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Memo

To Board of Education

From Devin Dillon, Interim Superintendent
Marion McWilliams, General Counsel

Board Meeting Date April 26, 2017

Subject RESOLUTION NO. 1617-0162 - Authorizing The Issuance of 2016-17 Tax and Revenue Anticipation Notes of The District And Requesting The Board of Supervisors of The County of Alameda To Issue And Sell Said Notes In An Amount Not To Exceed \$10,000,000.

Action Requested Approval by the Board of Education of Resolution No. 1617-0162 - Authorizing The Issuance of 2016-17 Tax and Revenue Anticipation Notes of The District And Requesting The Board of Supervisors of The County of Alameda To Issue And Sell Said Notes In An Amount Not To Exceed \$10,000,000.

Discussion The Governor’s January Budget proposed to shift a portion of the Local Control Funding Formula expenditures from June of 2017 to July of 2017 in order to maintain 2016-17 programmatic expenditure levels in light of the reduction to Proposition 98 funding for 2016-17 compared to the 2016 Budget Act. District staff anticipates that, if implemented, this will result in slightly less than \$10 million of 2016-17 revenues being received in July of fiscal year 2017-18. The proposed resolution authorizes a not-to-exceed amount of \$10,000,000 of Tax and Revenue Anticipation Notes which the District will sell to the County if the Governor’s proposed deferral is enacted. Tax and revenue anticipation notes are short term debt instruments used to finance cash flow deficits in anticipation of receiving taxes and other revenues. This borrowing will help the district maintain its reserves until the state money is received.

Recommendation Approval by the Board of Education of Resolution No. 1617-0162 - Authorizing The Issuance of 2016-17 Tax and Revenue Anticipation Notes of The District And Requesting The Board of Supervisors of The County of Alameda To Issue And Sell Said Notes In An



Amount Not To Exceed \$10,000,000.

Fiscal Impact

Meets potential cash flow needs, low financing costs for short-term borrowing

Attachments

- Copy of Resolution and related documents for the transaction

**OAKLAND UNIFIED SCHOOL DISTRICT
COUNTY OF ALAMEDA, CALIFORNIA**

Res. No. 1617-0162

RESOLUTION OF THE BOARD OF EDUCATION OF THE OAKLAND UNIFIED SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF 2016-17 TAX AND REVENUE ANTICIPATION NOTES OF THE DISTRICT AND REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF ALAMEDA TO ISSUE AND SELL SAID NOTES IN AN AMOUNT NOT TO EXCEED \$10,000,000

WHEREAS, pursuant to Section 53850 *et seq.* of the Government Code of the State of California (herein called the "Government Code") (being Article 7.6, Chapter 4, Part 1, Division 2, Title 5 of said Government Code), on or after the first day of any fiscal year (being July 1) a school district may borrow money by issuing temporary notes for any purpose for which the school district is authorized to expend moneys, including but not limited to current expenses, capital expenditures, investment and reinvestment and the discharge of any obligation or indebtedness of the school district; and

WHEREAS, this Board of Education (the "Board") of Oakland Unified School District (the "District") has found and determined that a sum not to exceed \$10,000,000 is needed to satisfy obligations payable or accruing during Fiscal Year 2016-17 from the General Fund of the District, and that it is necessary that said sum be borrowed for such purpose at this time by the issuance of temporary notes in anticipation of the receipt or accrual during Fiscal Year 2016-17 of taxes, income, revenue, cash receipts and other moneys by the District for the General Fund of the District; and

WHEREAS, it appears, and the Board hereby finds and determines, that said principal amount, when added to the interest payable thereon, does not exceed 85% of the estimated amount of the uncollected taxes, income, revenue, cash receipts and other moneys which will be received by or accrue to the District for the General Fund of the District during Fiscal Year 2016-17 and which will be available for the payment of the principal of and interest on said notes; and

WHEREAS, no money has heretofore been borrowed by or on behalf of the District through the issuance of tax anticipation notes or temporary notes in anticipation of the receipt of, or payable from or secured by, taxes, income, revenue, cash receipts or other moneys to be received by or which will accrue to the District for the General Fund of the District during Fiscal Year 2016-17, and this Board of Education does not contemplate such a financing through the issuance of any temporary notes, other than its notes as herein requested to be issued; and

WHEREAS, pursuant to Section 53856 of the Government Code of the State of California, certain taxes, income, revenue, cash receipts and other moneys which will be received

by or accrue to the District for the General Fund of the District during Fiscal Year 2016-17 can be pledged for the payment of said notes and the interest thereon (as hereinafter provided); and

WHEREAS, the District has not been accorded fiscal accountability status under Section 42647 or 42650 of the Education Code; and

WHEREAS, Section 53853 of the Government Code provides that such notes must be issued in the name of the school district by the board of supervisors of the county, the county superintendent of which has jurisdiction over the district, as soon as possible following the receipt of a resolution of the governing board of the school district requesting the borrowing; and

WHEREAS, the Superintendent of Schools of the County of Alameda (the "County") has jurisdiction over the District; and

WHEREAS, the District has received a qualified budget certification in the current fiscal year; and

WHEREAS, the District acknowledges that pursuant to Section 42133 of the Education Code of the State of California, it may not issue or cause to be issued the Notes unless the County Superintendent of Schools determines that repayment is probable; and

WHEREAS, this Board of Education deems it necessary and desirable that the Board of Supervisors of the County shall authorize and consummate the sale and issuance of said notes according to the terms and in the manner hereinafter set forth; and

WHEREAS, Orrick, Herrington & Sutcliffe LLP serves as Bond Counsel ("Bond Counsel") to the District and will serve in such capacity in connection with the notes authorized hereby; and

WHEREAS, the District has appointed KNN Public Finance, LLC, as registered municipal advisor to the District (the "Municipal Advisor") with respect to said notes; and

WHEREAS, this Board of Education further deems it necessary and desirable to authorize the sale of the notes directly to the County; and

WHEREAS, there have been submitted and are on file with the Secretary of this Board of Education a proposed form of a purchase agreement (the "Purchase Agreement") with respect to the Notes proposed to be sold;

NOW, THEREFORE, the Board of Education of the Oakland Unified School District does hereby FIND, RESOLVE, DETERMINE AND ORDER, as follows:

Section 1. Recitals: All of the above recitals are true and correct.

Section 2. Request for Sale of Notes; County Resolution; Certificate of Award:
For the purpose of satisfying obligations payable from the General Fund of the District, the Board hereby determines to borrow an aggregate principal amount not to exceed \$10,000,000, and hereby requests the Board of Supervisors of the County to issue in the name of the District such an

aggregate principal amount of temporary notes pursuant to Section 53850 *et seq.* of the Government Code of the State of California in anticipation of the receipt or accrual of taxes, income, revenue, cash receipts and other moneys by the District for the General Fund of the District during or accruing to Fiscal Year 2016-17, and to designate said notes to be sold as the “Oakland Unified School District 2016-17 Tax and Revenue Anticipation Notes” (the “Notes”).

The Board of Supervisors is hereby requested to provide by resolution (the “County Resolution”) for the terms of the sale and issuance of the Notes in accordance with the particular terms and manner set forth herein and, with respect to such necessary or desirable terms as are not specified herein, as the Board of Supervisors shall otherwise see fit to determine. The Board of Supervisors, or such officer or officers of the County as shall be authorized by the County Resolution to consummate the transactions contemplated herein is hereby requested to establish said terms of the Notes at the Direction of the Superintendent of the District, the the Senior Business Official of the District, or such other officer of the District designated for the purpose (each an “Authorized District Representative”).

The District acknowledges that the Notes do not constitute a debt of the County and that the County is not responsible for, and makes no assurance regarding, the use or application of the proceeds of the Notes by the District.

Section 3. Amount of Borrowing: Any Authorized District Representative is hereby authorized to determine the aggregate principal amount of the Notes, which sum shall be no greater than the amount recited in Section 2 hereof, or such lesser amount as to which Bond Counsel will deliver an approving opinion regarding the exclusion from gross income for federal tax purposes of interest thereon if the notes are to be sold on a tax-exempt basis. The aggregate principal amount of the Notes so determined shall be specified in the Purchase Agreement.

Section 4. Terms of Notes: The Notes shall be dated the date of their delivery. The Notes shall mature on a date which is no more than 366 days subsequent to their date of delivery, which date shall be determined at the time of sale thereof and set forth in the Certificate of Award. The Notes shall bear interest commencing on the date thereof, computed on the basis of a 360-day year consisting of twelve 30-day months, at the rate determined at the time of sale thereof and set forth in the Purchase Agreement. The principal of and interest on the Notes shall be payable as described in Section 7 hereof. The Notes shall be issued in fully registered form in denominations of \$5,000 principal amount or any integral multiple thereof.

Section 5. Sale of Notes: The form of proposed Purchase Agreement, in substantially the form on file with the Secretary of this Board of Education, is hereby approved, and the Board of Supervisors is hereby requested to adopt said form of proposed Purchase Agreement, subject to such corrections, revisions or additions as deemed necessary by an Authorized District Representative and as may be acceptable to the County. The Board of Supervisors is hereby requested to authorize and direct the Treasurer-Tax Collector of the County (the “County Treasurer-Tax Collector”), on behalf of the District and the County, to purchase the Notes, provided that (i) the County must purchase all of the Notes; (ii) all Notes must bear the same rate of interest; (iii) no Note shall bear more than one rate of interest; (iv) each Note shall bear interest from the date of delivery to the stated Maturity Date at the interest rate specified in the bid; (v) the interest rate specified must be in a multiple of 1/1,000 of 1%; (vi) the maximum

net interest cost shall not exceed 3%; and (vii) the maximum interest rate for the Notes shall not exceed the maximum rate permitted by law. If such net interest cost and price are acceptable to the County Treasurer-Tax Collector, the County Treasurer-Tax-Collector or her designee, acting at the direction of the Board of Supervisors, is hereby authorized to purchase the Notes provided, however, that if no bid is acceptable, the County Treasurer-Tax Collector may sell the Notes by negotiated or competitive sale as permitted by law, upon consultation with the District and its Municipal Advisor, and upon terms and conditions otherwise in conformity with the limitations contained in this resolution.

Section 6. Payment of Notes; Pledge of Revenues; Repayment Fund: (a) Paying Agent. The Treasurer-Tax Collector of the County of Alameda, in Oakland, California, is hereby requested and authorized to act as paying agent for the District with respect to the Notes.

(b) Payment of Principal and Interest. The principal amount of the Notes shall be payable only at the maturity thereof, without option of prior redemption. Interest on the Notes shall be payable at the maturity of the Notes.

(c) Pledge of Unrestricted Revenues. The principal of and interest on the Notes shall be payable from taxes, income, revenue, cash receipts and other moneys received or accrued by the District for the General Fund of the District for the Fiscal Year 2016-17 and lawfully available for the payment of current expenses and other obligations of the District (the "Unrestricted Revenues").

As security for the payment of the principal of and interest on the Notes, the District hereby covenants to deposit in trust for the registered owners of the Notes in a special fund designated as the "Oakland Unified School District 2016-17 Tax and Revenue Anticipation Note Repayment Fund" (the "Repayment Fund"), such amounts as shall be necessary to provide for payment of all such sums when due, on the dates and in the amounts, or in the proportions of the total amount due, as shall be specified in the Purchase Agreement, from the first Unrestricted Revenues to be received by the District in each period specified in the Purchase Agreement. The Purchase Agreement may provide that the District shall set aside moneys in the Repayment Fund from the Unrestricted Revenues for repayment of the Notes in up to five periodic deposits; provided, that the last such deposit shall be made no later than August 31, 2017. The County Controller is hereby requested to create and hold the Repayment Fund in the funds of the District, acting as the responsible agent to maintain such fund until the payment of the principal of the Notes and the interest thereon.

The amounts pledged by the County (for and on behalf of the District) for deposit into the Repayment Fund from the Unrestricted Revenues received during each indicated period are hereinafter called the "Pledged Revenues," and the principal of and the interest on the Notes shall constitute a first lien and charge thereon and shall be payable therefrom, and to the extent not so paid shall be paid from any other money of the District lawfully available therefor.

(d) Other Pledged Money. In the event that there have been insufficient Unrestricted Revenues received by the District by the third business day prior to the end of any period in which a deposit in the Repayment Fund is required to be made to permit the required deposit, then the amount of any deficiency in the Repayment Fund shall be satisfied and made up

from any other money of the District lawfully available for the payment of the principal of the Notes and the interest thereon (all as provided in Sections 53856 and 53857 of the Government Code) (the “Other Pledged Money”) on such date or thereafter on a daily basis, when and as such Pledged Revenues and Other Pledged Money are received by the District.

Section 7. Tax Covenants: (a) General. The provisions of this section shall only apply if the interest on the Notes are excluded from gross income under Section 103 of the Internal Revenue Code of 1986 (for purposes of this Section, the “Code”). The District hereby covenants that it will not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Notes under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that, on the date of delivery of the Notes, it will deliver its Tax Certificate to the initial purchaser of the Notes containing representations and covenants with respect to such actions (the “Tax Certificate”), and that it will comply with the requirements of the Tax Certificate. The provisions of this Section shall survive payment in full or defeasance of the Notes.

(b) Rebate Exception. Amounts in the Proceeds Fund, defined in Section [___] hereof, shall be withdrawn and deposited in the General Fund of the District, and expended for any purpose for which the District is authorized to expend funds from its General Fund, but only after exhausting funds otherwise available for such purposes (which are not restricted funds) and only to the extent that on any given day such other funds are not then available, and for purposes of this paragraph, funds otherwise available excludes amounts that are held or set aside in a reasonable working capital reserve in the amount set forth in the Tax Certificate, which shall be no greater than 5% of the District’s working capital expenditures from its available funds in Fiscal Year 2016-17; provided, that if on the date that is six months from the date of issuance of the Notes, all amounts in the Proceeds Fund (including investment earnings thereon) shall not have been so withdrawn and spent, the District hereby covenants to promptly notify Bond Counsel, and, to the extent of its power and authority, comply with the instructions from Bond Counsel as to the means of satisfying the rebate requirements of Section 148 of the Code. For purposes of this Section, the “proceeds” of the Notes are equal to the initial offering price of the Notes to the public, as certified by the Underwriter.

(c) Rebate Calculation and Payment. The District covenants that, in the event it is or becomes subject to the rebate requirements of Section 148 of the Code, it shall (i) make all calculations in a reasonable and prudent fashion relating to any rebate of excess investment earnings on the proceeds of the Notes due to the United States Treasury; (ii) cause the County Treasurer-Tax Collector to segregate and set aside from lawfully available sources the amount such calculations indicate may be required to be paid to the United States Treasury; and (iii) otherwise at all times do and perform all acts and things necessary and within its power and authority, including complying with each applicable requirement of Section 103 and Sections 141 through 150 of the Code and complying with the instructions of Bond Counsel, to ensure that interest paid on the Notes shall, for the purposes of federal income taxes, be excludable from the gross income of the recipients thereof and exempt from such taxation. If such calculation is required, the District will immediately cause the County Treasurer-Tax Collector to set aside, from revenues received or accrued during Fiscal Year 2016-17 or, to the extent not available from such revenues, from any other moneys lawfully available, the amount of any such rebate in a separate fund which the District hereby agrees to cause the County Controller to establish and maintain and

designate as the “Oakland Unified School District 2016-17 Tax and Revenue Anticipation Note Rebate Fund.”

(d) Remedies Limited to Note Owners. Notwithstanding any other provision of this resolution to the contrary, no one other than the owners or former owners of the Notes shall be entitled to exercise any right or remedy under this resolution on the basis of the District’s failure to observe, or refusal to comply with, the covenants contained in this Section.

(e) Reliance on Opinion of Bond Counsel. Notwithstanding any provision of this Section, if the District shall obtain an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the Notes, the District may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

Section 8. Investment of Funds: Proceeds of the Notes shall be deposited in a note proceeds fund which the County Controller is hereby requested to establish as a separate fund in the funds of the District in the County treasury (the “Proceeds Fund”). All money held by the County Treasurer-Tax Collector in the Proceeds Fund and in the Repayment Fund shall be invested to the greatest extent possible at the County Treasurer-Tax Collector’s discretion in the County’s Pooled Investment Fund and as otherwise permitted by the Government Code and the investment policy of the County, and the proceeds of such investments shall be retained in each such respective Fund; provided, that no proceeds shall be invested for a term that exceeds the term of the Notes. The District acknowledges that neither the County nor the County Treasurer-Tax Collector shall be responsible for the proper expenditure of proceeds of the Notes.

Section 9. Notice to California Debt and Investment Advisory Commission: The Authorized District Representative is hereby authorized and directed to cause notices of the proposed sale and final sale of the Notes to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855.

Section 10. Filing with Board of Supervisors: The Clerk or the Secretary of this Board of Education is hereby authorized and directed to file a certified copy of this resolution with the Board of Supervisors of the County, which shall constitute the request of this Board of Education that the Board of Supervisors of the County issue and sell the Notes as soon as practicable, and to simultaneously provide certified copies of this resolution to the Superintendent of Schools of the County and to the County Treasurer-Tax Collector.

Section 11. Further Assurances: The District, and its appropriate officials, have duly taken all proceedings necessary to be taken by them, and will take any additional proceedings necessary to be taken by them, for the levy, collection and enforcement of the taxes, income, revenue, cash receipts and other moneys pledged hereunder in accordance with law and for carrying out the provisions of this resolution and the Notes.

Section 12. Approval of Actions: All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Notes are hereby approved, and the Superintendent of the District, the Senior Business Officer, the Clerk or the Secretary of

this Board, and any and all other officers of the District are hereby authorized and directed for and in the name of 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 the lawful issuance and delivery of the Notes in accordance with this resolution. Whenever the Superintendent of the District is authorized to take any action hereunder, the Authorized District Representative is hereby authorized to take such action on behalf of this Board.

Section 13. Effective Date: This resolution shall take effect from and after its date of adoption.

PASSED AND ADOPTED this day, April 26, 2017 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED:

President of the Board of Education
of the Oakland Unified School District

ATTEST:

Secretary of the Board of Education of
the Oakland Unified School District

SECRETARY'S CERTIFICATE

I, Secretary of the Board of Education of the Oakland Unified School District, County of Alameda, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Education of said District duly and regularly held at the regular meeting place thereof on April 26, 2017 and entered in the minutes thereof, of which meeting all of the members of said Board of Education had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 1000 Broadway Avenue, Oakland, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

Pursuant to Section 10 of said resolution, I have caused a certified copy thereof to be filed with the Board of Supervisors of the County, and copies thereof to be delivered to the Superintendent of Schools of the County and to the County Treasurer-Tax Collector.

WITNESS my hand this ____ day of _____, 2017.

Secretary of the Board of Education of
Oakland Unified School District

NOTE PURCHASE AGREEMENT

\$ _____

OAKLAND UNIFIED SCHOOL DISTRICT
2016-17 TAX AND REVENUE ANTICIPATION NOTES

June __, 2017

Board of Education,
Oakland Unified School District

Ladies and Gentlemen:

The undersigned (the "County") offers to enter into this Note Purchase Agreement (this "Purchase Agreement") with the Board of Education of the Oakland Unified School District (the "District"), acting through its Superintendent. The offer made hereby is subject to acceptance by the District by execution and delivery of this Purchase Agreement to the County at or prior to 11:59 p.m., California time, on the date hereof, but it shall be irrevocable until such time as it is sooner accepted or rejected by the District. Upon acceptance of this offer by the District in accordance with the terms hereof, this Purchase Agreement will be binding upon the District and upon the County.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, covenants and agreements hereinafter set forth, the County hereby agrees to purchase from the District, and the District hereby agrees to sell to the County, all (but not less than all) of the \$ _____ aggregate principal amount of the District's Oakland Unified School District 2016-17 Tax and Revenue Anticipation Notes (the "Notes") at a Purchase Price of \$ _____. The true interest cost for the Notes is ____%.

2. The Notes. The Notes shall be issued pursuant to Sections 53850 to 53858, both inclusive, of the Government Code of the State of California (herein called the "Government Code") (being Article 7.6 of Chapter 4 of Part 1 of Division 2 of Title 5 of said Code, and herein called the "Act"), and in accordance with Resolution No. ___ of the District, adopted by the Board of Education of the District on April 26, 2017 (the "District Resolution"), and Resolution No. __ of the Board of Supervisors of the County, adopted on May __, 2017 (the "County Resolution," and, together with the District Resolution, the "Resolutions"). The Notes shall conform in all respects to the terms and provisions set forth in the Resolution. The County Treasurer-Tax Collector has been appointed to act as Paying Agent with respect to the Notes pursuant to the Resolutions.

A single maturity of Notes shall be issued, dated the date of Closing (as defined in Section 9 hereof), and the Notes shall mature on _____ 1, 20__, without possibility of prior redemption. The Notes shall bear interest at the rate of _____ percent (____%) per annum.

As security for the payment of the principal of and interest on the Notes, the District hereby covenants to deposit in trust for the registered owners of the Notes in a special fund designated as the “OAKLAND UNIFIED SCHOOL DISTRICT 2016-17 Tax and Revenue Anticipation Note Repayment Fund” (the “Repayment Fund”):

(i) an amount equal to [50%] of the principal amount of the Notes from the first Unrestricted Revenues to be received by the District during the month ending [July 31, 2017]; and

(ii) an amount equal to [50%] of the principal amount of and interest on the Notes from the first Unrestricted Revenues to be received by the District during the month ending [August 31, 2017].

3. Arm’s Length Transaction. The District acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the District and the County, (ii) in connection with such transaction the County has not assumed a fiduciary responsibility in favor of the District, and (iii) the District has consulted with its legal and other professional advisors to the extent they deemed appropriate in connection with the offering of the Notes.

4. Representations and Agreements of the District. The District represents to and agrees with the County that, as of the date hereof and as of the date of the Closing:

(a) The District is a school district duly organized and validly existing under the Constitution and general laws of the State of California.

(b) The District is duly authorized and has full legal right, power and authority to issue, sell and deliver the Notes, pursuant to the Resolutions, and to provisions of the laws of the State of California.

(c) The District has full legal right, power and authority to enter into this Purchase Agreement, to adopt the Resolution, and to observe and perform the covenants and agreements of this Purchase Agreement and the Resolution required to be observed and performed by the District.

(d) The District has duly adopted the District Resolution in accordance with the laws of the State; the District Resolution is in full force and effect and has not been amended, modified or rescinded, and all representations of the District set forth in the District Resolution are true and correct; the District has duly authorized and approved the execution and delivery of, and the observance and performance by the District through its officers and agents of its covenants and agreements contained in the Notes and this Purchase Agreement required to have been observed or performed at or prior to the date of Closing; and the District has complied, and will at the Closing be in compliance in all respects, with the obligations in connection with the issuance of the Notes on its part contained in this Purchase Agreement, the Resolutions, and the Notes.

(e) The District has received determination from the County superintendent of schools that the District’s repayment of the Notes is probable pursuant to Education Code Section 42133.

(f) Between the date hereof and the Closing, the District will not modify or amend the Resolution without the prior written consent of the County.

5. Representations and Agreements of the County. The County represents to and agrees with the District that, as of the date hereof and as of the date of the Closing:

(a) The County is duly authorized to execute this Purchase Agreement and to take any action under this Purchase Agreement required to be taken by it.

(b) The County is duly authorized and has full legal right, power and authority to issue, sell and deliver the Notes, pursuant to the Resolutions, and to provisions of the laws of the State of California.

(c) The County has duly adopted the County Resolution in accordance with the laws of the State; the County Resolution is in full force and effect and has not been amended, modified or rescinded, and all representations of the County set forth in the County Resolution are true and correct; the County has duly authorized and approved the execution and delivery of, and the observance and performance by the County through its officers and agents of its covenants and agreements contained in the Notes and this Purchase Agreement required to have been observed or performed at or prior to the date of Closing; and the County has complied, and will at the Closing be in compliance in all respects, with the obligations in connection with the issuance of the Notes on its part contained in this Purchase Agreement, the Resolutions, and the Notes.

6. Conditions to Closing. At or before Closing, and contemporaneously with the acceptance of delivery of the Notes, and the payment of the purchase price thereof, the District will provide to the County:

(a) a certificate or certificates, signed by appropriate officials of the District, confirming to the County that, as of the date of this Purchase Agreement and at the time of Closing, to the best of the knowledge of said official or officials, there is no litigation pending concerning the validity of the Notes, the corporate existence of the District, or the entitlement of the officers of the District who shall sign the Notes, or any other documents and certificates to be executed in connection with the delivery of the Notes, to their respective offices;

(b) a certificate or certificates, signed by an official of the District, confirming to the County that as of the date of Closing all of the representations of the District contained in this Purchase Agreement are true, and that the District Resolution is in full force and effect and has not been amended, modified or rescinded;

(c) the Opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel with respect to the issuance of the Notes (“Bond Counsel”), addressed to the District, approving the validity of the Notes;

(d) [the duly executed Tax Certificate of the District, dated the date of Closing, in form satisfactory to Bond Counsel];

(e) the receipt confirming payment by the County of the purchase price of the Notes;

(f) a certificate, signed by an official of the County, confirming to the District, that the repayment of the Notes by the District is probable pursuant to Education Code Section 42133(a).

At or before Closing, and contemporaneously with the acceptance of delivery of the Notes and the payment of the purchase price thereof, the County will provide to the District:

(a) the receipt of the County, in form satisfactory to the District and signed by an authorized officer of the County, confirming delivery of the Notes to the County and the satisfaction of all conditions and terms of this agreement by the District and confirming to the District that as of the Closing Date all of the representations of the County contained in this Purchase Agreement are true and correct in all material respects; and

7. Termination. By District. In the event of the District's failure to cause the Notes to be delivered at the Closing, or inability of the District to satisfy the conditions to the obligations of the County contained herein (unless waived by the County), or if the obligations of the County shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate.

8. Closing. At or before 9:00 a.m., California time, on _____, 2017, or at such other date and time as shall have been mutually agreed upon by the District and the County, the District will deliver or cause to be delivered to the County the Notes, together with the other documents described in Section 7 hereof to be delivered by the District; and the County will accept such delivery and pay the purchase price of the Notes as set forth in Paragraph 1 hereof in immediately available funds (e.g., by federal funds wire), and shall deliver to the District the other documents described in Section 7 hereof to be delivered by the County, as well as any other documents or certificates Bond Counsel shall reasonably require.

All documents to be delivered in connection with the delivery of the Notes shall be delivered at the offices of Orrick, Herrington & Sutcliffe LLP, San Francisco, California. Such payment and delivery is herein called the "Closing."

9. Expenses. The District shall pay the expenses incident to the performance of its obligations hereunder from the proceeds of the Notes (or from any other source of available funds of the District) including, but not limited to: (i) the cost of the preparation and reproduction of the Resolution; (ii) the fees and disbursements of Bond Counsel; (iii) the fees and disbursements of the financial advisor to the District; (iv) the costs of the preparation, printing and delivery of the Notes; (v) the costs of the preparation, printing and delivery of the Preliminary Official Statement, the Official Statement, and any amendment or supplement thereto in the quantity requested by the County in accordance with this Purchase Agreement; and (vi) fees and expenses of the Paying Agent for the Notes.

10. Notices. Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the introductory paragraph hereof) may be given by delivering the same in writing to the address of each party given below, or such other address as the District, County or the County may designate by notice to the other parties:

To the District: OAKLAND UNIFIED SCHOOL DISTRICT
1000 Broadway Ave Suite 680
Oakland, CA 94607
Attn: Senior Business Officer

To the County: [TBD]

11. Governing Law. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State of California.

12. Parties in Interest. This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the District and the County, and is solely for the benefit of the District and the County (including the successors or assigns thereof). No other person shall acquire or have any rights hereunder or by virtue hereof. All representations and agreements in this Purchase Agreement of each of the parties hereto shall remain operative and in full force and effect, regardless of (a) delivery of and payment for the Notes hereunder, or (b) any termination of this Purchase Agreement.

13. Headings. The headings of the paragraphs of this Purchase Agreement are inserted for convenience of reference only and shall not be deemed to be a part hereof.

14. Effectiveness. This Purchase Agreement shall become effective upon the execution of the acceptance hereof by the District by the authorized officer thereof, and shall be valid and enforceable at the time of such acceptance.

15. Counterparts. This Purchase Agreement may be executed in several counterparts, which together shall constitute one and the same instrument.

Respectfully submitted,

COUNTY OF ALAMEDA

By: _____
Authorized Officer

Accepted: _____, 2017

OAKLAND UNIFIED SCHOOL DISTRICT

Time: _____ p.m.

By: _____
Senior Business Officer