

CHAPTER VII

ARTICLE XII

ISSUANCE OF CERTIFICATES OF PARTICIPATION

72000. GENERAL PURPOSE. The Board of Trustees is authorized under the Education Code to provide for the financing of the acquisition, construction and/or installation of equipment and/or real property and/or other capital improvements through the execution and delivery of certificates of participation, each which evidences the proportionate interests of owners in certain lease payments made by the District. Certificates of Participation ("COPs") are bonds, notes, warrants or other evidence of indebtedness issued by the District for this purpose.

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72000.10 DUE DILIGENCE.

(a) Submission of materials. Prior to the Board taking an action authorizing the issuance of COPs, the following written materials must be submitted to the Chancellor's designee by the location requesting the COPs issuance:

- i. A full description of the purpose of such financing, including justifications for this need and a disclosure of other financing alternatives;
- ii. Identification of a dedicated revenue stream for debt repayments, including the impact that the dedication of the revenue stream may have on other programs conducted by that location; and,

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- iii. An analysis of the risks involved with the COPs issuance (e.g., reliability of income stream, changing conditions, etc.);
- iv. Any other relevant information that substantiates or would materially impact the appropriateness of issuing COPs.

(b) Chancellor's review. The Chancellor's designee shall fully review all of the submitted materials, conduct additional inquiry as he or she deems necessary, and make a recommendation to the Chancellor. The Chancellor may then determine whether to recommend the issuance of COPs to the Board of Trustees.

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72000.11 BOARD RESOLUTION. If the Chancellor determines to recommend the issuance of the COPs, the Board of Trustees will be presented with a proposed resolution authorizing such an action. The Board President may elect to have an initial review by an appropriate Board committee prior to consideration by the full Board of Trustees.

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