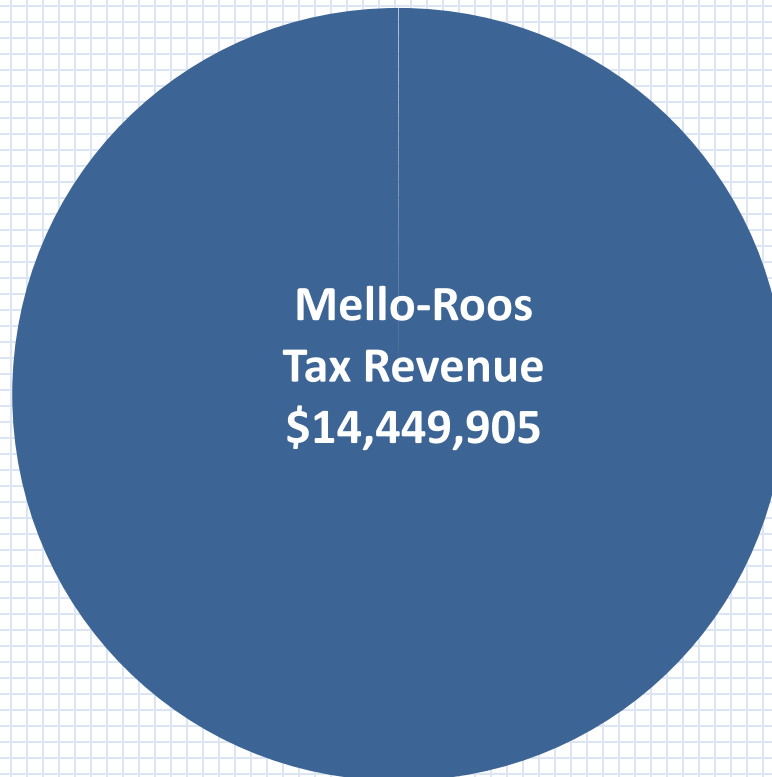
## **Debt Service Fund for Mello-Roos Bonds**

The Debt Service Fund (Fund 52) is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facilities Districts.

# **Fund 52**

## **2013-14 REVENUES**

### **Debt Service Fund for Mello-Roos Bonds**



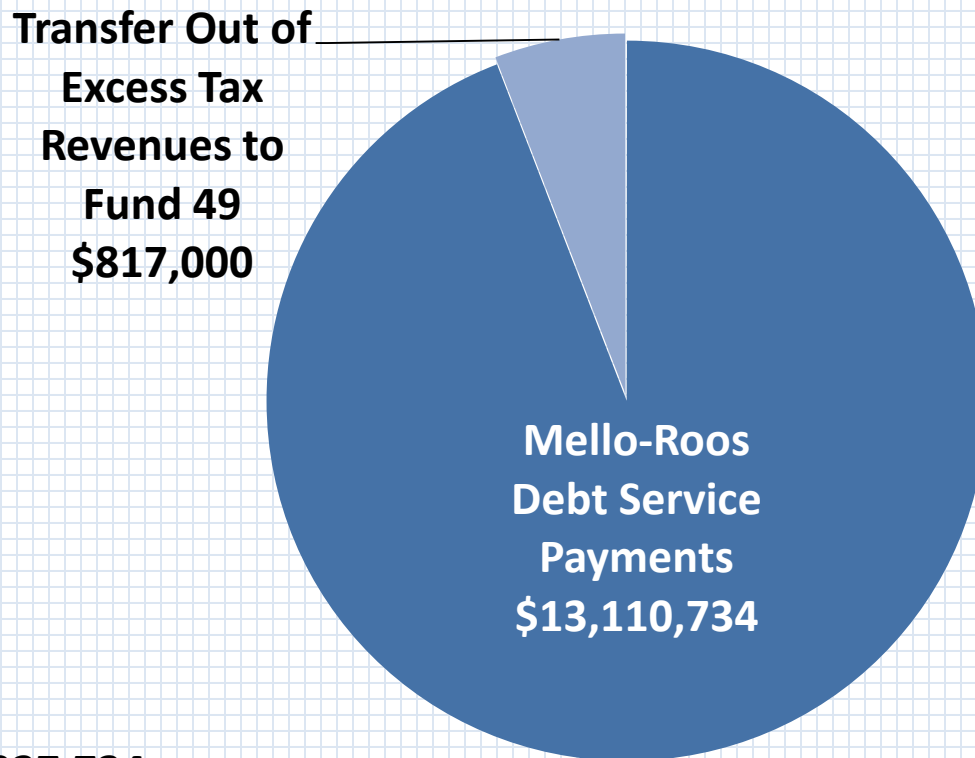
**Total: \$14,449,905**



# Fund 52

## 2013-14 EXPENDITURES

### Debt Service Fund for Mello-Roos Bonds



**Total: \$13,927,734**

# Self-Insurance Fund

The Self-Insurance Fund (Fund 67) contains all of the current year activity and reserves for our self-insured Worker's Compensation program. The current year rate applied to all salaries is 2.25%.

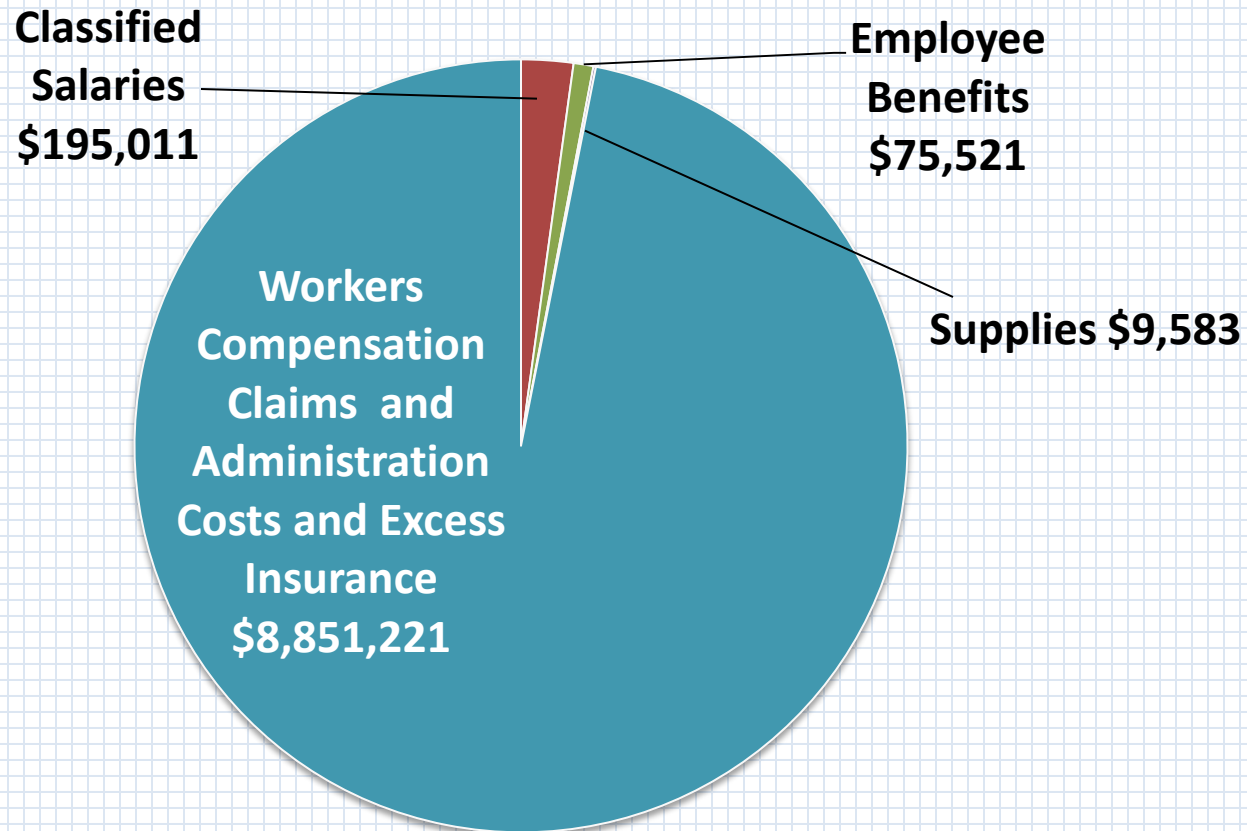
# 2013-14 REVENUES

## Self-Insurance Fund

Transfer in of  
Workers  
Compensation  
Payroll  
Withholding  
From All District  
Funds  
\$7,619,471

# 2013-14 EXPENDITURES

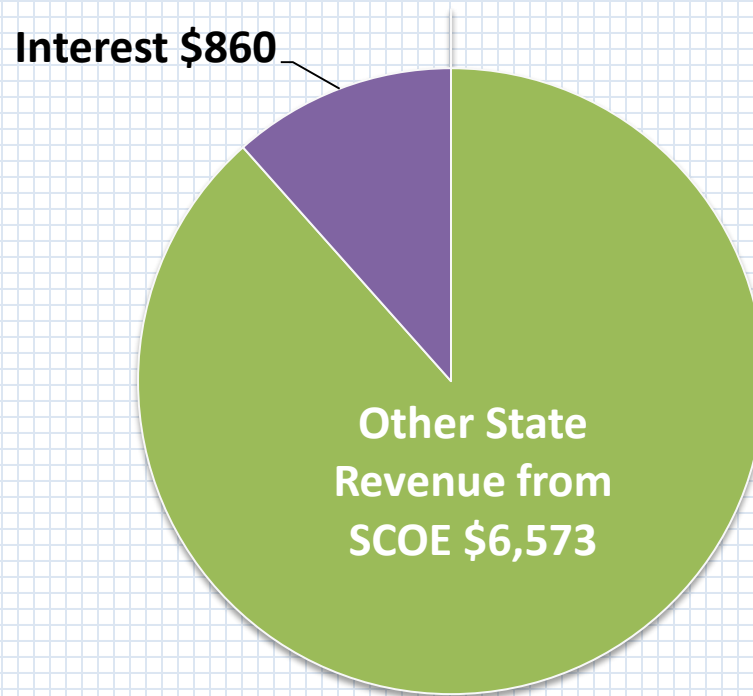
## Self-Insurance Fund



**Total: \$9,135,336**

# 2013-14 REVENUES

## Formerly Deferred Maintenance Fund 14

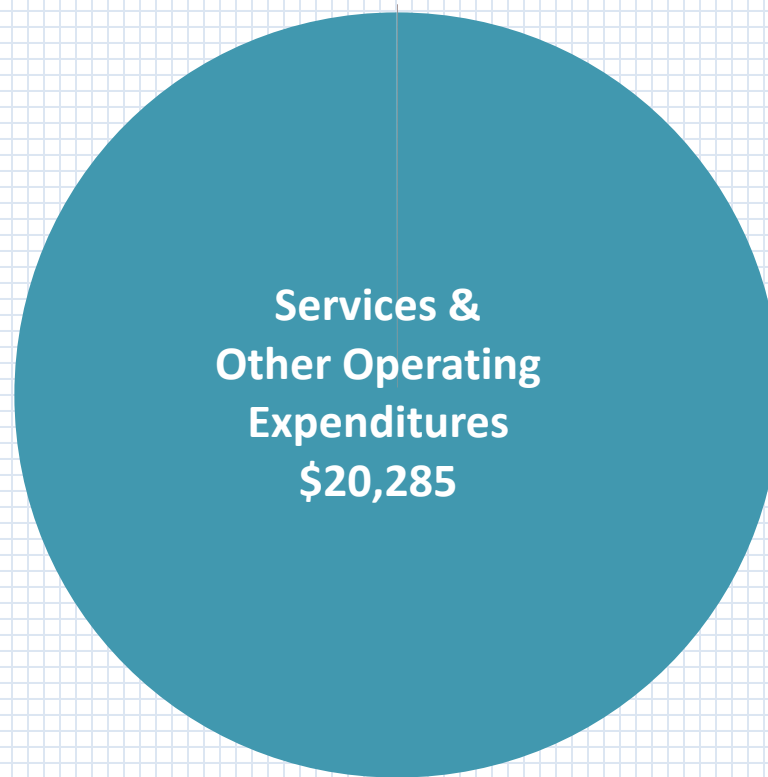


**Total: \$7,433**

# 2013-14 EXPENDITURES

Formerly

Deferred Maintenance Fund 14



**Total: \$20,285**

# Questions/Comments

# **Revised Agenda Item**

*February 17, 2015*  
**Board Meeting**

**Agenda Item  
# 10**



**Board Agenda Item**

**Subject: District Open Enrollment** **Division: Secondary Education**

**Action Requested:**  
The Board is asked to receive and discuss a report summarizing 2015-2016 Open Enrollment requests. The Board is requested to take action to approve Open Enrollment transfers, establish a 5% transfer cap on designated schools, and approve an Open Enrollment Random Selection Process.

**Discussion:**  
On January 21<sup>st</sup> the Board approved staff's recommendation that 14 middle and high schools be included as part of the Open Enrollment process for the 2015-2016 school year. As part of this approval, the Board asked to receive a report on the outcome of Open Enrollment, specific to the net enrollment impact of transfer requests at each designated school.  
The Board of Education is asked to review and discuss this report and take action on the following:

- Impose a 5% cap limiting the number of students who would be allowed to transfer from designated schools.
- Approve Open Enrollment transfers from schools with fewer than 5% transfer requests.
- Exempt Toby Johnson from this cap since the district is trying to decrease the school's enrollment due to continuing enrollment impaction in the Franklin region.
- Exempt Valley High School from the 5% cap since its total percentage of requests, 5.05%, would result in a difference in enrollment of less than one student should enrollment be capped.
- Approve an Open Enrollment random selection process to be held February 23<sup>rd</sup> at 6:00 p.m. at Cosumnes Oaks High School, to determine which students from schools whose requests exceed 5% will be identified to transfer to their schools of choice.

**Financial Summary:**

Prepared By: Christina C. Penna Division Approval: Christina C. Penna  
Prepared By: \_\_\_\_\_ Superintendent Approval: Christopher R. Hoffman

# **Revised Agenda Item**

*February 17, 2015*  
**Board Meeting**

**Agenda Item  
# 24**

ELK GROVE UNIFIED SCHOOL DISTRICT

Agenda Item No:

Revised 24

Board Agenda Item

Supplement No.

Meeting Date:

February 17, 2015

Subject:

Approval of Lease Financing for Purchase of School Buses

Department:

Fiscal Services

Action Requested:

The Board is asked to approve lease financing for purchase of 30 school buses and adopt the attached Resolution # 45

Discussion:

On October 7, 2014, the Board of Education approved a replacement plan to address our aging bus fleet using a lease purchase plan with payments up to \$500,000 annually for ten years.

These funds will replace 30 of the 41 buses currently in daily use that are between 23-27 years old, many with 500,000 or more odometer miles. Buses are being purchased from AZ Bus Sales utilizing the Waterford piggyback bid. The new buses will be 2016 models, meeting all federal and state safety and air quality standards, and are equipped with seat belts. Delivery is anticipated in April 2015.

Thirty (30) 1988-1992 model buses will then be retired from the fleet.

The Board is asked to approve the specific terms of the lease purchase as follows:

Purchase price:	\$4,385,236.80
Interest rate:	3%
Annual payment (10 payments beginning 5/1/2015 and ending 5/1/2024)	\$499,111
Total payments including interest:	\$4,991,110

The details of the financing agreement have been reviewed by District's legal counsel (Lozano Smith) and financial advisor (Government Financial Strategies, Inc.).

Financial Summary:

Funds are included in the current budget and multi-year projections for the Unrestricted General Fund.

Prepared By: Jill Gayaldo

Division Approval:

Rich Fagan

Prepared By: Carrie Hargis

Superintendent Approval:

Christopher R. Hoffman

**RESOLUTION OF THE BOARD OF EDUCATION OF THE  
ELK GROVE UNIFIED SCHOOL DISTRICT  
AUTHORIZING EXECUTION AND DELIVERY OF A  
LEASE PURCHASE AGREEMENT TO LEASE EQUIPMENT OF THE DISTRICT  
AND APPROVING RELATED DOCUMENTS AND ACTIONS**

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**WHEREAS**, the Elk Grove Unified School District (the “District” or “Lessee”) is proceeding to finance the acquisition and installation of thirty (30) 2016 Blue Bird Rear-Engine 78 Passenger School Buses (the “Vehicles”) referenced in the Lease Agreement (defined below) to be located at the District’s facilities;

**WHEREAS**, in order to finance the Property and related costs, the District has proposed to lease the Property from Santander Bank, N.A. (the “Lessor”) pursuant to the terms of a Municipal Lease Purchase Agreement (the “Lease Agreement”), including the payment schedule attached to the Lease Agreement (the “Schedule”), each between the District, as lessee, and the Lessor; and

**WHEREAS**, the District has the option to purchase the Vehicles (i) at the end of the term in accordance with the Lease Agreement upon payment of all rental payments set forth in the Lease Agreement or (ii) earlier upon the payment of the Purchase Option Price set forth in the Schedule;

**WHEREAS**, District staff has previously provided the Board of Education (the “Board”) with information relating to the lease of the Vehicles and the economic advantage of a lease financing;

**WHEREAS**, the District is authorized to enter into lease agreements for equipment under Section 17450 of the Education Code of the State of California;

**WHEREAS**, the Board wishes at this time to authorize and approve all proceedings for the financing of the Vehicles and related costs, and all related documents and actions, in furtherance of the public purposes of the District; and

**NOW, THEREFORE, IT IS HEREBY RESOLVED** by the Board of Education (the “Board”) of the Elk Grove Unified School District as follows:

**Section 1. Approval of Lease Financing Plan and Related Documents.** The Board hereby approves the lease financing plan outlined above. To that end, the Board hereby approves each of the following lease financing documents in substantially the respective forms on file with the Superintendent, together with any changes therein or additions thereto deemed advisable by the Superintendent, the Associate Superintendent of Finance and School Support or the Director of Fiscal Services (each, an “Authorized Officer”), whose execution thereof shall be conclusive evidence of such approval:

- **Municipal Lease Purchase Agreement** between the District, as Lessee, and the Lessor, whereby the District leases and/or purchases the Vehicles to be financed under the terms thereof, and whereby the Lessor agrees to lease the Vehicles to the District for up to ten (10) years in consideration of the payment by the District of lease payments; provided that (i) the annual amount of the Lease Payments payable by the District shall not exceed \$499,111.00 and (ii) the total principal amount financed under the lease shall not exceed \$4,385,236.80.
- **Schedule to Municipal Lease Purchase Agreement** between the District, as Lessee, and the Lessor, whereby the lease payment terms, certain minimum insurance requirements, and the Purchase Option Price(s) under the Lease Agreement are set forth for the Vehicles, in the manner as presented to this Board.

An Authorized Officer is authorized and directed for and in the name and on behalf of the District to execute and attest the final form of each of the foregoing documents. The schedule of lease payments attached to the Lease Agreement is hereby approved, subject to adjustment by an Authorized Officer but not in excess of the above limitations as to lease term, monthly lease payments and total principal amount of Property subject to the Lease Agreement.

**Section 2. Special Counsel.** The Board hereby approves the appointment of Lozano Smith, LLP as Special Counsel to the District with respect to the Lease Agreement.

**Section 3. Official Actions.** The Authorized Officers, the Board President, the Board Vice President, the Clerk of the Board, and all other officers of the District are each authorized and directed in the name and on behalf of the District to make, execute, and deliver any and all assignments, certificates, requisitions, agreements, notices, consents, leases, tax certificates, IRS Forms 8038-G, an escrow agreement and other instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

**Section 4. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

\*\*\*\*\*

**PASSED AND ADOPTED** this \_\_\_\_ day of February, 2015, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

\_\_\_\_\_  
President, Board of Education

Attest:

By: \_\_\_\_\_  
Clerk of the Board of Education



**Municipal Lease Program**

Customer's Full LEGAL Name Elk Grove Unified School District  
Addresses (Street and Mailing) 8421 Gerber Road  
City, State, Zip Code Sacramento, CA 95828  
Distributor A-Z Bus Sales  
Name of Administrator/Business Officer/Title Jill Gayaldo, Director of Transportation  
Telephone/Fax 916-686-7733 7906 916-686-7787  
Number of units to be sold & type 30 2016 Blue Bird Rear Engine 78 passenger  
Initial Payment: deferred 30 PMT Annual Delivery Date: 5/1/2015 estimated  
Year District was formed: 1959 Current Enrollment: 62,000

Federal /Employee ID Number: \_\_\_\_\_ ✓

Fleet Replacement: \_\_\_\_\_ or Addition to Fleet \_\_\_\_\_

Provide Basic Justification for Request: Annual Replacement

Completed By: \_\_\_\_\_ ✓ Title: \_\_\_\_\_ ✓

Computations from Amortization Schedule: Quote Expires if not accepted within 30 days. Quote Date:  
Acceptance by Santander Bank is subject to Credit review and approval by Santander Bank  
at it's sole discretion.

Compound Period: *Annual* Please send current two years audited financial statements to the below address.

If you have any questions, Please feel free to call, or email:  
[Jdrawdy@santander.us](mailto:Jdrawdy@santander.us)  
Jeff Drawdy, VP, Santander Bank  
831 Whitfield Walk, Zebulon GA 30295  
(Office) 770-567-5514 (Fax) 770-567-5516

MUNICIPAL LEASE-PURCHASE AGREEMENT

LESSOR

Santander Bank N. A.
3 Huntington Quad
Suite 101N
Melville, NY 11747-4616

LESSEE

Name: Elk Grove Unified School District
Street: 8421 Gerber Road
City/State/Zip: Sacramento, CA 95828
Responsible Official:
Phone: ( )

1. LEASE OF VEHICLES: LESSOR hereby agrees to lease to LESSEE and LESSEE hereby agrees to lease from LESSOR the school buses or other motor vehicles and equipment and accessories thereon (herein "Vehicles") on the terms and conditions provided in this Agreement and the schedule and additional schedules annexed hereto (each a "Schedule" and collectively, the "Schedules").

2. COVENANTS: LESSEE represents, covenants and warrants that (a) It is a public body corporate and politic, (b) It is a "tax- exempt issuer" within the meaning of the Internal Revenue Code, (c) It is authorized by all applicable laws to make, and perform under, this Lease, (d) The Vehicles are essentially needed for their proper, efficient and economic operation, (e) At the time of making the Lease, sufficient funds were appropriated to fulfill the Lessee's obligations of the current fiscal year, and (f) LESSEE has not previously terminated a lease for non-appropriation.

3. TERM AND RENT: The Lease term shall commence as of the date that the Vehicles are delivered to LESSEE, or LESSEE's Agent (the "Commencement Date") and shall continue for the term shown on the attached Schedule relating thereto, unless Lessee notifies LESSOR that an Event of Non-appropriation (described below) has occurred. At the end of such term LESSEE shall acquire legal title to the Vehicles and terminate this Lease with respect thereto by paying to LESSOR all amounts then due and unpaid hereunder and the remaining principal balance with respect to such Vehicles as shown on the Schedule relating The rent under this Lease shall be payable in lawful money of the United States of America, from any and all legally available funds, and at the times and in the amounts as indicated on each attached Schedule. In lieu of cash, LESSOR will accept payment by check or wire transfer of immediately available funds only. Each payment will consist of a principal and interest component.

4. EVENT OF NON-APPROPRIATION: Lessee shall notify LESSOR promptly (and in no case later than 30 days prior to the last day of its current fiscal year) if sufficient funds are not appropriated for the payments for the next Renewal Term (an "Event of Non-appropriation"). If LESSEE terminates this Lease or an Event of Non-appropriation occurs, Lessee agrees, to the extent not prohibited or required by law, not to (i) purchase, lease, rent, or otherwise acquire vehicles performing functions similar to those performed by the Vehicles or (ii) contract with another party to furnish services that the Vehicles had provided, for one year after such termination or occurrence.

5. PAYMENTS UNCONDITIONAL: LESSEE HAS EXAMINED, TESTED AND ACCEPTED THE VEHICLES COVERED BY THIS LEASE AND SCHEDULES, AND SUBJECT ONLY TO AN EVENT OF NON-APPROPRIATION, LESSEE'S OBLIGATION TO PAY RENT AND OTHER PAYMENTS HEREUNDER SHALL BE ABSOLUTE AND UNCONDITIONAL AND NOT SUBJECT TO ANY ABATEMENT, SET-OFF, DEFENSE OR COUNSELCLAIM FOR ANY REASON WHATSOEVER, REGARDLESS OF LOSS, DAMAGE, DESTRUCTION, MALFUNCTION OR DISREPAIR OF THE EQUIPMENT, OR DISPUTE WITH THE MANUFACTURER OR SUPPLIER OF THE VEHICLES OR FOR ANY OTHER REASON.

6. DISCLAIMER OF WARRANTIES: LESSOR, NEITHER BEING THE MANUFACTURER, NOR A SUPPLIER, NOR A DEALER IN THE VEHICLES, MAKES NO WARRANTY, EXPRESS OR IMPLIED, TO ANYONE, AS TO DESIGN, CONDITION, CAPACITY, PERFORMANCE OR ANY OTHER ASPECT OF THE VEHICLES OR THEIR MATERIAL OR WORKMANSHIP. LESSOR ALSO DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR USE OR PURPOSE WHETHER ARISING BY OPERATION OF LAW OR OTHERWISE. LESSOR FURTHER DISCLAIMS ANY LIABILITY FOR LOSS, DAMAGE OR INJURY TO LESSEE OR THIRD PARTIES AS A RESULT OF ANY DEFECTS, LATENT OR OTHERWISE, IN THE VEHICLES WHETHER ARISING FROM THE APPLICATION OF THE LAWS OF STRICT LIABILITY OR OTHERWISE. AS TO LESSOR, LESSEE LEASES THE VEHICLES "AS-IS". LESSEE HAS SELECTED THE SUPPLIER OF THE VEHICLES AND ACKNOWLEDGES THAT LESSOR HAS NOT RECOMMENDED SUPPLIER. LESSOR SHALL HAVE NO OBLIGATION TO MAINTAIN, OR SERVICE THE VEHICLES. If the Vehicles are unsatisfactory for any reason, LESSEE shall make claim on account thereof solely against Supplier, and any of Suppliers vendors, and shall nevertheless pay LESSOR all rent payable under the Lease. LESSOR hereby assigns to LESSEE all of the rights which LESSOR may have against Supplier and Suppliers vendors for breach of warranty or other representations respecting the Vehicles. LESSEE understands and agrees that neither Supplier nor any agent of Supplier; is an agent of LESSOR or is authorized to waive or alter any term or condition of this Lease.

7. RISK OF LOSS: LESSEE shall bear all risks of loss of and damage to Vehicles from any cause; occurrence of such loss or damage shall not relieve LESSEE of any obligation hereunder. In the event of loss or damage, LESSEE, at its option, shall (a) place the damaged Vehicle in good repair, condition and working order; or (b) replace lost or damaged Vehicles with like Vehicles in good repair, condition and working order, with documentation creating a lien or favor of LESSOR or its assignee, or (c) purchase the Vehicles for the Purchase Option Price set forth on the related Schedule for the fiscal year then or next ending.

8. INSURANCE: LESSEE will purchase and maintain in force during the term of this Agreement, insurance policies in at least the amounts listed below covering the Vehicles between the time of delivery thereof to LESSEE and final disposition by LESSOR. Said insurance shall be written by an insurance company or companies acceptable to LESSOR, insuring LESSEE against any loss, damage, claims, suits, actions or liability, and by endorsement naming LESSOR as an Additional Named Insured and Loss Payee. Such endorsement or endorsements shall provide in each case that said insurance company or companies shall give to LESSOR at least thirty (30) days' notice in writing of proposed cancellation, modification, or alteration of any said insurance.

Table with 2 columns: Type, Amount. Rows include Public Liability and Property Damage (Comprehensive) with a \$1,000,000 limit, and Collision, Fire and Theft (ALL RISK) with replacement value.

The above insurance shall also include the following, in amounts not less than the applicable minimum legal requirements: (a) uninsured/underinsured motorist coverage, and (b) no fault protection. LESSEE shall in addition provide general liability insurance covering LESSEE'S indemnification responsibilities hereunder. Prior to the date that any Vehicle is placed in service by LESSEE, LESSEE shall furnish LESSOR with a certificate of insurance or other evidence thereof acceptable to LESSOR. Policies covering the aforementioned fire and theft and collision insurance shall bear endorsements to the effect that proceeds thereof shall be payable to LESSOR and/or LESSEE as their interests may appear. LESSEE hereby appoints LESSOR as LESSEE'S attorney-in-fact to receive payment of and endorse all checks and other documents and to take any other action necessary to pursue insurance claims and recover payments if LESSEE fails to do so. Any expense of LESSOR in adjusting or collecting insurance shall be borne by LESSEE. In the event a Vehicle is involved in any material accident, LESSEE shall immediately notify LESSOR and provide (i) a detailed report describing the accident, (ii) copies of all reports provided to an insurance carrier or governmental agency and (iii) copies of any legal papers relating to the accident.

9. LESSEE'S OPERATION OF VEHICLES: LESSEE shall use the Vehicles primarily in the state of registration for business purposes and in a safe and lawful manner, and shall comply with all federal, state, county and municipal statutes, ordinances and regulations which may be applicable to the leasing, use or operation of the Vehicles. LESSEE shall, at its sole expense, maintain the Vehicles in good operating



condition and repair. In addition, LESSEE shall prepare and furnish to LESSOR all documents, returns or forms legally required to be prepared by LESSEE. LESSEE shall be solely responsible for any fines or penalties assessed for violations of any statute, ordinance, by law or regulation of any duly constituted governmental authority, as a result of the use or operation of the Vehicles by any of LESSEE's employees, agents, sublessees or subcontractors, and indemnify LESSOR against any costs, fines or charges LESSOR is required to pay. LESSEE agrees to operate only those Vehicles which have adequate insurance coverage and to comply with all conditions of insurance related to the Vehicles, to maintain the Vehicles and all accessories and equipment thereof in safe and good mechanical condition and running order at all times during the term of this Agreement and to furnish all supplies, accessories, and other essentials required for the use or operation of the Vehicles. In no event will the Vehicles be used to transport any hazardous substances.

**10. TITLE; REDELIVERY OF VEHICLES:** Title to each Vehicle shall pass to Lessee upon delivery. To secure all of LESSEE's obligations to LESSOR hereunder, LESSEE grants to LESSOR a first security interest and lien (the "Lien") in the Vehicles. LESSEE shall deliver originals of the certificates of title to LESSOR and sign any necessary documents, including applications for Liens to the Motor Vehicle Bureau as requested by LESSOR to note the Lien of LESSOR on the title of the Vehicles. If this Lease is terminated or an Event of Non-appropriation occurs, LESSEE shall immediately deliver the Vehicles to LESSOR or as LESSOR directs.

**11. NON-ASSIGNABILITY BY LESSEE:** LESSEE shall not assign, sub-lease, transfer or otherwise encumber its rights in and to this Lease or the Vehicles without the prior written consent of the LESSOR.

**12. ASSIGNMENT BY LESSOR:** This Lease, the Vehicles and any payments by LESSEE due or to become due under it, may be assigned or otherwise transferred, either in whole or in part, by LESSOR and its assignee, without affecting any obligations of LESSEE, and in such event LESSOR's transferee or assignee shall have all the rights, powers, privileges and remedies of LESSOR hereunder. Any assignee's rights shall be free from all defenses, set-offs or counterclaims which LESSEE may be entitled to assert against LESSOR. No assignee shall be obligated to perform any duty or condition required to be performed by LESSOR under the terms of this Lease.

**13. DEFAULT:** In the event of default by LESSEE, in the payment of any sums due under this Lease when due which continues uncured for thirty (30) days, or receivership, insolvency, or proceedings by or against LESSEE under the bankruptcy laws, or LESSEE's failure to observe or perform any other required provision of this Lease, and such default continues for fifteen (15) days after written notice thereof, by LESSOR, to LESSEE, LESSOR shall have the right to exercise any one or more of the following remedies: (a) to declare all sums due and to become due hereunder, during the LESSEE's current fiscal period, immediately due and payable, without notice or demand to LESSEE; (b) to sue for and recover all payments then accrued or thereafter accruing with respect to the Vehicles; (c) to take possession of the Vehicles without demand or notice wherever it may be located, with or without legal process, and retain it free from any claims of LESSEE whatsoever; (d) to terminate this Lease; or (e) to pursue any other remedy at law or in equity. If LESSOR sells or re-leases any of the repossessed Vehicles, the net proceeds of such sale or lease, less LESSOR's expenses incurred in connection therewith, including attorneys' fees, shall be applied to the total amount due by LESSEE under this Lease and related Schedule and LESSEE shall be obligated to pay LESSOR any deficiency. All of the foregoing remedies are cumulative and may be exercised concurrently or separately. LESSEE shall pay all costs and legal expenses incurred by LESSOR in collecting, or attempting to collect, any sums due hereunder or in securing possession of the Vehicles. LESSEE consents to the personal jurisdiction of the courts, and the applicability of the laws, of the State of the Lessee with respect to any dispute arising out of the Lease.

**14. FEDERAL, STATE AND LOCAL TAXES:** In addition to payments specified herein, LESSEE shall promptly pay all taxes, assessments and other governmental charges (including penalties, interest, recording and registration fees, if any) levied or assessed: upon the ownership, use or operation of the Vehicles and the payments due hereunder. LESSEE acknowledges that its compliance with the reporting requirements of the Internal Revenue Code is essential to the exemption from Federal income tax of the interest portion of payments made by LESSEE hereunder. Accordingly, LESSEE agrees that its failure to comply with those requirements shall constitute a Default hereunder. If for any reason the payments due hereunder are not exempt from federal taxes, then LESSEE shall pay LESSOR such amounts as will permit LESSOR to realize the same after tax income as if such payments were so exempt, together with all costs, liabilities, damages, expenses, taxes and penalties (including Federal income tax penalties and interest) incurred as a consequence thereof, which LESSEE agrees to pay upon written demand therefor.

**15. ADMINISTRATIVE SUPPORT:** LESSEE may, from time to time, be required to file, or assist in the filing of, reports to regulatory and/or taxing authorities, which may be necessary to establish, perfect or maintain the legality and/or tax-exempt status of this Lease, or to execute documents needed for LESSORS' financing. LESSEE promises to promptly make such filings or to render such assistance as may, from time to time, be reasonably requested by LESSOR or its Assigns, and to indemnify and hold harmless LESSOR or its assigns from any cost, expense or other damage caused by its failure to do so. LESSEE hereby further authorizes LESSOR to file UCC-1 financing statements without LESSEE'S signature, and to fill in dates and other obvious minor corrections on this Lease.

**16. SEVERABILITY:** Any term or provision of this Lease found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without, to the extent reasonably possible, invalidating the remainder of the Lease.

**17. ENTIRE AGREEMENT:** This Lease constitutes the entire agreement between the parties regarding the Vehicles, and there are no representations, warranties, promises, guarantees or agreements, oral or written, expressed or implied, between the parties hereto with respect to the Lease. No modification or amendment hereof shall be binding upon the LESSOR unless made in writing and executed on behalf of LESSOR by its duly authorized officer or agent.

Board Minutes of Lessee approving this transaction on (date) \_\_\_\_\_ are attached and included with these documents. Please have Notary sign and stamp below/ or use a school seal Stamp.

LESSOR: Santander Bank N.A.

LESSEE: Elk Grove Unified School District

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date of this Lease: \_\_\_\_\_

"Signed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_".

\_\_\_\_\_

**If Board Minutes are not attached, The following must be completed by the Lessee's Legal Council.**

**OPINION OF LESSEE'S COUNSEL**

As Counsel for aforementioned LESSEE, it is my opinion that:

- (a) LESSEE is a political subdivision of the State, duly organized, existing and operating under the constitution and laws of the State.
- (b) The Lease has been duly authorized and has been executed by an authorized representative.
- (c) The Lease creates a legal, valid and binding obligation of the LESSEE and that such Lease is enforceable in accordance with its terms.
- (d) The equipment covered by the Lease is not being used for other than a public purpose.

COUNSEL FOR LESSEE:

Print Name: \_\_\_\_\_ Firm Name: \_\_\_\_\_  
 Title: \_\_\_\_\_ and Address: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

Santander Lease Agreement Terms Sheet

Lessor: Santander Bank, N.A.  
 3 Huntington Quadrangle  
 Suite 101N  
 Melville, NY 11747-4616

Lessee: Elk Grove Unified School District  
 8421 Gerber Road  
 Sacramento, CA 95828

Equipment Description / Quantity

1

Group of:  
 30 2016 Blue Bird Rear Engine 78 passenger  
 School Buses

Schedule of Terms	Payment Date	Per Quantity Payment amount	Implied Interest	Total for Group Payment Amount	Implied Interest	Combined Min. Insurance For Equip. After Payments
Initial payment- Trades	5/1/2015	499,111.00	0.00	499,111.00	0.00	4,002,709.57
Second Payment	5/1/2016	499,111.00	116,583.77	499,111.00	116,583.77	3,608,706.53
Third Payment	5/1/2017	499,111.00	105,107.96	499,111.00	105,107.96	3,202,883.40
Fourth Payment	5/1/2018	499,111.00	93,287.87	499,111.00	93,287.87	2,784,885.57
Fifth Payment	5/1/2019	499,111.00	81,113.17	499,111.00	81,113.17	2,354,347.81
Sixth Payment	5/1/2020	499,111.00	68,573.24	499,111.00	68,573.24	1,910,893.91
Seventh Payment	5/1/2021	499,111.00	55,657.10	499,111.00	55,657.10	1,454,136.40
Eighth Payment	5/1/2022	499,111.00	42,353.49	499,111.00	42,353.49	983,676.16
Ninth Payment	5/1/2023	499,111.00	28,650.76	499,111.00	28,650.76	499,111.00
Tenth Payment	5/1/2024	499,111.00	14,545.84	499,111.00	14,545.84	0.00

Signed by: \_\_\_\_\_



Lessor: Santander Bank, N.A.  
 3 Huntington Quadrangle  
 Suite 101N  
 Melville, NY 11747-4616

Lessee: Elk Grove Unified School District  
 8421 Gerber Road  
 Sacramento, CA 95828

Amortization per unit or per group.

Group of  
 1 30 2016 Blue Bird Rear Engine 78 passenger  
 School Buses

Nominal Annual Rate: 3.000%

CASH FLOW DATA

Event	Date	Amount	Number	Period	Totals
1 Loan	5/1/2015	4,385,236.80	1		\$4,385,236.80
2 Payment	5/1/2015	499,111.00	10	Annual	\$499,111.00
					\$0.00

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance	
Loan	5/1/2015				4,385,236.80	
1	5/1/2015	499,111.00	0.00	499,111.00	3,886,125.80	\$499,111.00
2	5/1/2016	499,111.00	116,583.77	382,527.23	3,503,598.57	\$499,111.00
3	5/1/2017	499,111.00	105,107.96	394,003.04	3,109,595.53	\$499,111.00
4	5/1/2018	499,111.00	93,287.87	405,823.13	2,703,772.40	\$499,111.00
5	5/1/2019	499,111.00	81,113.17	417,997.83	2,285,774.57	\$499,111.00
6	5/1/2020	499,111.00	68,573.24	430,537.76	1,855,236.81	\$499,111.00
7	5/1/2021	499,111.00	55,657.10	443,453.90	1,411,782.91	\$499,111.00
8	5/1/2022	499,111.00	42,353.49	456,757.51	955,025.40	\$499,111.00
9	5/1/2023	499,111.00	28,650.76	470,460.24	484,565.16	\$499,111.00
10	5/1/2024	499,111.00	14,545.84	484,565.16	0.00	\$499,111.00
Grand Totals		4,991,110.00	605,873.20	4,385,236.80		\$4,991,110.00

INSURANCE COMPANY AND COVERAGE INFORMATION SHEET

Please insert VIN #s and send to your Insurance Agent Immediately!!!!

Agency should fax completed Certificate of Insurance to - 888-853-0484

TO: Santander Bank, N.A.  
3 Huntington Quadrangle  
Suite 101N  
Melville, NY 11747-4616

From: Elk Grove Unified School District  
8421 Gerber Road  
Sacramento, CA 95828

INSURANCE: COMPANY AND COVERAGE

Company	_____
Address	_____
City/ST/Zip	_____
Agent	_____
Phone Number	_____
	↳ Fax Number _____

In Agreement with the Types and Amounts listed in the Insurance Section of Santanders Lease Agreement, paragraph 8, the Insurance Company / Agent listed above, has been asked to Issue a Certificate of Insurance naming Santander Bank as Loss Payee and additional insured, with full correct VIN # listed on COI.

List all 30 Vin Numbers on COI

<u>Type</u>	<u>Amount</u>
Public Liability and Property Damage(Comprehensive)	\$1,000,000.00 Combined Single Limit (per occurrence)
Collision, Fire and Theft (All Risk)	Not less than replacement Value
Combined Minimum for Collision, Fire and Theft(Risk)	\$ 4,385,236.80

Lessee: Group of:

Responsible Official: \_\_\_\_\_ ✓

Title: \_\_\_\_\_ ✓