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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. 1617-0169 RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$375,000,000 AND APPROVING FORMS OF DOCUMENTS AND ACTIONS OF OFFICERS OF THE DISTRICT IN CONNECTION THEREWITH.

Action Requested Approval of Board of Education of RESOLUTION NO. 1617-0169 RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$375,000,000 AND APPROVING FORMS OF DOCUMENTS AND ACTIONS OF OFFICERS OF THE DISTRICT IN CONNECTION THEREWITH.

Discussion The Board is asked to approve the Resolution authorizing the issuance and sale of refunding bonds. The district currently has bonds outstanding from both Measure B and Measure J that were issued as unrated bonds. Now that the District's ratings have been reinstated by all three ratings agencies, the District can refund these bonds at more advantageous rates. The lower interest rates on the refunding bonds will translate directly to taxpayer savings. District staff estimate that the net present value of the savings generated by these refundings will be just over \$40 million. The proposed resolution authorizes the issuance of the refunding bonds, approves forms of the major documents necessary to accomplish the transaction, and delegates to staff the responsibility for finalizing the refunding.

Recommendation Approval of RESOLUTION NO. 1617-0169 RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$375,000,000 AND APPROVING FORMS OF DOCUMENTS AND ACTIONS OF OFFICERS OF THE DISTRICT IN CONNECTION THEREWITH.



Fiscal Impact

Anticipated savings to taxpayers, currently estimated at approximately \$40 million

Attachments

- Copy of Resolution and related documents for the transaction

**BOARD OF EDUCATION OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
COUNTY OF ALAMEDA, STATE OF CALIFORNIA**

RESOLUTION NO. 1617-0169

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$375,000,000 AND APPROVING FORMS OF DOCUMENTS AND ACTIONS OF OFFICERS OF THE DISTRICT IN CONNECTION THEREWITH.

WHEREAS, this Board of Education (the "Board of Education") of the Oakland Unified School District of the County of Alameda, State of California (the "District"), has heretofore caused to be issued \$199,240,000 aggregate principal amount of Oakland Unified School District 2007 General Obligation Bonds Refunding Bonds (the "Series 2007 Bonds"), \$136,400,000 of which are outstanding; and

WHEREAS, this Board of Education has heretofore caused to be issued \$31,040,000 aggregate principal amount of Oakland Unified School District General Obligation Bonds (Election of 2006, Series 2012A) (the "Series 2012A Bonds"), \$28,635,000 of which are outstanding; and

WHEREAS, this Board of Education has heretofore caused to be issued \$120,000,000 aggregate principal amount of Oakland Unified School District General Obligation Bonds (Election of 2012, Series 2013) (the "Series 2013 Bonds"), \$94,505,000 of which are outstanding; and

WHEREAS, this Board of Education has heretofore caused to be issued \$70,795,000 aggregate principal amount of Oakland Unified School District Taxable General Obligation Bonds (Election of 2006, Series 2009B) (Build America Bonds) (the "Series 2009 Bonds" and, together with the Series 2007 Bonds, the Series 2012A Bonds, and the Series 2013 Bonds, the "Outstanding Bonds"), \$70,795,000 of which are outstanding; and

WHEREAS, in connection with the issuance of general obligation bonds in 2016, the District received ratings of "AA-" from Standard & Poor's Ratings Services, "Aa3" from Moody's Investor Services and "AAA" from Fitch Ratings;

WHEREAS, this Board of Education has determined, and does hereby declare, that it is necessary and desirable and that the prudent management of the fiscal affairs of the District requires that all or a portion of the Outstanding Bonds originally issued as non-rated debt now be refunded (such bonds to be refunded being collectively referred to herein as the "Prior Bonds"); and

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Government Code") and other applicable law, and pursuant to the respective documents providing for the issuance of the Outstanding Bonds, the District is authorized to issue refunding bonds (the "Refunding Bonds") to refund the Prior Bonds, and to sell its Refunding Bonds on a negotiated sale basis; and

WHEREAS, this Board of Education wishes to authorize the sale of the Refunding Bonds by negotiated sale to Siebert Cisneros Shank & Co., L.L.C. (the “Underwriter”) to preserve flexibility and take advantage of changing market conditions; and

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

WHEREAS, this Board of Education acknowledges that the issuance of Refunding Bonds to refinance any of the Prior Bonds more than 90 days in advance of the date of redemption thereof shall preclude any advance refunding of the portion of the Refunding Bonds issued for such purpose; and

WHEREAS, U.S. Bank National Association has been approved by the Treasurer-Tax Collector of the County to and will act as paying agent (the “Paying Agent”) with respect to the Refunding Bonds, and as escrow agent (the “Escrow Agent”) with respect to the Prior Bonds; and

WHEREAS, pursuant to Section 53558(b) of the Government Code, the District is authorized to deposit the proceeds of sale of the Series 2017D Bonds (as hereinafter defined) in escrow in an amount sufficient to pay (i) the principal of and interest and redemption premiums, if any, on the Series 2017D Bonds prior to the maturity of the Series 2009 Bonds or prior to a designated date or dates before the maturity of the Series 2009 Bonds on which date the Series 2009 Bonds are to be redeemed (the “Crossover Date”), (ii) the principal of and any redemption premium on the Series 2009 Bonds at maturity or at the Crossover Date, and (iii) the designated costs of issuing the Series 2017D Bonds; and

WHEREAS, in connection with the refunding of the Series 2009 Bonds, it may be necessary for, and the District wishes to authorize, the Authorized District Representative (as defined herein) to amend that certain Paying Agent Agreement, dated as of August 1, 2009, by and among the District, the County and U.S. Bank National Association (the “Series 2009 Paying Agent Agreement”), pursuant to which the Series 2009 Bonds were issued, including but not limited to eliminating certain redemption provisions therein; and

WHEREAS, the District proposes to execute and deliver one or more Escrow Agreements to the Escrow Agent directing the creation of escrow funds for the deposit of proceeds of the sale of the Refunding Bonds for the purpose of paying and redeeming the Series 2007 Bonds, the Series 2012A Bonds, and the Series 2013 Bonds, paying the interest on the Series 2017D Bonds until the Crossover Date, and redeeming the Series 2009 Bonds on the Crossover Date as more fully described herein; and

WHEREAS, there have been submitted and are on file with the Secretary of the Board of Education proposed forms of a Paying Agent Agreement, a Bond Purchase Agreement, an Official Statement, an Escrow Agreement, a Continuing Disclosure Certificate, and Compliance Procedures, all with respect to the Refunding Bonds proposed to be issued and sold, and the Superintendent, the Chief Financial Officer and the Senior Business Officer of the District have examined or caused to be examined each document and have approved the forms thereof, and have recommended that this Board of Education approve and direct the completion,

where appropriate, and the execution of such documents and the consummation of such financing; and

WHEREAS, the pledge included in this Resolution to secure payment of the Refunding Bonds is intended to be a consensual agreement with the bondholders; and

WHEREAS, this Board of Education desires that the Treasurer-Tax Collector of the County should collect a tax on all taxable property within the District sufficient to provide for payment of the Refunding Bonds (after the Crossover Date with respect to the Series 2017D Bonds), and intends by the adoption of this Resolution to notify the Board of Supervisors of the County (the “Board of Supervisors”), the Auditor-Controller of the County (the “Auditor-Controller”), the Treasurer-Tax Collector of the County (the “Treasurer-Tax Collector”) and other officials of the County, that they should take such actions as shall be necessary to provide for the levy and collection of such a tax and payment of the Refunding Bonds and such portion, if any, of the Outstanding Bonds as shall remain outstanding following the issuance of the Refunding Bonds; and

WHEREAS, this Board of Education desires to appoint the firm of Orrick, Herrington & Sutcliffe LLP as bond counsel (“Bond Counsel”) and disclosure counsel (“Disclosure Counsel”) to the District, the firm of KNN Public Finance, LLC, as municipal advisor to the District (the “Municipal Advisor”), and the firm of Siebert Cisneros Shank & Co., L.L.C. as the Underwriter; and

NOW, THEREFORE, THE BOARD OF EDUCATION OF THE OAKLAND UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

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

Section 2. Authorization of Refunding Bonds and of Redemption of Prior Bonds; Application of Proceeds of Sale. The Board of Education hereby authorizes the sale and issuance of one or more series of refunding bonds of the District and the designation of said bonds as the “Oakland Unified School District General Obligation Refunding Bonds, 2017 Series A” (the “Series 2017A Bonds”), the “Oakland Unified School District General Obligation Refunding Bonds (Measure B) 2017 Series B” (the “Series 2017B Bonds”), the “Oakland Unified School District General Obligation Refunding Bonds (Measure J) 2017 Series C” (the “Series 2017C Bonds), and the “Oakland Unified School District General Obligation Crossover Refunding Bonds (Measure B) 2017 Series D” (the “Series 2017D Bonds”) in an aggregate principal amount not to exceed \$375,000,000, which amount shall be finally determined by the Superintendent, the Chief Financial Officer or the Senior Business Officer of the District, or such other officer of the District designated by the Superintendent, the Chief Financial Officer or the Senior Business Officer (each, an “Authorized District Representative”), in accordance with the provisions of Section 7 hereof and with the general laws of the State of California (the “State”).

Proceeds from the sale of the Refunding Bonds are hereby authorized to be applied only as permitted by Article 9 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, including to acquire escrow securities or otherwise to pay or provide for

payment of the principal of the Prior Bonds upon redemption thereof; to pay all expenses incident to the calling, retiring or paying of the Prior Bonds and to the issuance of the Refunding Bonds, including but not limited to: charges of the Paying Agent in connection with the issuance and payment of the Refunding Bonds; charges of the Escrow Agent in connection with the redemption of the Prior Bonds; such interest upon the Series 2007 Bonds, the Series 2012A Bonds and the Series 2013 Bonds from the date of sale of the Series 2017A Bonds, the Series 2017B Bonds and the Series 2017C Bonds, respectively, to the maturity or earlier redemption date of such Prior Bonds; such interest and principal as may be due upon the Series 2017D Bonds prior to the Crossover Date; any premium payable upon the redemption of the Prior Bonds; and the costs of any bond insurance or other credit enhancement with respect to the Refunding Bonds. The Board of Education hereby further determines that all interest or other gain derived from the investment of proceeds of the Refunding Bonds may be applied to pay such costs of issuance of the Refunding Bonds.

Section 3. Terms of Refunding Bonds. The maximum annual interest rate on the Refunding Bonds shall be 5.0%, payable as described in the Paying Agent Agreement referred to in Section 5 hereof. The Refunding Bonds shall mature on a date or dates, in such of the years, beginning no earlier than August 1, 2017, and concluding no later than the final maturity of the Prior Bonds, as shall be specified in the Bond Purchase Agreement described in Section 8 hereof. No Refunding Bonds shall have principal maturing on more than one principal maturity date; however, it shall not be necessary that a portion of the aggregate principal amount mature in each year.

The Refunding Bonds may be issued as current interest Refunding Bonds. The aggregate principal amount of the Refunding Bonds shall not exceed \$375,000,000.

The aggregate principal amount of the current interest Refunding Bonds, the date thereof, the maturity dates, principal amounts and annual rates of interest of each maturity thereof, the initial and semiannual interest payment dates thereof, and the terms of optional and mandatory sinking fund redemption thereof, shall be as specified in the Bond Purchase Agreement.

Section 4. Tax Treatment of Refunding Bonds. All or any portion of the Refunding Bonds may be issued as exempt from federal income tax, as the Authorized District Representative shall determine upon consultation with the Municipal Advisor, and according to the terms and conditions Bond Counsel to the District shall advise are appropriate to and necessary for the issuance of tax-exempt bonds.

Section 5. Paying Agent Agreement. The form of instrument entitled "Paying Agent Agreement," by and between the District and U.S. Bank National Association, as Paying Agent, in substantially the form on file with the Secretary of the Board of Education, is hereby approved and authorized. The Authorized District Representative is hereby authorized and directed to execute and deliver one or more instruments in substantially said form, completed with terms as shall be agreed to by the Authorized District Representative in accordance with this Resolution, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. All other terms of the Refunding Bonds required by Sections 53553 and 53554

of the Government Code and not otherwise specified herein shall be as specified in the Paying Agent Agreement.

Section 6. Escrow Agreement. The form of instrument entitled “Escrow Agreement,” by and between the District and the Escrow Agent, in substantially the form on file with the Secretary of the Board of Education, is hereby approved and authorized. The Authorized District Representative is hereby authorized and directed to execute and deliver one or more instruments in substantially said form, completed with terms as shall be agreed to by the Authorized District Representative in accordance with this Resolution, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Official Statement. The Official Statement relating to the Refunding Bonds, in substantially the form on file with the Secretary of the Board of Education (the “Official Statement”), is hereby approved as the Official Statement of the District with respect to the Refunding Bonds, with such changes, additions and corrections as the Authorized District Representative may hereafter approve, and the Underwriter with respect to the Refunding Bonds is hereby authorized to distribute copies of one or more instruments in preliminary form to persons who may be interested in purchasing the Refunding Bonds. The Authorized District Representative is hereby authorized to certify to the Underwriter of the Refunding Bonds on behalf of the District, that the preliminary form of the Official Statement was deemed final as of its date, within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Rule”) (except for the omission of certain final pricing, rating and related information as permitted by said Rule). The Authorized District Representative is hereby authorized and directed to sign said Official Statement in its final form, including the final pricing information, and to furnish to the Underwriter of the Refunding Bonds with copies thereof, and the Underwriter is hereby authorized and directed to deliver copies of such Official Statement in final form to subsequent purchasers of the Refunding Bonds. More than one Official Statement may be prepared and distributed in connection with the marketing and sale of the Refunding Bonds if deemed necessary or advisable by the Authorized District Representative in consultation with the Municipal Advisor and Disclosure Counsel.

Section 8. Bond Purchase Agreement. The form of instrument entitled “Bond Purchase Agreement,” by and between the District and the Underwriter, in substantially the form on file with the Secretary of the Board of Education, is hereby approved and adopted as the contract for purchase and sale of the Refunding Bonds. The Authorized District Representative is hereby authorized and directed to execute and deliver one or more instruments in substantially said form, completed with terms as shall be agreed to by the Authorized District Representative in accordance with this Resolution, and with such other changes therein as the Authorized District Representative may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided that: (i) the total net interest cost to maturity on the Refunding Bonds plus the aggregate principal amount of the Refunding Bonds shall be less than the total net interest cost to maturity on the Prior Bonds plus the aggregate principal amount of the Prior Bonds; (ii) the present value of the debt service savings with respect to the Prior Bonds shall be at least 5.0% of the aggregate principal amount of the Prior Bonds; (iii) the Underwriter’s discount shall not exceed 0.625% of the aggregate principal amount of the

Refunding Bonds; and (iv) the Refunding Bonds shall otherwise conform to the limitations specified herein and imposed by the general laws of the State.

Section 9. Pledge of Tax Revenues. The District hereby pledges all revenues from the property taxes collected from the levy by the Board of Supervisors of the County for the payment of Bonds (as defined below) of the District and amounts on deposit in the interest and sinking fund of the District to the payment of the principal or redemption price of and interest on the Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the interest and sinking fund to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The term “Bonds” for purpose of this pledge contained herein means all bonds, including refunding bonds, of the District heretofore or hereafter issued pursuant to voter approved measures of the District, as all such Bonds are required by State law to be paid from the Interest and Sinking Fund (defined herein).

The pledge is an agreement between the District and the bondholders to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds and each of the other Bonds secured by the pledge are or were issued to finance or refinance one or more of the projects specified in the applicable voter-approved measure.

Section 10. Request for Necessary County Actions. (a) The Board of Supervisors, the Auditor-Controller, the Treasurer-Tax Collector, and other officials of the County, are hereby requested to take and authorize such actions as may be necessary pursuant to law to provide for the levy and collection of a property tax on all taxable property of the District sufficient to provide for payment of all principal of, redemption premium, if any, and interest on the Series 2017A Bonds, the Series 2017B Bonds and the Series 2017C Bonds, and, following the Crossover Date, the Series 2017D Bonds, as the same shall become due and payable, and to apply moneys in the District’s Interest and Sinking Fund as necessary to the payment of the Refunding Bonds, pursuant to the Paying Agent Agreement as finally executed, and to the payment of any Outstanding Bonds of the District which are to remain outstanding, pursuant to the documents under which such Outstanding Bonds were issued. The Secretary of the Board of Education is hereby authorized and directed to deliver certified copies of this Resolution to the Clerk of the Board of Supervisors, the Auditor-Controller and the Treasurer-Tax Collector. The Board of Education hereby agrees to reimburse the County for any costs associated with the levy and collection of said tax, upon such documentation of said costs as the District shall reasonably request.

(b) The Board of Supervisors, the Auditor-Controller, the Treasurer-Tax Collector, and other officials of the County, are hereby requested to take and authorize such actions as may be necessary, upon, but only upon, the issuance of the Refunding Bonds, and with respect to the Series 2017D Bonds, only after the Crossover Date, to discontinue the levy of property taxes on all taxable property of the District for the payment of the Prior Bonds, pursuant to Section 53561 of the Government Code.

Section 11. Investment of Funds. The proceeds of sale of the Refunding Bonds shall be deposited pursuant to the Paying Agent Agreement and Escrow Agreement and shall be invested by the Escrow Agent, until the Crossover Date as applicable, in “Defeasance Securities” as such term is defined in the Paying Agent Agreement.

Section 12. Notice of Defeasance and Redemption of Prior Bonds. The Escrow Agent is hereby authorized and directed to give notice of defeasance and redemption of the Prior Bonds to be redeemed on the date and in the manner set forth in the Escrow Agreement, or the District shall cause notice of defeasance and redemption of the Prior Bonds as may otherwise be necessary or desirable, and pursuant to the terms set forth in the documents governing the redemption of the Prior Bonds.

Section 13. Continuing Disclosure. The form of instrument entitled, “Continuing Disclosure Certificate,” in substantially the form on file with the Secretary of the Board of Education, is hereby approved and authorized. The Authorized District Representative is hereby authorized and directed on behalf of the District to execute and deliver one or more instruments in substantially said form, with such changes thereto as deemed necessary in order to permit the Underwriter of the Refunding Bonds to comply with the requirements of the Rule. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

Section 14. Tax-Exempt Governmental Bonds Tax Compliance and Continuing Disclosure Compliance Guidelines. The form of instrument entitled “Tax-Exempt Governmental Bonds Tax Compliance and Continuing Disclosure Compliance Guidelines” (the “Compliance Procedures”), in substantially the form on file with the Secretary of the Board of Education, is hereby approved and adopted. The Authorized District Representative is hereby authorized to make any changes therein as the Authorized District Representative may require. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Compliance Guidelines.

Section 15. Appointment of Bond Counsel, Municipal Advisor and Underwriter. The firm of Orrick, Herrington & Sutcliffe LLP is hereby appointed Bond Counsel and Disclosure Counsel to the District in connection with the Refunding Bonds. The firm of KNN Public Finance, LLC is hereby appointed Municipal Advisor to the District in connection with the Refunding Bonds. The firm of Siebert Cisneros Shank & Co., L.L.C. is hereby appointed as Underwriter in connection with the Refunding Bonds.

Section 16. Authorization of Further Actions. (a) The Municipal Advisor, Bond Counsel and the appropriate District officials are hereby authorized and directed to continue to prepare the necessary legal documents to accomplish said financing and the other transactions authorized herein, and to take any and all necessary actions in connection therewith.

(b) The officers and employees of the District are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized, and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution. The Secretary of the Board of Education, the Superintendent, the Chief Financial Officer and the Senior Business Officer, and

any other officer or employee of the District to whom authority is delegated by one of the above named officers for the purposes of the Refunding Bonds are hereby authorized and directed to provide for the purchase of escrow securities, to engage certified public accountants to verify the sufficiency of the funds deposited in escrow, to execute and deliver any and all notices, certificates and representations, including signature certificates, no-litigation certificates, tax certificates, certificates relating to continuing disclosure obligations, notices to the California Debt and Investment Advisory Commission, and certificates concerning the Official Statement describing the Refunding Bonds, to enter into such agreements or contracts, including, but not limited to, as may be necessary to obtain bond insurance with respect to the Refunding Bonds, paying agent services with respect to the Refunding Bonds, verification agent services with respect to the Prior Bonds, or escrow agent services with respect to the Prior Bonds, as such officers or employees deem necessary and desirable to accomplish the purposes of this Resolution, and to amend the Series 2009 Paying Agent Agreement as may be necessary, including to eliminate the make whole redemption and extraordinary optional redemption provisions, upon consultation with Bond Counsel, to effect the refunding of the Series 2009 Bonds.

Section 17. Ratification of Actions. All actions heretofore taken by the officers and agents of the District with respect to the sale, execution and delivery of the Refunding Bonds, the acquisition of escrow securities, and the other transactions authorized and contemplated herein, are hereby approved, confirmed and ratified.

Section 18. Effective Date. This Resolution shall take effect immediately upon its passage.

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

AYES:

NOES:

ABSTAIN:

ABSENT:

President of the Board of Education
Oakland Unified School District

ATTEST:

Secretary of the Board of Education
Oakland Unified School District

SECRETARY’S CERTIFICATE

I, Devin Dillon, PhD, Secretary of the Board of Education of the Oakland Unified School District, County of Alameda, California, do 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, at which meeting all of the members of said Board of Education had due notice and at which a quorum was present, and 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, Suite 680, 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.

WITNESS my hand this _____ day of April, 2017.

Devin Dillon, PhD
Secretary of the Board of Education
Oakland Unified School District

PAYING AGENT AGREEMENT

by and between the

OAKLAND UNIFIED SCHOOL DISTRICT
Alameda County, California,

and

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

Dated as of May 1, 2017

Relating to the

§[2017A PAR]
OAKLAND UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION REFUNDING BONDS
2017 SERIES A

§[2017B PAR]
OAKLAND UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION REFUNDING BONDS
(MEASURE B) 2017 SERIES B

§[2017C PAR]
OAKLAND UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION REFUNDING BONDS
(MEASURE J) 2017 SERIES C

§[2017D PAR]
OAKLAND UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION CROSSOVER REFUNDING BONDS
(MEASURE B) 2017 SERIES D

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	2
SECTION 1.01 Definitions.....	3
ARTICLE II THE REFUNDING BONDS.....	6
SECTION 2.01 Authorization; Date; Payment of Principal and Interest; Denominations	6
SECTION 2.02 Form and Registration of Refunding Bonds	9
SECTION 2.03 Execution and Authentication of Refunding Bonds.....	9
SECTION 2.04 Book-Entry System	9
SECTION 2.05 Transfer of Refunding Bonds upon Termination of Book-Entry System	10
SECTION 2.06 Exchange of Refunding Bonds	11
SECTION 2.07 Bond Register.....	11
ARTICLE III ISSUANCE OF THE REFUNDING BONDS	12
SECTION 3.01 Delivery of Refunding Bonds	12
SECTION 3.02 Application of Proceeds of Sale of Refunding Bonds	12
ARTICLE IV REDEMPTION OF THE REFUNDING BONDS.....	12
SECTION 4.01 Terms of Redemption.....	12
ARTICLE V COVENANTS OF THE DISTRICT	16
SECTION 5.01 Payment of Principal and Interest	16
SECTION 5.02 Obligation to Levy Taxes for Payment of Bonds.....	16
SECTION 5.03 Validity of Refunding Bonds	16
SECTION 5.04 Further Assurances.....	16
SECTION 5.05 Tax Covenants.....	17
ARTICLE VI THE PAYING AGENT.....	17
SECTION 6.01 Appointment; Acceptance; Principal Corporate Trust Office.....	17
SECTION 6.02 Resignation, Removal, Replacement of Paying Agent	17
SECTION 6.03 Protection of Paying Agent	18
SECTION 6.04 Reliance on Documents, Etc	18
SECTION 6.05 Recitals of District.....	19
SECTION 6.06 Paying Agent May Own Bonds	19
SECTION 6.07 Money Held by Paying Agent; Unclaimed Moneys	19

TABLE OF CONTENTS
(continued)

	Page
SECTION 6.08 Other Transactions	19
SECTION 6.09 Interpleader	19
SECTION 6.10 Indemnification	19
SECTION 6.11 Instructions to Paying Agent.....	20
ARTICLE VII MISCELLANEOUS.....	20
SECTION 7.01 Counterparts	20
SECTION 7.02 Continuing Disclosure.....	20
SECTION 7.03 Notices.....	21
SECTION 7.04 Governing Law.....	21
 EXHIBIT A FORM OF BOND	

PAYING AGENT AGREEMENT

This PAYING AGENT AGREEMENT (the “Paying Agent Agreement”), made and entered into as of May 1, 2017, by and between U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as paying agent (the “Paying Agent”), and the OAKLAND UNIFIED SCHOOL DISTRICT, a school district duly organized and existing under and by virtue of the Constitution and laws of the State of California (the “District”),

W I T N E S S E T H:

WHEREAS, Oakland Unified School District of the County of Alameda, California (herein called the “District”), has heretofore issued or caused to be issued the following Bonds at the times and in the original principal amounts (and with principal amounts currently outstanding) as shown in the table shown below:

<u>Name</u>	<u>Issuance Date</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount</u>
2007 General Obligation Refunding Bonds (the “Series 2007 Bonds”)	August 1, 2007	\$199,240,000	\$136,400,000
Election of 2006, Series 2012A (the “Series 2012A Bonds”)	March 21, 2012	\$31,040,000	\$28,635,000
Election of 2012, Series 2013 (the “Series 2013 Bonds”)	September 18, 2013	\$120,000,000	\$94,505,000
Election of 2006, Series 2009B (the “Series 2009B Bonds”)	August 12, 2009	\$70,795,000	\$70,795,000

WHEREAS, the Series 2007 Bonds, the Series 2009B Bonds, the Series 2012A Bonds, and the Series 2013 Bonds are herein collectively referred to as the Outstanding Bonds (the “Outstanding Bonds”);

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable law, the District is authorized to issue refunding bonds to refund all or a portion of the Outstanding Bonds;

WHEREAS, the Board has determined, by its Resolution No. [____], adopted on April [26], 2017 (the “Resolution”), that it is necessary and desirable and that the prudent management of the fiscal affairs of the District requires that all or a portion of the Outstanding Bonds now be refunded, and has authorized by said Resolution the issuance and sale of its

“Oakland Unified School District General Obligation Refunding Bonds, 2017 Series A” (the “Series 2017A Bonds”) to refund all or a portion of the outstanding Series 2007 Bonds (such refunded portion being referred to herein as the “Prior Series 2007 Bonds”), its “Oakland Unified School District General Obligation Refunding Bonds (Measure B) 2017 Series B” (the “Series 2017B Bonds”) to refund all or a portion of the outstanding Series 2012A Bonds (such refunded portion being referred to herein as the “Prior Series 2012A Bonds”), its “Oakland Unified School District General Obligation Refunding Bonds (Measure J) 2017 Series C” (the “Series 2017C Bonds”) to refund all or a portion of the outstanding Series 2013 Bonds (such refunded portion being referred to herein as the “Prior Series 2013 Bonds”) and its “Oakland Unified School District General Obligation Crossover Refunding Bonds (Measure B) 2017 Series D” (the “Series 2017D Bonds” and, together with the Series 2017A Bonds, the Series 2017B Bonds and the Series 2017C Bonds, the “Refunding Bonds”) to refund all or a portion of the outstanding Series 2009B Bonds (such refunded portion being referred to herein as the “Prior Series 2009B Bonds” and, together with the Prior Series 2007 Bonds, the Prior Series 2012A Bonds, and the Prior Series 2013 Bonds, the “Prior Bonds”) and the execution and delivery of this Paying Agent Agreement on behalf of the District;

WHEREAS, pursuant to Section 53558(b) of the Government Code, the District is authorized to deposit the proceeds of sale of the Series 2017D Bonds in escrow, in an amount sufficient to pay (i) the principal of and interest and redemption premiums, if any, on the Series 2017D Bonds prior to the maturity of the Prior Series 2009B Bonds or prior to the designated date or dates before the maturity of the Prior Series 2009B Bonds on which date such Prior Series 2009B Bonds are to be redeemed (the “Crossover Date”), (ii) the principal of and any redemption premium on the Prior Series 2009B Bonds at maturity or at the Crossover Date, and (iii) the designated costs of issuing the Series 2017D Bonds;

WHEREAS, the District is entering into an Escrow Agreement, dated as of May 1, 2017, with U.S. Bank National Association, as Escrow Agent (the “Escrow Agent”), to provide for the escrow of the proceeds of the Refunding Bonds;

WHEREAS, on the Crossover Date, if sufficient funds are on deposit in the Series 2009B Escrow Account (as defined in the Escrow Agreement) for such purpose, the Prior Series 2009B Bonds then subject to redemption shall be redeemed and the Series 2017D Bonds related thereto shall no longer be payable from the Series 2009B Escrow Account and prior to such redemption, the Series 2017D Bonds are payable solely from the Series 2009B Escrow Account;

WHEREAS, the District has found and determined and by execution hereof so represents that the issuance of the Refunding Bonds and the defeasance of the Prior Bonds will result in a net savings in the total interest cost to maturity of the Prior Bonds, including costs of issuance of the Refunding Bonds, pursuant to Section 53552 and 53556 of the California Government Code, and that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Paying Agent Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Paying Agent Agreement;

NOW, THEREFORE, in order to secure the payment of the Refunding Bonds and the performance and observance by the District of all the covenants, agreements and conditions herein and in the Refunding Bonds contained, and in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration, the District and the Paying Agent hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Section 1.01 shall, for all purposes hereof and of any amendment hereof or supplement hereto and of the Refunding Bonds and of any certificate, opinion, request or other document mentioned herein or therein, have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein:

“Authorized District Representative” shall mean the Superintendent of the District, the Deputy Chief of Facilities, the Chief Financial Officer of the District, the Senior Business Officer of the District or any other officer of the District designated by the Board of Education.

“Board” shall mean the Board of Education of the District.

“Bondowner,” “Bondholder,” “Owner,” or “Holder” shall mean the person in whose name any Refunding Bond shall be registered.

“Bonds” shall mean the Refunding Bonds.

“Business Day” shall mean any day of the week other than a Saturday or a Sunday on which the Paying Agent is not required or authorized to remain closed, and on which the New York Stock Exchange is open for business.

“Certificate of the District.” See “Request of the District” defined herein.

“Code” shall mean the Internal Revenue Code of 1986, as the same shall be hereafter amended, and any regulations heretofore issued or which shall be hereafter issued by the United States Department of the Treasury thereunder.

“Continuing Disclosure Certificate” shall mean that certain Continuing Disclosure Certificate executed and delivered by the District, dated the date of issuance and delivery of the Refunding Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“County” shall mean the County of Alameda, State of California.

“Crossover Date” shall mean [August 1, 2019], the date the Prior Series 2009B Bonds are scheduled to be redeemed with certain proceeds of the Series 2017D Bonds.

“Defeasance Securities” means (i) non-callable obligations of, or obligations guaranteed as to principal and interest by, the United States or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the United States including: U.S. Treasury Obligations; Farmers Home Administration certificates of beneficial ownership; General Services Administration participation certificates; U.S. Maritime Administration Guaranteed Title XI financing; Small Business Administration guaranteed participation certificates and guaranteed pool certificates; Government National Mortgage Association (GNMA) guaranteed mortgage-backed securities and guaranteed participation certificates; U.S. Department of Housing and Urban Development local authority bonds; Washington Metropolitan Area Transit Authority guaranteed transit bonds; State and Local Government Series; and Veterans Administration guaranteed REMIC Pass-through certificates; and

(ii) the following non-callable obligations of government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Mortgage Corp. (FHLMC) debt obligations; Farm Credit System (Formerly: Federal Land Banks, Intermediate Credit Banks, and Banks for Cooperatives) consolidated systemwide bonds and notes; Federal Home Loan Banks (FHL Banks) consolidated debt obligations; Federal National Mortgage Association (FNMA) debt obligations; Student Loan Marketing Association (SLMA) debt obligations; Resolution Funding Corp. (REFCORP) debt obligations; U.S. Agency for International Development (U.S. A.I.D.) guaranteed notes (provided such notes mature at least 4 business days before the appropriate payment date); and

(iii) stripped securities where the principal-only and interest-only strips are derived from non-callable obligations issued by the U.S. Treasury, and REFCORP securities stripped by the Bank of New York.

“District” shall mean the Oakland Unified School District, located in the County.

“DTC” shall mean The Depository Trust Company, New York, New York and its successors and assigns.

“Escrow Agent” shall mean U.S. Bank National Association, as initial escrow agent under the Escrow Agreement, its successors and assigns, and any other corporation or association which may at any time be substituted in its place in accordance with the Escrow Agreement.

“Escrow Agreement” shall mean that certain agreement dated as of May 1, 2017, by and between the District and the Escrow Agent, regarding the outstanding Prior Bonds.

“Escrow Fund” shall mean that certain fund of the same name created and maintained by the Escrow Agent pursuant to the Escrow Agreement.

“Holder.” See “Bondowner” defined herein.

“Interest and Sinking Fund” shall mean the Interest and Sinking Fund of the District administered by the Treasurer, established pursuant to State law.

“Interest Payment Date” shall mean February 1 and August 1 of each year. The first Interest Payment Date shall be [_____ 1, 20__].

“Law” shall mean Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and other applicable law.

“Order of the District”, see “Request of the District” defined herein.

“Opinion of Counsel” shall mean a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the District.

“Owner”, see “Bondowner” defined herein.

“Paying Agent” shall mean U.S. Bank National Association, as initial paying agent, registrar, and transfer agent with respect to the Refunding Bonds, its successors and assigns and any other corporation or association which may at any time be substituted in its place as provided in Section 6.02 hereof.

“Paying Agent Agreement” shall mean this agreement, by and between the District and the Paying Agent.

“Prior Bonds” shall mean (i) certain of the outstanding “Oakland Unified School District 2007 General Obligation Refunding Bonds” which were originally issued on August 1, 2007, in the principal amount of \$199,240,000; (ii) certain of the outstanding “Oakland Unified School District Taxable General Obligation Bonds, Election of 2006, Series 2009B (Build America Bonds)” which were originally issued on August 12, 2009 in the principal amount of \$70,795,000, (iii) certain of the outstanding “Oakland Unified School District General Obligation Bonds (Election of 2006, Series 2012A)” which were originally issued on March, 21, 2012, in the principal amount of \$31,040,000; and (iv) certain outstanding “Oakland Unified School District General Obligation Bonds (Election of 2012, Series 2013)” which were originally issued on September 21, 2013 in the principal amount of \$120,000,000, which are being refunded through the issuance of the Refunding Bonds, as described in the Escrow Agreement.

“Record Date” shall mean the 15th day of the month preceding any Interest Payment Date. The first Record Date shall be [_____ 15, 20__].

“Refunding Bonds” shall mean the Series 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds, and the Series 2017D Bonds, issued hereunder.

“Redemption Date” shall mean the date on which the Refunding Bonds or any of them are called for redemption, as provided in Article IV hereof.

“Request of the District”, “Certificate of the District”, or “Order of the District” shall mean a written request, certificate or order, respectively, authorized and signed by an Authorized District Representative.

“Series 2017A Bonds” shall mean the Oakland Unified School District 2017 General Obligation Refunding Bonds, 2017 Series A,” issued hereunder.

“Series 2017B Bonds” shall mean the Oakland Unified School District General Obligation Refunding Bonds (Measure B) 2017 Series B,” issued hereunder.

“Series 2017C Bonds”) shall mean the Oakland Unified School District General Obligation Refunding Bonds (Measure J) 2017 Series C,” issued hereunder.

“Series 2017D Bonds” shall mean the Oakland Unified School District General Obligation Crossover Refunding Bonds (Measure B) 2017 Series D,” issued hereunder.

“State” shall mean the State of California.

“Tax Certificate” shall mean the Tax Certificate concerning certain matters pertaining to the use of proceeds of the Refunding Bonds, executed and delivered by the District on the date of issuance of the Refunding Bonds, including all exhibits attached thereto, as such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

“Treasurer” shall mean the Treasurer-Tax Collector of the County. The “Office of the Treasurer” shall mean the Office of the Treasurer-Tax Collector of the County, in Oakland, California.

ARTICLE II

THE REFUNDING BONDS

SECTION 2.01 Authorization; Date; Payment of Principal and Interest; Denominations. The Refunding Bonds shall be issued for the purpose of providing funds to pay and redeem the Prior Bonds, to pay costs incurred in connection with the issuance, sale and delivery of the Refunding Bonds, and, with respect to the Series 2017D Bonds, to pay interest on the Series 2017D Bonds prior to and through the Crossover Date and on the Crossover Date (provided sufficient funds are on deposit in the Series 2009B Escrow Account) to redeem the Prior Series 2009B Bonds subject to redemption on such date. If insufficient funds are in the Series 2009B Escrow Account on the Crossover Date to retire the Prior Series 2009B Bonds subject to redemption on such date, such funds shall be used to redeem the Series 2017D Bonds. The District shall not be liable for any insufficiency of moneys in the Series 2009B Escrow Account for such redemption. The Refunding Bonds shall be issued by the District under and subject to the terms of the Resolution, this Paying Agent Agreement and the Law, and shall be designated as follows: “Oakland Unified School District General Obligation Refunding Bonds, 2017 Series A,” which shall be issued in the aggregate principal amount of \$[2017A PAR]; the “Oakland Unified School District General Obligation Refunding Bonds (Measure B) 2017 Series B,” which shall be issued in the aggregate principal amount of \$[2017B PAR]; the “Oakland Unified School District General Obligation Refunding Bonds (Measure J) 2017 Series C,” which shall be issued in the aggregate principal amount of \$[2017C PAR], and the “Oakland Unified School District General Obligation Crossover Refunding Bonds (Measure B) 2017 Series D”, which shall be in the aggregate principal amount of \$[2017D PAR].

The Refunding Bonds shall be issued as current interest bonds dated the date of issuance thereof. The Refunding Bonds shall bear interest at the respective rates shown in the table in this Section 2.01 below, payable on February 1 and August 1 of each year, commencing [_____ 1, 20__], until payment of the principal amount thereof. Each Refunding Bond authenticated and registered on any date prior to the close of business on the first Record Date shall bear interest from the date of said Refunding Bond. Each Refunding Bond authenticated during the period between any subsequent Record Date and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other Refunding Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Refunding Bond, interest is in default on outstanding Refunding Bonds, such Refunding Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Refunding Bonds. Interest on the Refunding Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Refunding Bonds shall be issued in fully registered form, without coupons, in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Refunding Bond shall mature on more than one maturity date.

The Series 2017A Bonds shall mature on August 1 in each of the years and principal amounts and bear interest at the annual rates of interest shown below:

Maturity Date (August 1)	Principal Amount	Interest Rate
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The Series 2017B Bonds shall mature on August 1 in each of the years and principal amounts and bear interest at the annual rates of interest shown below:

Maturity Date (August 1)	Principal Amount	Interest Rate
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The Series 2017C Bonds shall mature on August 1 in each of the years and principal amounts and bear interest at the annual rates of interest shown below:

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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The Series 2017D Bonds shall mature on August 1 in each of the years and principal amounts and bear interest at the annual rates of interest shown below:

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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The principal and any premium of the Refunding Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the office of the Paying Agent designated for this purpose pursuant to Section 6.01(b).

The interest on the Refunding Bonds shall be payable in like lawful money to the person whose name appears on the bond registration books of the Paying Agent as the Owner thereof as of the close of business on the applicable Record Date for each Interest Payment Date, whether or not such day is a Business Day. Payment of the interest on any Refunding Bond shall be made by check or draft mailed by first class mail on each Interest Payment Date (or on the following Business Day, if the Interest Payment Date does not fall on a Business Day) to such Owner at such Owner's address as it appears on such registration books or at such address as the Owner may have filed with the Paying Agent for that purpose; or upon written request of the Owner of Refunding Bonds aggregating not less than \$1,000,000 in principal amount, given no later than the Record Date immediately preceding the applicable Interest Payment Date, by wire transfer in immediately available funds to an account maintained in the United States at such wire address as such Owner shall specify in its written notice. So long as Cede & Co. or its registered assigns shall be the registered owner of any of the Refunding Bonds, payment shall be made thereto by wire transfer as provided in Section 2.04(d) hereof.

SECTION 2.02 Form and Registration of Refunding Bonds. (a) The Refunding Bonds, the Paying Agent's certificate of authentication and registration, and the form of assignment to appear thereon shall be in substantially the form attached hereto as Exhibit A, with necessary or appropriate variations, omissions and insertions as permitted or required by this Paying Agent Agreement (provided that if a portion of the text of any Refunding Bond is printed on the reverse of the bond, the following legend shall be printed on the bond: "THE PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.").

(b) The Refunding Bonds when issued shall be registered in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York, and shall be initially issued as one bond for each of the maturities of the Refunding Bonds, in the principal amounts set forth in the table in Section 2.01. The Depository Trust Company is hereby appointed depository for the Refunding Bonds and registered ownership of the Refunding Bonds may not thereafter be transferred except as provided in Sections 2.04 and 2.05 hereof.

SECTION 2.03 Execution and Authentication of Refunding Bonds. The Refunding Bonds shall be signed by the manual or facsimile signature of the President or any member of the Board and the Secretary of the Board or his or her designee. The Refunding Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent.

Only such of the Refunding Bonds as shall bear thereon a certificate of authentication and registration in the form given in Exhibit A hereto, executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Paying Agent Agreement, and such certificate of the Paying Agent shall be conclusive evidence that the Refunding Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Paying Agent Agreement.

SECTION 2.04 Book-Entry System. (a) The Refunding Bonds shall be initially issued and registered as provided in Section 2.02(b) hereof. Registered ownership of the Refunding Bonds, or any portion thereof, may not thereafter be transferred except:

(i) To any successor of Cede & Co., as nominee of The Depository Trust Company, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this section (a "substitute depository"); provided, that any successor of Cede & Co., as nominee of The Depository Trust Company or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District, upon (1) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for The Depository Trust Company (or its successor) because The Depository Trust Company or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such

substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of The Depository Trust Company or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository.

(b) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (a) hereof, upon receipt of the outstanding Refunding Bonds by the Paying Agent, together with a Request of the District, a new Refunding Bond for each maturity shall be executed and delivered pursuant to the procedures described in the third paragraph of Section 2.05 hereof in the aggregate principal amount of the Refunding Bonds then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such Request of the District. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the outstanding Refunding Bonds by the Paying Agent together with a Request of the District, new Refunding Bonds shall be executed and delivered in such denominations numbered in the manner determined by the Paying Agent and registered in the names of such persons as are requested in such Request of the District, subject to the limitations of Section 2.01 and the receipt of such a Request of the District, and thereafter, the Refunding Bonds shall be transferred pursuant to the provisions set forth in Section 2.05 of this Paying Agent Agreement; provided, that the Paying Agent shall not be required to deliver such new Refunding Bonds within a period of fewer than 60 days.

(c) The District and the Paying Agent shall be entitled to treat the person in whose name any Refunding Bond is registered as the Owner thereof, notwithstanding any notice to the contrary received by the Paying Agent or the District, and the District and the Paying Agent shall have no responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Refunding Bonds. Neither the District nor the Paying Agent shall have any responsibility or obligation, legal or otherwise, to the beneficial owners or to any other party including The Depository Trust Company or its successor (or substitute depository or its successor), except as the owner of any Refunding Bonds.

(d) So long as the outstanding Refunding Bonds are registered in the name of Cede & Co., or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole Owner, or its registered assigns, in effecting payment of the principal of and interest on the Refunding Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available (e.g., by wire transfer) on the date they are due.

SECTION 2.05 Transfer of Refunding Bonds upon Termination of Book-Entry System. In the event that at any time the Refunding Bonds shall no longer be registered in the name of Cede & Co. as a result of the operation of Section 2.04 hereof, then the procedures contained in this Section 2.05 shall apply.

Any Refunding Bond may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.07 hereof by the person in whose name it is registered, in person or by the duly authorized attorney of such person, upon surrender of such Refunding Bond to the Paying Agent for cancellation at the office of the Paying Agent designated for such purpose, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Refunding Bond or Bonds shall be surrendered for transfer, the designated District officials shall execute (as provided in Section 2.03 hereof) and the Paying Agent shall authenticate and deliver a new Refunding Bond or Bonds of the same maturity, for a like aggregate principal amount and bearing the same rate or rates of interest. The Paying Agent shall require the payment by the Bondowner requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

No transfer of Refunding Bonds shall be required to be made by the Paying Agent during the period from the close of business on the Record Date next preceding any Interest Payment Date or the close of business on the date when a notice of redemption has been given to and including such Interest Payment Date or designated Redemption Date.

SECTION 2.06 Exchange of Refunding Bonds. Refunding Bonds may be exchanged at the office of the Paying Agent in San Francisco, California, or such other place as the Paying Agent shall designate, for a like aggregate principal amount of Refunding Bonds of other authorized denominations of the same maturity and interest rate. The Paying Agent shall require the payment by the Bondowner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. No exchange of Refunding Bonds shall be required to be made by the Paying Agent during the period from the close of business on the Record Date next preceding any Interest Payment Date or the close of business on the date when a notice of redemption has been given to and including such Interest Payment Date or designated Redemption Date.

SECTION 2.07 Bond Register. (a) The Paying Agent will keep or cause to be kept, at the place it shall designate for the purpose, sufficient books for the registration and transfer of the Refunding Bonds, which shall at all times be open to inspection by the District and the County, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Refunding Bonds as hereinbefore provided.

(b) The Paying Agent shall assign each Refunding Bond authenticated and registered by it a distinctive letter or number, or letter and number.

ARTICLE III

ISSUANCE OF THE REFUNDING BONDS

SECTION 3.01 Delivery of Refunding Bonds. The Paying Agent is hereby authorized to authenticate and deliver the Refunding Bonds to or upon the written Request of the District.

SECTION 3.02 Application of Proceeds of Sale of Refunding Bonds.

Upon the delivery of the Refunding Bonds to the initial purchaser thereof and the receipt from said initial purchaser of the net purchase price of the Refunding Bonds (consisting of the par amount thereof, plus the original issue premium of \$[_____], less the underwriter’s discount of \$[_____], the District shall cause said net purchase price of the Refunding Bonds to be deposited with the Paying Agent and the Paying Agent shall apply, transfer and deposit said amount as follows:

- (i) transfer \$[_____] to the Escrow Agent for deposit in the Escrow Fund created pursuant to the Escrow Agreement;
- (ii) deposit \$[_____] to the Oakland Unified School District 2017 General Obligation Refunding Bonds Costs of Issuance Account, which is hereby created and which shall be held and administered by the Paying Agent hereunder. Amounts deposited in the Costs of Issuance Account shall be paid on the written Order of the District. On the 180th day following the date of issue of the Refunding Bonds, or upon prior written Order of the District, the Paying Agent shall transfer any remaining amounts in the Costs of Issuance Fund to the Treasurer for deposit in the Interest and Sinking Fund of the District.

Funds held by the Paying Agent hereunder shall be held uninvested, unless otherwise directed by a written Order of the District.

ARTICLE IV

REDEMPTION OF THE REFUNDING BONDS

SECTION 4.01 Terms of Redemption. (a) Special Mandatory Redemption

Provisions. The Series 2017D Bonds are subject to special mandatory redemption prior to their respective stated maturity dates, in whole or in part, at a redemption price equal to the principal amount thereof, together with accrued interest to the date of redemption, without premium, from amounts available in the Series 2009B Escrow Account as set forth in the table below. If the Prior Series 2009B Bonds cannot be redeemed on the Crossover Date due to an insufficiency of amounts in the Series 2009B Escrow Account, such redemption to occur on any date on or within 45 days after such Crossover Date, according to the following schedule:

<u>Bonds</u>	<u>Crossover Date</u>	<u>Relating to Escrow For</u>
Series 2017D Bonds	[August 1, 2019]	Prior Series 2009B Bonds

If less than all of the Series 2017D Bonds are called for Special Mandatory Redemption pursuant to this provision, the Series 2017D Bonds shall be redeemed pro rata by maturity. If less than all of the Series 2017D Bonds of any given maturity are called for redemption, the portions of the Series 2017D Bonds of a given maturity to be redeemed shall be determined pro rata.

(b) Optional Redemption. The Refunding Bonds maturing on or before [August 1, 20__] are not subject to redemption prior to their respective stated maturity dates. The Refunding Bonds maturing on or after [August 1, 20__] are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after [August 1, 20__], at a redemption price equal to 100% of the principal amount of Refunding Bonds to be redeemed, without premium, together with interest accrued thereon to the date fixed for redemption.

The principal amount to be redeemed in each year shown in the table above will be reduced at the option of the District, in integral multiples of \$5,000, by the amount of such Term Bond optionally redeemed prior to the mandatory sinking fund redemption date, if any.

(a) Mandatory Sinking Fund Redemption. The \$_____ Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each mandatory sinking fund redemption date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
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† Maturity.

The principal amount to be redeemed in each year shown in the table above will be reduced as directed by the District, or in the absence of such direction, will be reduced proportionately, in integral multiples of \$5,000, by the amount shown of such Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

(b) Selection of Bonds for Redemption. If less than all of the Refunding Bonds are called for redemption, such bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District. If less than all of the Refunding Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot. For purposes of such selection, each Refunding Bond shall be deemed to consist of individual Refunding Bonds of denominations of \$5,000 principal amount each, which may be separately redeemed.

(c) Notice of Redemption. Notice of redemption of any Refunding Bonds shall be given by the Paying Agent. Notice of any redemption of Refunding Bonds shall be mailed postage prepaid, not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books described in Section 2.07, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate.

Each notice of redemption shall contain all of the following information: (i) the date of such notice; (ii) the name of the affected Refunding Bonds and the date of issue of the Refunding Bonds; (iii) the date fixed for redemption; (iv) the redemption price, if available; (v) the dates of maturity of the Refunding Bonds to be redeemed; (vi) if less than all of the then outstanding Refunding Bonds are to be redeemed, the distinctive numbers of the Refunding Bonds of each maturity to be redeemed; (vii) in the case of Refunding Bonds redeemed in part only, the respective portions of the principal amount of the Refunding Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Refunding Bonds to be redeemed; (ix) a statement that such Refunding Bonds must be surrendered by the Owners at the office of the Paying Agent, or at such other place or places designated by the Paying Agent for such purpose; (x) notice that further interest on such Refunding Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

The actual receipt by the Owner of any Refunding Bond of notice of such redemption will not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, will not affect the validity of the proceedings for the redemption of such Refunding Bonds or the cessation of interest on the date fixed for redemption.

(d) Effect of Notice. When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Refunding Bonds called for redemption is set aside for the purpose as described above, the Refunding Bonds designated for redemption shall become due and payable on the date fixed for redemption and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Refunding Bonds at the place specified in the notice of redemption, such Refunding Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Refunding Bonds so called for redemption after such date fixed for redemption shall look for the payment of such Refunding Bonds and the redemption premium thereon, if any, only to moneys on deposit in the Interest and Sinking Fund or the escrow fund established for such purpose. All Refunding Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

(e) Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Refunding Bonds so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any redemption premium due on the Refunding Bonds called for redemption. Any extraordinary mandatory redemption and notice thereof shall be rescinded if the District has cured the conditions that caused the Series 2017D Bonds to be subject to extraordinary mandatory redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Refunding Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(f) Conditional Notice. Any notice of optional redemption delivered hereunder may be conditioned on any fact or circumstance stated therein, and if such condition shall not have been satisfied on or prior to the redemption date stated in such notice, said notice shall be of no force and effect on and as of the stated redemption date, the redemption shall be cancelled, and the District shall not be required to redeem the Refunding Bonds that were the subject of the notice. The Paying Agent shall give notice of such cancellation and the reason therefor in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Refunding Bond of notice of such cancellation shall not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

(g) Redemption Fund. Prior to or on the redemption date of any Refunding Bonds there shall be available in the Interest and Sinking Fund of the District, or held in trust for such purpose as provided by law, moneys for the purpose and sufficient to redeem, at the premiums payable as in this Paying Agent Agreement provided, the Refunding Bonds designated in said notice of redemption. Such moneys so set aside in any such escrow fund shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Refunding Bonds to be redeemed upon presentation and surrender of such Refunding Bonds, provided that all moneys in the Interest and Sinking Fund of the District shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the Interest and Sinking Fund of the District, unless otherwise provided for to be paid from such escrow fund. If, after all of the Refunding Bonds have been redeemed and cancelled or paid and cancelled, there are moneys remaining in the Interest and Sinking Fund of the District or otherwise held in trust for the payment of redemption price of the Refunding Bonds, said moneys shall be held in or returned or transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from said fund; provided, however, that if said moneys are part of the proceeds of bonds of the District, said moneys shall be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

(h) Defeasance of Refunding Bonds. If at any time the District shall pay or cause to be paid, or there shall otherwise be paid to the Owners of any or all outstanding Refunding Bonds, all of the principal, interest and premium, if any, represented by Refunding Bonds at the times and in the manner provided herein and in the Refunding Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation to levy taxes for payment of the Refunding Bonds as described in Section 5.02 hereof, and such obligation and all agreements and covenants of the District to such Owners hereunder and under the Refunding Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal, interest and premium, if any, represented by the Refunding Bonds, but only out of moneys on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of Section 6.07 hereof shall apply in all events.

For purposes of this section, the District may pay and discharge any or all of the Refunding Bonds by depositing in trust with the Paying Agent or an escrow agent at or before

maturity, Defeasance Securities, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund of the District, be fully sufficient in the opinion of a certified public accountant licensed to practice in the State to pay and discharge the indebtedness on such Refunding Bonds (including all principal, interest and redemption premiums, if any) at or before their respective maturity dates.

ARTICLE V

COVENANTS OF THE DISTRICT

SECTION 5.01 Payment of Principal and Interest. On or prior to the date any payment is due in respect of the Refunding Bonds, and after the Crossover Date with respect to the Series 2017D Bonds, the District will cause moneys to be deposited with the Paying Agent sufficient to pay the principal and the interest (and premium, if any) to become due in respect of all Refunding Bonds outstanding on such payment date. When and as paid in full, and following surrender thereof to the Paying Agent, all Refunding Bonds shall be cancelled by the Paying Agent, and thereafter they shall be destroyed. The Paying Agent hereby acknowledges, and the Treasurer by acknowledgement of this Paying Agent Agreement hereby acknowledges, that pursuant to the general laws of the State of California (following the Crossover Date with respect to the Series 2017D Bonds), the obligation to levy and collect taxes for the payment of the Refunding Bonds, and to pay principal and interest on the Refunding Bonds when due, are legal obligations of the County and the Treasurer and shall be performed by the Treasurer.

SECTION 5.02 Obligation to Levy Taxes for Payment of Bonds. Prior to the Crossover Date, the Series 2017D Bonds are payable solely from the Series 2009B Escrow Account. The Board of Supervisors and officers of the County (following the Crossover Date and successful redemption of the Series 2009B Bonds with respect to the Series 2017D Bonds) are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal of and interest coming due on the Refunding Bonds in such year, and to pay from such taxes all amounts due on the Refunding Bonds. The District shall take all steps required by law and by the County to ensure that the Board of Supervisors shall annually levy a tax upon all taxable property in the District (following the Crossover Date and successful redemption of the Series 2009B Bonds with respect to the Series 2017D Bonds) sufficient to redeem the Refunding Bonds, and to pay the principal, redemption premium, if any, and interest thereon as and when the same become due. The District is not obligated to pledge and pledges no moneys hereunder other than as provided for and required by the Law.

SECTION 5.03 Validity of Refunding Bonds. The recital contained in the Refunding Bonds that the same are regularly issued pursuant to the Law shall be conclusive evidence of their validity and of compliance with the provisions of the Law in their issuance.

SECTION 5.04 Further Assurances. The District will promptly execute and deliver or cause to be executed and delivered all such other and further instruments, documents or assurances, and promptly do or cause to be done all such other and further things, as may be necessary or reasonably required in order to further and more fully vest in the

Bondowners all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Paying Agent Agreement.

SECTION 5.05 Tax Covenants. (a) The District covenants that it shall 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 Refunding Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District covenants that it will comply with the requirements of the Tax Certificate. This covenant shall survive payment in full or defeasance of the Refunding Bonds.

(b) In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Paying Agent or the Treasurer on behalf of the District, the District shall so instruct the Paying Agent or Treasurer in writing.

(c) Notwithstanding any provision of this Section, if the District shall obtain and provide to the Paying Agent or the Treasurer, as appropriate, an Opinion of 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 federal income tax of interest on the Refunding Bonds, the Paying Agent and Treasurer may conclusively rely on such Opinion of Counsel in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

ARTICLE VI

THE PAYING AGENT

SECTION 6.01 Appointment; Acceptance; Principal Corporate Trust Office. (a) Appointment and Acceptance of Duties. U.S. Bank National Association, is hereby appointed Paying Agent, and hereby accepts and agrees to perform the duties and obligations of the Paying Agent, registrar and transfer agent specifically imposed upon it by this Paying Agent Agreement, and no implied duties shall be read into this Paying Agent Agreement against the Paying Agent.

The Paying Agent is hereby authorized and hereby agrees to pay or redeem the Refunding Bonds when duly presented for payment at maturity, or on prior redemption, and to cancel all Refunding Bonds upon payment thereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Refunding Bonds paid and discharged.

(b) Office of the Paying Agent. The Paying Agent, and any successor Paying Agent, shall designate each place or places where it will conduct the functions of transfer, registration, exchange, payment, and surrender of the Refunding Bonds. If no office is so designated for a particular purpose, such functions shall be conducted at the office of U.S. Bank National Association in St. Paul, Minnesota, California, or the principal corporate trust office of any successor Paying Agent.

SECTION 6.02 Resignation, Removal, Replacement of Paying Agent. The Paying Agent may at any time resign by giving written notice to the District and the County of such resignation, whereupon the Treasurer or the District shall promptly appoint a successor Paying Agent by the resignation date. Resignation of the Paying Agent will be effective 45 days after notice of the resignation is given as stated above or upon appointment of a successor Paying Agent, whichever first occurs. The Treasurer or the District may at any time remove the Paying Agent and any successor Paying Agent by an instrument given in writing, with copy to the District. After removal or receiving a notice of resignation of the Paying Agent, the Treasurer or the District may appoint a temporary Paying Agent or the Treasurer may temporarily assume the duties of the Paying Agent to replace the former Paying Agent until the Treasurer or the District appoints a successor Paying Agent. Any such temporary Paying Agent so appointed by the Treasurer or the District shall immediately and without further act be superseded by the successor Paying Agent upon the appointment of and acceptance thereof by such successor.

SECTION 6.03 Protection of Paying Agent. The Paying Agent hereby agrees, provided sufficient immediately available funds have been provided to it for such purpose by or on behalf of the District, to use the funds deposited with it solely for payment of the principal of and interest on the Refunding Bonds as the same shall become due or become subject to earlier redemption and for the redemption of the Series 2009B Bonds on the Crossover Date.

SECTION 6.04 Reliance on Documents, Etc.

(a) The Paying Agent may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Paying Agent by the District.

(b) The Paying Agent shall not be liable for any error of judgment made in good faith. The Paying Agent shall not be liable for other than its negligence or willful misconduct in connection with any act or omission hereunder.

(c) No provision of this Paying Agent Agreement shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(d) The Paying Agent may rely, or be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Paying Agent need not examine the ownership of any Refunding Bond, but is protected in acting upon receipt of Refunding Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Bondowner or agent of the Bondowner.

(e) The Paying Agent may consult with counsel, and the written advice of such counsel or any Opinion of Counsel shall be full authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and reliance thereon.

(f) The Paying Agent may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys.

SECTION 6.05 Recitals of District. The recitals contained herein and in the Refunding Bonds shall be taken as the statements of the District, and the Paying Agent assumes no responsibility for their correctness.

SECTION 6.06 Paying Agent May Own Bonds. The Paying Agent, in its individual or any other capacity, may become the owner or pledgee of Refunding Bonds with the same rights it would have if it were not the Paying Agent for the Refunding Bonds.

SECTION 6.07 Money Held by Paying Agent; Unclaimed Moneys. Money held by the Paying Agent hereunder may be commingled with other funds held by the Paying Agent, but shall be separately accounted for. Except as otherwise provided herein, the Paying Agent shall have no duties with respect to investment of funds deposited with it and shall be under no obligation to pay interest on any money received by it hereunder.

Any money held in any fund created pursuant to this Paying Agent Agreement, or held by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Refunding Bonds and remaining unclaimed for two years after the principal of all of the Refunding Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the Interest and Sinking Fund of the District for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

SECTION 6.08 Other Transactions. The Paying Agent may engage in or be interested in any financial or other transaction with the District.

SECTION 6.09 Interpleader. The Paying Agent may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in a court of competent jurisdiction. The Paying Agent has the right to file an action in interpleader in any court of competent jurisdiction to determine the rights of any person claiming any interest herein.

SECTION 6.10 Indemnification. The District, to the extent permitted by law, shall indemnify the Paying Agent, its officers, directors, employees, and agents (“Indemnified Parties”) for, and hold them harmless against any loss, cost, claim, liability or expense arising out of or in connection with the Paying Agent’s acceptance or administration of the Paying Agent’s duties hereunder or under the Refunding Bonds (except any loss, liability or expense as may be adjudicated by a court of competent jurisdiction to be attributable to the Paying Agent’s negligence or willful misconduct), including without limitation the cost and expense (including its counsel fees and disbursements, including the allocated costs and disbursements of internal counsel) of defending itself against any claim or liability (except such action as may be brought against the Paying Agent by the District, unless the Paying Agent did not commit willful misconduct or negligence) in connection with the exercise or performance of any of its powers or duties under this Paying Agent Agreement. The provisions of this Section

6.10 shall survive termination of this Paying Agent Agreement and shall continue for the benefit of any Paying Agent after its resignation as Paying Agent hereunder.

SECTION 6.11 Instructions to Paying Agent. The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Paying Agent Agreement sent by unsecured email, facsimile transmission or other similar unsecured electronic methods, provided, however, that the District shall provide to the Paying Agent an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the District elects to give the Paying Agent email or facsimile instructions (or instructions by a similar electronic method) and the Paying Agent in its discretion elects to act upon such instructions, the Paying Agent's understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized instruction, and the risk of interception and misuse by third parties.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01 Counterparts. This Paying Agent Agreement may be signed in several counterparts, each of which will constitute an original, but all of which shall constitute one and the same instrument.

SECTION 7.02 Continuing Disclosure. The District hereby covenants and agrees that it shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Paying Agent Agreement, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder; provided that any Owner or Beneficial Owner (as defined below) may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this section. For purposes of this section, "Beneficial Owner" means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Refunding Bonds (including persons holding Refunding Bonds through nominees, depositories or other intermediaries).

SECTION 7.03 Notices. Unless otherwise specified herein, all notices, statements, orders, requests or other communications hereunder by any party to another shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, or if given by fax, electronically, or other means of written communication and confirmed by mail:

If to the District:

Oakland Unified School District
1000 Broadway, Suite 680
Oakland CA 94607
Attn: Superintendent

If to the County:

County of Alameda
1221 Oak Street, Room 131
Oakland, CA 94612
Attn: Treasurer-Tax Collector

If to the Paying Agent:

U.S. Bank National Association
Mail Station : SF-CA-SF
One California Street, Suite 1000
San Francisco, CA 94111
Attn: Global Corporate Trust Services

SECTION 7.04 Governing Law. This Paying Agent Agreement shall be governed by the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Paying Agent Agreement to be duly executed by their officers duly authorized as of the date first written above.

OAKLAND UNIFIED SCHOOL DISTRICT

By _____
Authorized District Representative

U.S. BANK NATIONAL ASSOCIATION, as
Paying Agent

By _____
Authorized Officer

Acknowledged:

Treasurer-Tax Collector
County of Alameda

EXHIBIT A
[FORM OF BOND]

Number	UNITED STATES OF AMERICA	Amount
R-[A][B][C][D]__	STATE OF CALIFORNIA	\$ _____
	ALAMEDA COUNTY	
	OAKLAND UNIFIED SCHOOL DISTRICT	
	GENERAL OBLIGATION REFUNDING BONDS	
	[2017 SERIES A][MEASURE B) 2017 SERIES B]	
	[(MEASURE J) 2017 SERIES C]	
	[GENERAL OBLIGATION CROSSOVER REFUNDING BONDS	
	(MEASURE B) 2017 SERIES D]]	

Interest Rate	Maturity Date	Dated	CUSIP NO.
____%	August 1, 20__	[May __], 2017	672325__

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

Oakland Unified School District of Alameda County, State of California (herein called the "District"), acknowledges itself obligated to and promises to cause to be paid to the registered owner identified above or registered assigns, [prior to and through the Crossover Date (hereinafter defined) only from escrowed moneys and thereafter] but only from taxes collected by the County of Alameda (the "County") for such purpose pursuant to Section 15250 of the Education Code and Section 53559 of the Government Code of the State of California, on the maturity date set forth above or upon redemption prior thereto, the principal sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money at the interest rate per annum stated above, computed on the basis of a 360-day year of twelve 30-day months, payable on February 1 and August 1 of each year, commencing [_____, 2017], until payment of said principal sum. If this bond is authenticated and registered on any date prior to the close of business on [_____, 15, 20__], it shall bear interest from the date hereof. If authenticated during the period between any Record Date (defined as the 15th day of the month preceding an interest payment date) and the close of business on its corresponding interest payment date, it shall bear interest from such interest payment date. Otherwise, this bond shall bear interest from the interest payment date immediately preceding the date of its authentication.

The principal hereof is payable to the registered owner hereof upon the surrender hereof at the place or places designated for the purpose by the paying agent/registrar and transfer agent of the District (herein called the "Paying Agent"), initially, U.S. Bank National Association. The interest hereon is payable to the person whose name appears on the bond registration books of the Paying Agent as the registered owner hereof as of the close of business on the Record Date preceding each interest payment date, whether or not such day is a business day, such interest to be paid by check mailed to such registered owner at the owner's address as it appears on such registration books, or at such other address filed with the Paying Agent for

that purpose. Upon written request, given no later than the Record Date immediately preceding an interest payment date, of the owner of Bonds (hereinafter defined) aggregating at least \$1,000,000 in principal amount, interest will be paid by wire transfer to an account maintained in the United States as specified by the owner in such request. So long as Cede & Co. or its registered assigns shall be the registered owner of this bond, payment shall be made by wire transfer as provided in the Paying Agent Agreement hereinafter described.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, maturities and redemption provisions), amounting in the aggregate to \$[PAR], designated as “Oakland Unified School District General Obligation Refunding Bonds” [2017 Series A] [(Measure B) 2017 Series B] [(Measure J) 2017 Series C]” [“Oakland Unified School District General Obligation Crossover Refunding Bonds (Measure B) 2017 Series D”] (the “Bonds”), issued for the purpose of refunding and redeeming certain outstanding bonds of the District. The Bonds were authorized by a resolution approved by the Board of Education of the District (the “Board”) on [April 26, 2017] (the “Resolution”) and are issued and sold pursuant to a Paying Agent Agreement (the “Paying Agent Agreement”), dated as of May 1, 2017, between the District and the Paying Agent. The Bonds are issued and sold by the District pursuant to and in strict conformity with the provisions of the Paying Agent Agreement and of the Constitution and laws of California, specifically under the authority of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

The Bonds are issuable as fully registered bonds without coupons in the denomination of \$5,000 principal amount or any integral multiple thereof, provided that no Bond shall have principal maturing on more than one principal maturity date. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Paying Agent Agreement, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same maturity and interest rate of other authorized denominations.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at said office of the Paying Agent, but only in the manner, subject to the limitations and upon payment of the charges provided in the Paying Agent Agreement, and upon surrender and cancellation of this bond. Upon such transfer, a new Bond or Bonds of authorized denomination or denominations for the same maturity, interest rate, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The Bonds are subject to optional and mandatory sinking fund redemption on the terms and subject to the conditions specified in the Paying Agent Agreement and as shown in the Redemption Schedule attached hereto. If this bond is called for redemption and payment is duly provided therefor, interest shall cease to accrue hereon from and after the date fixed for redemption.

[The Series 2017D Bonds are subject to special mandatory redemption prior to their respective stated maturity dates, in whole or in part, at a redemption price equal to the principal amount thereof, together with accrued interest thereon to the date of redemption, without premium, from amounts available in the Series 2009B Escrow Account, if the Prior Bonds cannot be redeemed on [August 1, 2019] (the “Crossover Date”) due to an insufficiency of amounts in the Series 2009B Escrow Account. Such redemption is to occur on any date on or within 45 days after the Crossover Date.]

The Board hereby certifies and declares that the total amount of indebtedness of the District, including the amount of this bond, is within the limit provided by law, that all acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond, that this bond is in the form prescribed by the Paying Agent Agreement [and shall be payable out of the escrowed proceeds of the Bonds prior to and through the Crossover Date, and, subject to sufficiency of funds for redemption of the Series 2009B Bonds on the Crossover Date, thereafter,] and by order of this Board duly made and entered on its minutes, [and] shall be payable out of the Interest and Sinking Fund of the District. [Following the Crossover Date and such redemption of the Series 2009B Bonds,] the money for the payment of the principal of this bond, premium, if any, and the payment of interest hereon, shall be raised by taxation upon the taxable property of said District.

This bond shall not be entitled to any benefit under the Paying Agent Agreement, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the Oakland Unified School District has caused this OAKLAND UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION REFUNDING BOND [2017 SERIES A] [(MEASURE B) 2017 SERIES B] [(MEASURE J) 2017 SERIES C] [GENERAL OBLIGATION CROSSOVER REFUNDING BOND (MEASURE B) 2017 SERIES D] to be signed by facsimile signatures of its President and of the Secretary of the Board of Education of the Oakland Unified School District.

President, Board of Education of the
Oakland Unified School District

Secretary, Board of Education of the
Oakland Unified School District

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This is one of the OAKLAND UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION REFUNDING BONDS [2017 SERIES A] [(MEASURE B) 2017 SERIES B] [(MEASURE J) 2017 SERIES C] [GENERAL OBLIGATION CROSSOVER REFUNDING BOND (MEASURE B) 2017 SERIES D] described in the within-mentioned Paying Agent Agreement authenticated and registered on _____.

U.S. BANK NATIONAL ASSOCIATION, San Francisco, California, as Paying Agent/Registrar and Transfer Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the District or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____
Notice: Signature must be guaranteed by an eligible guarantor institution.

REDEMPTION SCHEDULE

ESCROW AGREEMENT

by and between the

OAKLAND UNIFIED SCHOOL DISTRICT
County of Alameda, California

and

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

Dated as of May 1, 2017

RELATING TO:

OAKLAND UNIFIED SCHOOL DISTRICT
2007 GENERAL OBLIGATION REFUNDING BONDS

OAKLAND UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2006, SERIES 2012A)

OAKLAND UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2012, SERIES 2013)

OAKLAND UNIFIED SCHOOL DISTRICT
TAXABLE GENERAL OBLIGATION BONDS
(ELECTION OF 2006, SERIES 2009B)
(BUILD AMERICA BONDS)

TABLE OF CONTENTS

	Page
SECTION 1. ESTABLISHMENT AND MAINTENANCE OF ESCROW FUNDS; DEPOSIT	2
SECTION 2. INVESTMENT OF MONEY IN THE ESCROW FUNDS	3
SECTION 3. PAYMENT AND REDEMPTION OF PRIOR BONDS	4
SECTION 4. NOTICE OF REDEMPTION.....	5
SECTION 5. POSSIBLE DEFICIENCIES	5
SECTION 6. UNCLAIMED MONEYS	5
SECTION 7. SUBSTITUTION OF SECURITIES.....	6
SECTION 8. FEES AND EXPENSES OF ESCROW AGENT	6
SECTION 9. LIABILITIES AND OBLIGATIONS OF ESCROW AGENT	6
SECTION 10. MERGER OR CONSOLIDATION	9
SECTION 11. AMENDMENT	9
SECTION 12. NOTICES	9
SECTION 13. SEVERABILITY	9
SECTION 14. GOVERNING LAW	9
SECTION 15. EXECUTION	9
 SCHEDULE I ESCROW SECURITIES	
 SCHEDULE II SCHEDULE OF BONDS TO BE DEFEASED	
 EXHIBIT A FORMS OF NOTICE OF REDEMPTION	

ESCROW AGREEMENT

This ESCROW AGREEMENT (the “Escrow Agreement”), dated as of May 1, 2017, by and between the OAKLAND UNIFIED SCHOOL DISTRICT (the “District”), a school district duly organized and existing under the Constitution and laws of the State of California, and U.S. BANK NATIONAL ASSOCIATION (the “Escrow Agent”), a national banking association duly organized and existing under the laws of the United States of America, being qualified to accept and administer the trust hereby created, executed and delivered by the District pursuant to a resolution adopted by the Board of Education of the District on [April 26], 2017,

WITNESSETH

WHEREAS, U.S. Bank National Association, acting as paying agent (the “Paying Agent”) under that certain Paying Agent Agreement, dated as of May 1, 2017 (the “Paying Agent Agreement”), by and between the District and the Paying Agent, and acknowledged by the Treasurer-Tax Collector of the County of Alameda (the “County”), duly authenticated and delivered \$[2017A PAR] principal amount of Oakland Unified School District General Obligation Refunding Bonds, 2017 Series A (the “Series 2017A Bonds”), for the purpose, among others, of providing funds for the defeasance of all or a portion of the outstanding bonds of the District issued as “Oakland Unified School District 2007 General Obligation Refunding Bonds” (the “Series 2007 Bonds”), on August 1, 2007, in the aggregate principal amount of \$199,240,000, \$136,400,000 of which remains outstanding;

WHEREAS, the Paying Agent duly authenticated and delivered \$[2017B PAR] principal amount of Oakland Unified School District General Obligation Refunding Bonds (Measure B) 2017 Series B (the “Series 2017B Bonds”), for the purpose, among others, of providing funds for the defeasance of all or a portion of the outstanding bonds of the District issued as “Oakland Unified School District General Obligation Bonds, (Election of 2006, Series 2012A)” (the “Series 2012A Bonds”), on March 21, 2012, in the aggregate principal amount of \$31,040,000, \$28,635,000 of which remains outstanding;

WHEREAS, the Paying Agent duly authenticated and delivered \$[2017C PAR] principal amount of Oakland Unified School District General Obligation Refunding Bonds (Measure J) 2017 Series C (the “Series 2017C Bonds”), for the purpose, among others, of providing funds for the defeasance of all or a portion of the outstanding bonds of the District issued as “Oakland Unified School District General Obligation Bonds (Election of 2012, Series 2013)” (the “Series 2013 Bonds”), on September 21, 2013, in the aggregate principal amount of \$120,000,000, \$94,505,000 of which remains outstanding;

WHEREAS, the Paying Agent duly authenticated and delivered \$[2017D PAR] principal amount of Oakland Unified School District General Obligation Crossover Refunding Bonds (Measure B) 2017 Series D (the “Series 2017D Bonds” and, together with the Series 2017A Bonds, the Series 2017B Bonds and the Series 2017C Bonds, herein called the “Refunding Bonds”), for the purpose, among others, of providing funds for the defeasance of all or a portion of the outstanding bonds of the District issued as “Oakland Unified School District Taxable General Obligation Bonds (Election of 2006, Series 2009B) (Build America Bonds)”

(the “Series 2009B Bonds”), on August 12, 2009, in the aggregate principal amount of \$70,795,000, \$70,795,000 of which remains outstanding;

WHEREAS, the refunded portion of the Series 2007 Bonds, the Series 2012A Bonds, the Series 2013 Bonds and the Series 2009B Bonds, as identified in Schedule II attached hereto, is herein collectively called the “Prior Bonds”;

WHEREAS, the Series 2007 Bonds shall be defeased and redeemed pursuant to Resolution No. 0607-0213, adopted by the Board of Education of the District on June 13, 2007, and a Paying Agent Agreement, dated as of August 1, 2007 (collectively, the “2007 Documents”);

WHEREAS, the Series 2012A Bonds shall be defeased and redeemed pursuant to Resolution No. 1112-0079, adopted by the Board of Education of the District on November 16, 2011, Resolution No. R-2011-403, adopted by the of the Board of Supervisors of the County on January 25, 2015 and the Paying Agent Agreement, dated March 1, 2012 (collectively, the “2012A Documents”);

WHEREAS, the Series 2013 Bonds shall be defeased and redeemed pursuant to Resolution No. 1213-0186, adopted by the Board of Education of the District on June 12, 2013, Resolution No. R-2013-268, adopted by the of the Board of Supervisors of the County on July 16, 2013 and the Paying Agent Agreement, dated September 1, 2013 (collectively, the “2013 Documents”);

WHEREAS, the Series 2009B Bonds shall be defeased and redeemed pursuant to Resolution No. 0890-0234, adopted by the Board of Education of the District on June 24, 2009, Resolution No. 2009-285, adopted by the Board of Supervisors of the County on July 14, 2009 and the Paying Agent Agreement, dated as of August 1, 2009 (collectively, the “2009B Documents” and, together with the 2007 Documents, the 2012A Documents and the 2013 Documents, the “Prior Bond Documents”);

WHEREAS, pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the “Government Code”) and other applicable law, the District is authorized to issue the Refunding Bonds to refund the District’s Prior Bonds;

WHEREAS, U.S. Bank National Association is acting hereunder as escrow agent with respect to the Prior Bonds, and in such capacity is herein referred to as the “Escrow Agent”;

WHEREAS, the Paying Agent Agreement provides for the deposit in the Escrow Fund (established pursuant to Section 1 hereof) of certain of the proceeds of the Refunding Bonds and other moneys, if any;

WHEREAS, the District has taken action to cause to be issued to the Escrow Agent for deposit in or credit to said Escrow Fund certain cash, securities and investments consisting of certain [U.S. Treasury obligations for which the faith and credit of the United States of America are directly pledged for the payment of principal and interest, and that are not subject to redemption prior to their respective stated maturities] (the “Escrow Securities”),

initially consisting of the securities and cash amounts as listed on Schedule I attached hereto and made a part hereof;

WHEREAS, such investments, together with the initial cash deposit and the interest to accrue on such Escrow Securities, will be sufficient, as certified pursuant to a verification report dated the date of issuance of the Refunding Bonds (the “Verification Report”) by Causey Demgen & Moore P.C., a certified public accountant licensed to practice in the State of California, to pay the amounts required pursuant to Section 3;

NOW, THEREFORE, the District and the Escrow Agent hereby agree as follows (capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Paying Agent Agreement):

Section 1. Establishment and Maintenance of Escrow Funds; Deposit.

(a) The Escrow Agent hereby agrees to establish and maintain a fund until all of the Prior Bonds have been paid as provided herein, designated as the “Escrow Fund,” and within such Escrow Fund a separate escrow account (each as defined below and collectively, the “Escrow Accounts”) for each of the Prior Bonds, and to hold the securities, investments and moneys therein at all times as a special fund and separate trust accounts, until the applicable redemption date for each of the Prior Bonds described in Section 3 hereof, such separate accounts to be designated as follows:

(i) the “Series 2007 Escrow Account,” all securities, investments and moneys in which are hereby irrevocably pledged, subject to the provisions of Section 2 and Section 6 hereof, to secure the payment of the Series 2007 Bonds. On the date of delivery of the Series 2017A Bonds, the Escrow Agent shall receive the amount of \$[_____], representing a portion of the proceeds of the sale of the Series 2017A Bonds, and shall deposit such amount in the Series 2007 Escrow Account;

(ii) the “Series 2012A Escrow Account,” all securities, investments and moneys in which are hereby irrevocably pledged, subject to the provisions of Section 2 and Section 6 hereof, to secure the payment of the Series 2012A Bonds. On the date of delivery of the Series 2017B Bonds, the Escrow Agent shall receive the amount of \$[_____] representing a portion of the proceeds of the sale of the Series 2017B Bonds, and shall deposit such amount in the Series 2012A Escrow Account;

(iii) the “Series 2013 Escrow Account,” all securities, investments and moneys in which are hereby irrevocably pledged, subject to the provisions of Section 2 and Section 6 hereof, to secure the payment of the Series 2013 Bonds. On the date of delivery of the Series 2017C Bonds, the Escrow Agent shall receive the amount of \$[_____], representing a portion of the proceeds of the sale of the Series 2017C Bonds, and shall deposit such amount in the Series 2013 Escrow Account; and

(iv) the “Series 2009B Escrow Account,” (i) for the benefit of the registered owners of the Series 2017D Bond, to pay when due, the interest on the Series 2017D Bonds to and including [August 1, 2019] (the “Crossover Date”), and (ii) on and after the Crossover Date (provided there are sufficient funds on such date to pay the interest due on the Series 2017D

Bonds and to redeem the Series 2009B Bonds) for the benefit of the registered Owners of the Series 2009B Bonds, to pay on the Crossover Date the redemption price of the Series 2009B Bonds, which amounts shall be held in trust by the Escrow Agent for the registered Owners of the Series 2009B Bonds. On the date of delivery of the Refunding Bonds, the Escrow Agent shall receive the amount of \$[_____], representing a portion of the proceeds of the sale of the Series 2017D Bonds, and shall deposit such amount in the Series 2009B Escrow Account.

(b) All securities, investments and moneys in the Escrow Fund shall be used solely for making such payments and to purchase Escrow Securities, as set forth in Schedule I hereto. All securities, investments and moneys in the each of the Escrow Accounts are hereby irrevocably pledged, subject to the provisions of Section 2 and Section 6 hereof, to secure the payment of the respective Prior Bonds and, with respect to the Series 2009B Escrow Account, the Series 2017 Bonds, as provided herein:

Section 2. Investment of Money in the Escrow Fund. The Escrow Agent shall take all remaining necessary action to have the Escrow Securities listed in Schedule I hereto issued and registered in the name of the Escrow Agent, for the account of the Escrow Fund. The Escrow Agent shall use proceeds of the Refunding Bonds and other moneys deposited into the Escrow Fund, if any, to purchase the Escrow Securities listed in Schedule I. Except as set forth below, the Escrow Agent shall not reinvest any cash portion of the Escrow Fund; provided, however, that after obtaining an unqualified legal opinion of nationally recognized bond counsel that such reinvestment will not adversely affect the tax-exempt status of interest on the Refunding Bonds and the Prior Bonds under Section 103 of the Internal Revenue Code of 1986 and the regulations of the United States Department of the Treasury issued thereunder, and will not result in the breach of any covenant of the District contained in the Prior Bond Documents or the Paying Agent Agreement, the Escrow Agent may reinvest, at the written direction of the District, any cash portion of the Escrow Fund in Escrow Securities. Any such reinvestment shall be made in Escrow Securities the principal of and interest on which are payable at such times and in such amounts as will be sufficient (together with the other securities, investments and moneys in the Escrow Account) to pay the Series 2007 Bonds, the Series 2012A Bonds, the Series 2013 Bonds, and with respect to the Series 2009B Bonds, the Series 2017D Bonds prior to and including the Crossover Date and the Series 2009B Bonds on the Crossover Date, in accordance with Section 3 and consistent with the then-currently applicable report of a certified public accountant licensed to practice in the State of California, delivered with respect to the Escrow Fund. The Escrow Agent shall not be liable or responsible for any loss resulting from any investment made pursuant to this Escrow Agreement and in full compliance with the provisions hereof.

Section 3. Payment and Redemption of Prior Bonds.

(a) The District hereby irrevocably directs the Escrow Agent, and the Escrow Agent hereby agrees, to collect and deposit in each of the Escrow Accounts the principal of and interest on all Escrow Securities held for such respective accounts promptly as such principal and interest become due, and to apply such principal and interest, together with other moneys, if any, and the principal of and interest on other securities deposited in each of the Escrow Accounts, as follows:

(i) To the payment of the principal of and interest on and redemption price of the Series 2007 Bonds when due through [August 1, 2017];

(ii) To the payment of the principal of and interest on and redemption price of the Series 2012A Bonds when due through [August 1, 2022];

(iii) To the payment of the principal of and interest on and redemption price of the Series 2013 Bonds when due through [August 1, 20[18][21]];

(iv) To the payment of the principal of and interest on the Series 2017D Bonds when due, to and including the Crossover Date as set forth on Schedule II hereto, and to the payment of the principal and redemption premiums, if any, on the Series 2009B Bonds on, but not before, the Crossover Date (provided there are sufficient funds on such date to pay the interest due on the Series 2017D Bonds and to redeem the Series 2009B Bonds).

(b) Upon retirement or redemption or prepayment of all of the Prior Bonds, the Escrow Agent shall transfer any moneys or securities remaining in the Escrow Fund, to the extent not required for any fees or expenses of the Escrow Agent, to the interest and sinking fund of the District (held by the Treasurer-Tax Collector of the County of Alameda), for payment of the Refunding Bonds or any other general obligation bonds of the District payable from said fund.

The maturity schedule of the Prior Bonds is set forth in Schedule II.

Section 4. Notice of Redemption. The District hereby irrevocably directs the Escrow Agent, in its capacity as Paying Agent for the Prior Bonds, and the Escrow Agent agrees, to give all required notices of the redemption, defeasance (substantially in the forms attached hereto as Exhibit A), and payment of the Prior Bonds scheduled to take place on the dates given in Section 3, in the time, form and manner specified by the Prior Bond Documents and any continuing disclosure certificate relating to the Prior Bonds, but in every case notice shall be sent at least 30 days prior to the redemption date set forth therein, and to post such notice electronically to the Electronic Municipal Market Access system at www.emma.msrb.org.

Section 5. Possible Deficiencies. If at any time the Escrow Agent shall have actual notice that the moneys in an Escrow Account will not be sufficient to make all payments required by Section 3 hereof from such escrow account, the Escrow Agent shall notify the District in writing as soon as reasonably practicable of such fact and the amount of such deficiency. The Escrow Agent shall in no manner be responsible for any deficiencies in an Escrow Account, other than as a result of its own negligence or willful misconduct. The Escrow Agent may conclusively rely on the report of a nationally recognized firm of independent certified public accountants delivered with respect to the Escrow Accounts as to the sufficiency of the principal of and interest on the Escrow Securities to pay the amounts payable on the Prior Bonds prior to redemption and, with respect to the Series 2009B Escrow Account, the amounts payable on the Series 2017D Bonds prior to and including the Crossover Date, in accordance with Section 3. In the event of a deficiency in the Series 2009B Escrow Account, the District may (i) deposit additional moneys therein or (ii) instruct the Paying Agent to apply the amounts on deposit in such deficient escrow

account to the redemption of the Series 2017D Bonds on or within 45 days of the redemption of the Series 2009B Bonds.

Section 6. Unclaimed Moneys. Any moneys held by the Escrow Agent in trust for the payment and discharge of the Prior Bonds which remain unclaimed for two years after the date when such Prior Bonds are to have been retired or redeemed in accordance with Section 3 shall be transferred to the interest and sinking fund of the District (without liability for interest) for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

Section 7. Substitution of Securities. Upon the written request of the District, subject to the conditions and limitations hereinafter set forth and applicable laws and regulations, the Escrow Agent shall sell, redeem or otherwise dispose of the Escrow Securities in the Escrow Fund, if any, if there are substituted therefor, from the proceeds of such securities, other Escrow Securities as hereinafter provided. The District will not exercise any powers which would have the effect of causing any of the Refunding Bonds to be “arbitrage bonds” as defined in Section 148 of the Internal Revenue Code of 1986 and the regulations of the United States Department of the Treasury issued thereunder. The Escrow Agent shall dispose of the securities in the Escrow Fund and purchase substitute Escrow Securities only upon receipt of:

(a) a written report of a certified public accountant, licensed to practice in the State of California, to the effect that the substitute Escrow Securities will mature in such principal amounts and earn interest in such amounts and at such times so that sufficient moneys will be available to pay, as the same become due, (i) to and including the respective dates of redemption of the Series 2007 Bonds, the Series 2012A Bonds and the Series 2013 Bonds as set forth in Section 3, all principal, premium, if any, and interest on such Prior Bonds, and (ii) the interest on the Series 2017D Bonds when due, to and including the Crossover Date, and the principal and redemption premiums, if any, of the Series 2009B Bonds, including on the Crossover Date; and

(b) an unqualified legal opinion of nationally recognized bond counsel to the effect that such disposition of the securities in the Escrow Fund and purchase of substitute Escrow Securities will not adversely affect the tax-exempt status of interest on the Refunding Bonds under Section 103 of the Internal Revenue Code of 1986 and the regulations of the United States Department of the Treasury issued thereunder.

Section 8. Fees and Expenses of Escrow Agent. The District, by this Escrow Agreement, agrees to pay amounts equal to the reasonable fees and expenses (including, without limitation, legal fees and expenses) of the Escrow Agent incurred as a result of this Escrow Agreement and the acceptance thereof by the Escrow Agent; provided, however, that in no event shall such fees or expenses incurred by the Escrow Agent be deducted from, or constitute a lien against, the Escrow Fund until the retirement or redemption of the Prior Bonds pursuant to Section 3 hereof.

Section 9. Liabilities and Obligations of Escrow Agent. (a) The Escrow Agent shall have no obligation to make any payments or disbursement of any type, risk or

advance its own funds, or incur any financial liability in the performance of its duties under this Escrow Agreement unless the District shall have deposited sufficient funds therefor with the Escrow Agent. The Escrow Agent may rely and shall be protected in acting upon the written instructions of the District or its agents relating to any matter or action as Escrow Agent under this Escrow Agreement.

(b) The District covenants to indemnify and hold harmless the Escrow Agent and its officers, directors, agents or employees against any loss, liability, claim, cost, suit, judgment or expense, including legal fees and expenses, incurred in connection with the performance of any of its duties hereunder, except the Escrow Agent shall not be indemnified against any loss, liability, claim, suit, judgment or expense resulting from its negligence or willful misconduct. This Section 9(b) shall survive the termination of this Escrow Agreement and the earlier removal or resignation of the Escrow Agent.

(c) The Escrow Agent may consult with counsel of its own choice (which may be counsel to the District) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action in accordance with such opinion of counsel.

(d) The recitals contained herein shall be taken as the statements of the District, and the Escrow Agent assumes no responsibility for their correctness.

(e) The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys or Escrow Securities, if any, deposited with it to pay the principal, interest or premiums, if any, on the Prior Bonds.

(f) The Escrow Agent shall not be liable for any action or omission of the District under this Escrow Agreement, the Prior Bond Documents or the Paying Agent Agreement.

(g) Whenever in the administration of this Escrow Agreement the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by a certificate of an authorized representative of the District, and such certificate shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Escrow Agreement upon the faith thereof.

(h) The Escrow Agent may conclusively rely, as to the truth or accuracy of the statements and correctness of the opinions and calculations provided, and shall be protected and indemnified, in acting, or refraining from acting, upon any written notice (including notice given by electronic means), instruction, request, certificate, document or opinion furnished to the Escrow Agent signed or presented by the proper party, and it need not investigate any fact or matter stated in such notice, instruction, request, certificate or opinion.

(i) The Escrow Agent may at any time resign by giving written notice to the District of such resignation. The District shall promptly appoint a successor Escrow Agent by the resignation date. Resignation of the Escrow Agent will be effective only upon acceptance of appointment by a successor Escrow Agent. If the District does not appoint a successor within 30 days of the Escrow Agent's giving notice of resignation, or the District giving notice of the removal of the Escrow Agent, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe, and as may be required by law, appoint a successor Escrow Agent. After receiving a notice of resignation of an Escrow Agent, the District may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the District appoints a successor Escrow Agent. Any such temporary Escrow Agent so appointed by the District shall immediately and without further act be replaced by the successor Escrow Agent so appointed.

(j) The Escrow Agent undertakes to perform such duties and only such duties as are specifically set forth in this Escrow Agreement, and no implied covenants or obligations shall be read into this Escrow Agreement against the Escrow Agent. Neither the Escrow Agent nor any of its officers, directors, employees or agents shall be liable for any action taken or omitted under this Escrow Agreement or in connection herewith except to the extent caused by the Escrow Agent's negligence or willful misconduct, as determined by the final judgment of a court of competent jurisdiction, no longer subject to appeal or review. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. Anything in this Escrow Agreement to the contrary notwithstanding, in no event shall the Escrow Agent be liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

(k) The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

(l) The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Escrow Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the District elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses,

costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 10. Merger or Consolidation. Any company into which the Escrow Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Escrow Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Escrow Agent, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 11. Amendment. This Escrow Agreement may not be revoked or amended by the parties hereto unless there shall first have been filed with the District and the Escrow Agent (i) a written opinion of nationally recognized bond counsel stating that such amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest evidenced by the Prior Bonds or the Refunding Bonds, and (ii) unless such amendment is not materially adverse to the interests of the registered owners of the Prior Bonds, as evidenced by an opinion of counsel, the written consent of all the registered owners of the Prior Bonds then outstanding.

Section 12. Notices. All notices and communications hereunder shall be in writing and shall be deemed to be duly given if received or sent by first class mail, as follows. Any written instruction given hereunder may be given by fax or other electronic means:

If to the District:

Oakland Unified School District
1000 Broadway Suite 680
Oakland, CA 94607
Attn: Chief Financial Officer

If to the Escrow Agent:

U.S. Bank National Association
One California Street, Suite 1000
San Francisco, CA 94111
Attn: Global Corporate Trust Services

Section 13. Severability. If any section, paragraph, sentence, clause or provision of this Escrow Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, sentence, clause or provision shall not affect any of the remaining provisions of this Escrow Agreement.

Section 14. Governing Law. This Escrow Agreement shall be construed and governed in accordance with the laws of the State of California.

Section 15. Execution. This Escrow Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same agreement.

IN WITNESS WHEREOF, the Oakland Unified School District and the Escrow Agent have caused this Escrow Agreement to be executed each on its behalf as of the day and year first above written.

OAKLAND UNIFIED SCHOOL DISTRICT

By: _____
Senior Business Officer

U.S. BANK NATIONAL ASSOCIATION, as
Escrow Agent

By: _____
Authorized Officer

SCHEDULE I
ESCROW SECURITIES

1. CASH in the amount of \$[_____].

SCHEDULE II

SCHEDULE OF BONDS TO BE DEFEASED

<u>Maturity Date (August 1)</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
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* Term Bonds

EXHIBIT A

FORM OF NOTICE OF REDEMPTION

Oakland Unified School District
2007 General Obligation Refunding Bonds
Issue Date: August 1, 2007

<u>Maturity Date</u> (August 1)	<u>Refunded</u> <u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP* No.</u> (672325)
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NOTICE IS HEREBY GIVEN, pursuant to Resolution No. 0607-0213, adopted by the Board of Education of the Oakland Unified School District (the “District”) on June 13, 2007, that the District has called for redemption of the above-referenced bonds (the “Bonds”) on [August 1, 2017] (the “Redemption Date”) at a redemption price equal to 100% of the principal amount plus accrued interest to the Redemption Date (the “Redemption Price”). The Bonds shall become due and payable on the Redemption Date at the Redemption Price. From and after the Redemption Date, interest shall cease to accrue and be payable on the Bonds and the Bonds shall be surrendered.

The redemption of the Bonds described herein depends upon the issuance of the Oakland Unified School District General Obligation Refunding Bonds, 2017 Series A (the “Refunding Bonds”), which will provide the funds necessary to pay the Redemption Price on the Bonds. If the Bonds are not issued on or before the Redemption Date, then this notice and the redemption of the Bonds shall be rescinded pursuant to Section 4.01(e) of that certain paying agent agreement (the “Paying Agent Agreement”), by and between the District and U.S. Bank, National Association, as paying agent (the “Paying Agent”), and the Bonds shall continue to remain outstanding thereunder.

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2017 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the District nor the Paying Agent shall be held responsible for the selection or correctness of the CUSIP numbers set forth herein.

In the event the Paying Agent does not receive such funds by the Redemption Date, this notice shall be rescinded. Any Bonds delivered for redemption shall be returned to the respective owners thereof, and said Bonds shall remain outstanding as though this notice had not been given. Notice of a failure to receive funds, and cancellation of this redemption, shall be given by the Paying Agent by publication to EMMA and by first class mail, postage prepaid, to the registered holders of the Bonds.

Payment of the Redemption Price on the Bonds called for redemption will be paid only upon presentation and surrender of the Bonds at the address listed below (if delivery is by mail, registered mail with return receipt requested is recommended):

Delivery Instructions:
U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

As the Bonds are currently issued in book-entry form, payment of the Redemption Price on the Bonds will automatically be paid to Cede & Co. as nominee of The Depository Trust Company, New York, New York on the Redemption Date.

Inquiries may be made by contacting U.S. Bank National Association's Bondholder Communications team at 1-800-934-6802.

IMPORTANT NOTICE

Federal law requires U.S. Bank National Association, as paying agent, to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Dated: _____, 2017

U.S. Bank National Association,
as Paying Agent

FORM OF NOTICE OF REDEMPTION

Oakland Unified School District
General Obligation Bonds (Election of 2006, Series 2012A)
Issue Date: March 21, 2012

Maturity Date (August 1)	Refunded Principal Amount	Interest Rate	CUSIP* No. (672325)
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†Term Bond

NOTICE IS HEREBY GIVEN, pursuant to Resolution No. 1112-0079, adopted by the Board of Education of the Oakland Unified School District (the “District”) on November 16, 2011, that the District has called for redemption of the above-referenced bonds (the “Bonds”) on [August 1, 2022] (the “Redemption Date”) at a redemption price equal to 100% of the principal amount plus accrued interest to the Redemption Date (the “Redemption Price”).

This notice and the payment of the Redemption Price of the Bonds on the Redemption Date are subject to the successful sale and closing of the Oakland Unified School District General Obligation Refunding Bonds (Measure B) 2017 Series B (the “Refunding Bonds”), and receipt of funds from the proceeds of the Refunding Bonds in an amount sufficient to pay in full the Redemption Price of the Bonds on the Redemption Date.

The Bonds shall become due and payable on the Redemption Date at the Redemption Price. From and after the Redemption Date, interest shall cease to accrue and be payable on the Bonds and the Bonds shall be surrendered. Payment of the Redemption Price on the Bonds called for redemption will be paid only upon presentation and surrender of the Bonds at the address listed below (if delivery is by mail, registered mail with return receipt requested is recommended):

Delivery Instructions:
U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Ave E
St. Paul, MN 55107

* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2017 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the District nor the Paying Agent shall be held responsible for the selection or correctness of the CUSIP numbers set forth herein.

As the Bonds are currently issued in book-entry form, payment of the Redemption Price on the Bonds will automatically be paid to Cede & Co. as nominee of The Depository Trust Company, New York, New York on the Redemption Date.

Inquiries may be made by contacting U.S. Bank National Association's Bondholder Communications team at 1-800-934-6802.

IMPORTANT NOTICE

Federal law requires U.S. Bank National Association, as paying agent, to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Dated: _____

U.S. Bank National Association,
as Paying Agent

FORM OF NOTICE OF REDEMPTION

Oakland Unified School District
General Obligation Bonds (Election of 2012, Series 2013)
Issue Date: September 18, 2013

Maturity Date (August 1)	Refunded Principal Amount	Interest Rate	CUSIP* No. (672325)
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†Term Bond

NOTICE IS HEREBY GIVEN, pursuant to Resolution No. 1213-0186, adopted by the Board of Education of the Oakland Unified School District (the “District”) on June 12, 2013, that the District has called for redemption of the above-referenced bonds (the “Bonds”) on [August 1, 20[21][18]] (the “Redemption Date”) at a redemption price equal to 100% of the principal amount plus accrued interest to the Redemption Date (the “Redemption Price”).

This notice and the payment of the Redemption Price of the Bonds on the Redemption Date are subject to the successful sale and closing of the Oakland Unified School District General Obligation Refunding Bonds (Measure J) 2017 Series C (the “Refunding Bonds”), and receipt of funds from the proceeds of the Refunding Bonds in an amount sufficient to pay in full the Redemption Price of the Bonds on the Redemption Date.

The Bonds shall become due and payable on the Redemption Date at the Redemption Price. From and after the Redemption Date, interest shall cease to accrue and be payable on the Bonds and the Bonds shall be surrendered. Payment of the Redemption Price on the Bonds called for redemption will be paid only upon presentation and surrender of the Bonds at the address listed below (if delivery is by mail, registered mail with return receipt requested is recommended):

Delivery Instructions:
U.S. Bank National Association
Global Corporate Trust Services

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111 Fillmore Ave E
St. Paul, MN 55107

As the Bonds are currently issued in book-entry form, payment of the Redemption Price on the Bonds will automatically be paid to Cede & Co. as nominee of The Depository Trust Company, New York, New York on the Redemption Date.

Inquiries may be made by contacting U.S. Bank National Association's Bondholder Communications team at 1-800-934-6802.

IMPORTANT NOTICE

Federal law requires U.S. Bank National Association, as paying agent, to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Dated: _____

U.S. Bank National Association,
as Paying Agent

FORM OF NOTICE OF REDEMPTION

Oakland Unified School District
General Obligation Bonds (Election of 2006, Series 2009B)
(Build America Bonds)
Issue Date: August 12, 2009

Maturity Date (August 1)	Refunded Principal Amount	Interest Rate	CUSIP* No. (672325)
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[†]Term Bond

NOTICE IS HEREBY GIVEN, pursuant to Resolution No. 0809-00234, adopted by the Board of Education of the Oakland Unified School District (the “District”) on June 24, 2009, that the District has called for redemption of the above-referenced bonds (the “Bonds”) on [August 1, 2019] (the “Redemption Date”) at a redemption price equal to 100% of the principal amount plus accrued interest to the Redemption Date (the “Redemption Price”).

The redemption of the Bonds described herein depends upon the issuance of the Oakland Unified School District General Obligation Crossover Refunding Bonds (Measure B) 2017 Series D (the “Refunding Bonds”), which will provide the funds necessary to pay the Redemption Price on the Bonds. If the Bonds are not issued on or before the Redemption Date, then this notice and the redemption of the Bonds shall be rescinded pursuant to Section 4.01(g) of that certain paying agent agreement (the “Paying Agent Agreement”), by and between the District and U.S. Bank, National Association, as paying agent (the “Paying Agent”), and the Bonds shall continue to remain outstanding thereunder.

The Bonds shall become due and payable on the Redemption Date at the Redemption Price. From and after the Redemption Date, interest shall cease to accrue and be payable on the Bonds and the Bonds shall be surrendered. Payment of the Redemption Price on the Bonds called for redemption will be paid only upon presentation and surrender of the Bonds at the address listed below (if delivery is by mail, registered mail with return receipt requested is recommended):

Delivery Instructions:
U.S. Bank National Association
Global Corporate Trust Services

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111 Fillmore Ave E
St. Paul, MN 55107

As the Bonds are currently issued in book-entry form, payment of the Redemption Price on the Bonds will automatically be paid to Cede & Co. as nominee of The Depository Trust Company, New York, New York on the Redemption Date.

Inquiries may be made by contacting U.S. Bank National Association's Bondholder Communications team at 1-800-934-6802.

IMPORTANT NOTICE

Federal law requires U.S. Bank National Association, as paying agent, to withhold taxes at the applicable rate from the payment if an IRS Form W-9 or applicable IRS Form W-8 is not provided. Please visit www.irs.gov for additional information on the tax forms and instructions.

Dated: _____

U.S. Bank National Association,
as Paying Agent

OAKLAND UNIFIED SCHOOL DISTRICT

TAX-EXEMPT GOVERNMENTAL BONDS TAX COMPLIANCE AND CONTINUING DISCLOSURE COMPLIANCE GUIDELINES

Date Adopted: [August 20, 2015]

I. Purpose

These guidelines (the “Guidelines”) are adopted by the Board of Education of Oakland Unified School District (the “District”), to ensure that interest on tax-exempt governmental bonds of the District (“TEBs”) remains excludable from gross income under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and to ensure compliance with the continuing disclosure undertaking(s) (the “Undertakings”) the District has entered or will enter into pursuant to Securities and Exchange Commission Rule 15c2-12 (the “Rule”) in connection with publicly-offered municipal securities issued by the District.

The Guidelines are intended to formally memorialize certain policies and procedures of the District previously adopted or followed by the District in connection with its issuance of TEBs (“Bonds”).

The District understands compliance with the policies and procedures set forth in the Guidelines is generally required for the continued exclusion of interest on TEBs from federal gross income and, thus, the District will consult with counsel nationally recognized in the area of municipal finance (“Bond Counsel”), in advance, regarding deviations from the facts and expectations as set forth in the closing certifications relating to any issue of Bonds.

II. Ongoing Relationship with Outside Advisors

The District maintains an ongoing relationship with Orrick, Herrington & Sutcliffe (Bond Counsel), and KNN Public Finance, LLC (Financial Advisor), as well as other advisors to serve as a resource for advice regarding the Bonds’ Federal tax compliance.

III. Persons Responsible for Tax Compliance

The Board of Education is the proper authority to adopt a resolution to declare the intent of the District to use Bonds, if applicable, to reimburse for expenditures incurred prior to the borrowing.

The [Senior Business Officer, Vernon Hal] (“Tax Compliance Officer”), as of the date of adoption of these Guidelines, is the primary person to consult with Bond Counsel and other advisors on a continual basis with respect to the Bonds.

In general, the Tax Compliance Officer has the primary responsibility to ensure compliance with the tax requirements relating to all Bonds. As described in these Guidelines, tax requirements vary with respect to the different types of Bonds of the District but include one or more of the following: the expenditure and investment of proceeds of Bonds (“Bond Proceeds”), the use or sale of the assets financed or refinanced with Bond Proceeds (the “Bond-Financed Assets”),

limitations on the amount of direct or indirect payments from persons other than another state or local governmental unit (a “Non-Governmental Person”) with respect to Bond-Financed Assets (“Private Payments,” as described further in Section V.A. of these Guidelines), record-keeping and filing requirements. The Tax Compliance Officer shall review the tax document signed by the District that outlines the federal tax law requirements affecting the TEBs (with respect to any particular issue, the “Tax Certificate”). The Tax Certificate is included as part of the closing transcript for the Bonds.

In particular, the following persons are responsible for compliance with tax requirements during the life of the Bonds or the Bond-Financed Assets:

- The Tax Compliance Officer is responsible for monitoring or approving the requisitions for payment of costs, including through a transmittal to a trustee or paying agent, or a direct reimbursement to the District for costs previously paid to a third party.
- The Tax Compliance Officer is responsible for monitoring the use of Bond-Financed Assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds (or the expected useful life of the Bond-Financed Assets, if shorter) to identify whether any use of such Bond-Financed Assets is Private Business Use as defined in Section V.A. of these Guidelines. The Tax Compliance Officer is further responsible for monitoring the sale or other disposition of Bond-Financed Assets.
- The Tax Compliance Officer is responsible for monitoring the amount and allocation of Private Payments throughout the term of the Bonds to identify whether such Private Payments exceed the limitations set forth in the Code.
- The Tax Compliance Officer is responsible for ensuring that all of the Bond Proceeds are invested at fair market value at or below the applicable yield restrictions and that any rebate payments are timely calculated and remitted to the IRS.

IV. Expenditures of Bond Proceeds Generally

A. In General.

At the issuance of the Bonds, the District must have reasonably expected to spend at least 85% of all proceeds that were expected to be used to finance improvements (which proceeds would exclude proceeds in the reserve fund or for any non-project purpose) within three years of issuance. Other limitations or adjustments may be set out in the Tax Certificate. The District must also have incurred or have reasonably expected to incur, within six months after issuance of the Bonds, binding obligations to unrelated parties involving an expenditure of not less than 5% of such amount of Bond Proceeds, and that completion of the project and allocations of Bond Proceeds to costs would proceed with due diligence. Meeting all these requirements will generally allow the District to invest these project-related Bond Proceeds at an unrestricted yield for three years. See Section VII of these Guidelines for rebate and rebate exception.

B. Assignment of Responsibility and Establishment of Calendar

On the date of issuance of any Bond, the Tax Compliance Officer will identify for that Bond issue:

- The funds and/or accounts into which Bond Proceeds are deposited.
- The types of expenditures expected to be made with the Bond Proceeds deposited into those funds and/or accounts and any expenditures prohibited from being made from such funds or accounts.
- The dates by which all Bond Proceeds described in Section IV. A. of these Guidelines must be spent or become subject to arbitrage yield limitations (“Expenditure Deadlines”) and all interim dates by which funds and/or accounts must be checked to ensure compliance with the applicable Expenditure Deadlines.

C. Expenditure Failures

If any person discovers that an Expenditure Deadline or a restriction on expenditures as described herein has not been met, such person will promptly notify the Tax Compliance Officer who will consult with Bond Counsel to determine the appropriate course of action with respect to such unspent Bond Proceeds or prohibited use of Bond Proceeds. Special action may need to be taken with such unspent or misspent Bond Proceeds, including yield restriction, or redemption of Bonds.

D. Final Allocation

Requests for expenditures will be summarized in a final allocation of Bond Proceeds (“Final Allocation”) in a manner consistent with allocations made to determine compliance with arbitrage yield restriction and rebate requirements (See Section VII of these Guidelines). The Final Allocation will memorialize the assets or portion thereof financed with Bond Proceeds and the assets or portion thereof financed with other funds.

The Final Allocation must occur not later than 18 months after the date of the expenditure or 18 months after the date the facility to which the expenditure relates is completed and actually operating at substantially the level for which it was designed (but in all events not later than 60 days after the end of the fifth year after issuance of the Bonds or 60 days after none of the Bonds are outstanding, if earlier).

The Tax Compliance Officer will be responsible for ensuring that such Final Allocation is made for the Bonds.

E. Records of Expenditures

The Tax Compliance Officer is responsible for maintaining records related to the expenditure of Bond Proceeds including records:

- Identifying all of the assets or portion of assets financed with Bond Proceeds
- Relating to requests for Bond Proceeds, construction contracts, purchase orders, invoices, and payment records
- Relating to costs reimbursed with Bond Proceeds
- Relating to any action taken as a result of a failure to meet the Expenditure Deadlines
- Of the Final Allocation and all supporting documentation

Such records will be retained for the life of the Bonds, plus any refunding bonds, plus three years and may be in the form of documents or electronic copies of documents, appropriately indexed to specific Bond issues and compliance functions.

V. Monitoring of Financed Projects

A. Monitoring of Private Business Use

For each new Bond-Financed Asset, the Tax Compliance Officer will determine the expected use of such Bond-Financed Asset and whether such Bond-Financed Asset is or will be subject to any contracts or other arrangements that may give rise to Private Business Use.

The Tax Compliance Officer will inform the persons responsible for the management and operation of the Bond-Financed Asset (“Asset Managers”) of the Private Business Use restrictions relating to the Bond-Financed Asset.

The Tax Compliance Officer will require Asset Managers to submit any Management Contract with respect to Bond-Financed Assets to the Tax Compliance Officer for review prior to entering such Management Contract. The Tax Compliance Officer will forward such Management Contract to Bond Counsel or to other capable advisors to determine whether such Management Contract complies with the 97-13 Safe Harbors.

No Bond-Financed Asset will be sold, leased or transferred by the Asset Managers without prior approval by the Tax Compliance Officer.

The Tax Compliance Officer will meet periodically with Asset Managers to identify and discuss any existing or planned Private Business Use of Bond-Financed Assets.

B. Monitoring of Private Payments

For each issue of Bonds, the Tax Compliance Officer will review the Tax Certificate and consult with outside advisors, as described below, to determine if the expected use of any Bond-Financed Asset may result in excess Private Business Use. If excess Private Business Use is expected, the Tax Compliance Officer shall consult with Bond Counsel and follow instructions regarding monitoring of Private Payments to ensure that excess Private Payments do not occur.

C. Consultation with Outside Advisors

The District acknowledges that certain refinements, interpretations and exceptions apply to the analysis of Private Business Use and Private Payments and that Bond Counsel and other qualified advisers should be engaged and consulted to review contracts or other information relating to such use of Bond-Financed Assets. In addition, the Final Allocation of Bond Proceeds (see subsection IV. G. above) may affect the Private Business Use and Private Payment determinations. The Tax Compliance Officer will consult periodically with Bond Counsel to review any changes in the law with respect to Private Business Use of Bond-Financed Assets and to identify and discuss any existing or planned Private Business Use of Bond-Financed Assets or sources of revenue that may be considered Private Payments.

D. Identification and Correction of Violations

In the event the use of Bond Proceeds or Bond-Financed Assets or the nature or amount of Private Payments is different from the covenants and representations set forth in the Tax Certificate, the District will contact Bond Counsel in a timely manner to ensure that there is no adverse effect on the tax status of the Bonds. Various remedies are available to the District in the event of certain violations on the limits of use of Bond Proceeds, amounts of Private Payments, the investment of Bond Proceeds, and the use of the Bond-Financed Assets. For example, a change in the use of the Bond-Financed Assets after the issuance of the Bonds that results in excessive Private Business Use or Private Payments may be corrected through a “remedial action” that is described in the Treasury Regulations. Such remedial actions include a defeasance of the portion of the Bonds affected by the excessive Private Business Use or Private Payments. Other actions (or inaction) that potentially adversely affect the status of the Bonds may be corrected through the Voluntary Closing Agreement Program described in IRS Notice 2008-31.

E. Record Keeping Requirements

The Tax Compliance Officer will keep copies of all contracts and arrangements involving the lease, management, sale, operation, service or other use of all Bond-Financed Assets. The Tax Compliance Officer will also maintain and update no less frequently than every year a spreadsheet with respect to each issue of Bonds regarding the cumulative amount of Private Business Use with respect to such issue. Such records will be retained for the life of the Bonds, plus any refunding bonds, plus three years and may be in the form of documents or electronic copies of documents, appropriately indexed to specific Bond issues and compliance functions.

VI. Investment of Proceeds

On the Date of Issue of any Bond, the Tax Compliance Officer will identify for that Bond:

- All of the funds and accounts into which Bond Proceeds are deposited and the applicable yields at or below which such funds must be invested.
- Any funds that are not directly funded with Bond Proceeds which must be invested at or below the yield on the Bonds.

The Tax Compliance Officer will ensure that the investment of Bond Proceeds is in compliance with the applicable yield restrictions contained in the Treasury Regulations.

The Tax Compliance Officer will ensure that all investments, including guaranteed investment contracts (“GICs”) and certificates of deposit purchased with Bond Proceeds will be purchased in compliance with the applicable fair market value requirements of the Treasury Regulations.

The Tax Compliance Officer will obtain regular, periodic statements regarding the investments and transactions involving Bond Proceeds.

The Tax Compliance Officer will keep all records with respect to investments, including:

- The solicitation and all responses received from the bidding of any GICs,
- Information with respect to any investment agreements, including certificates of deposit and GICs,
- United States Treasury Securities-State and Local Government Series subscription information and
- Records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

VII. Arbitrage Yield and Rebate

The District will engage outside providers, as necessary, to assist in the calculation of arbitrage rebate attributable to the investment of Bond Proceeds.

Statements regarding investments and transactions involving Bond Proceeds and other requested documents and information should be provided to the rebate service provider on a reasonable basis.

The Tax Compliance Officer will monitor the arbitrage rebate service provider to assure compliance with required rebate payments, if any, which need to be paid no later than 60 days after each of (1) the fifth year after issuance, (2) each subsequent 5-year period through the term of the Bonds, and (3) the final maturity or redemption date of the issue. The Tax Certificate or tax covenants in other documents may set forth how frequently rebate calculations must be performed.

During the construction period of a capital project, the investment and expenditure of Bond Proceeds are to be monitored and the arbitrage rebate service provider consulted to determine whether the District is meeting any spending exception. Available spending exceptions are in periods of 6 months, 18 months and two years (for construction only), with the 18-month and 2-year exception subject to six-month internal benchmarks. See the Tax Certificate or consult the rebate service provider for more details regarding the spending exceptions.

In the event that a rebate payment is due, the Tax Compliance Officer will ensure that such rebate payment is accompanied by a Form 8038-T.

The Tax Compliance Officer will retain copies of all arbitrage reports, related return filings with the Internal Revenue Service, and copies of cancelled checks with respect to any rebate payments and information statements. The Tax Compliance Officer will also retain copies of any hedge agreements such as swaps or interest-rate caps entered into with respect to the Bonds. Such records will be retained for the life of the Bonds, plus any refunding bonds, plus three years and may be in the form of documents or electronic copies of documents, appropriately indexed to specific Bond issues and compliance functions.

VIII. Continuing Disclosure Compliance: Background Information

Pursuant to the Rule and the Undertakings, the District must file an annual report with the Municipal Securities Rulemaking Board (the “MSRB”) within nine (9) months after the District’s fiscal year end (June 30) (the “Annual Report Filing Deadline”). This annual report must include the audited financial statements of the District and, if specified in the Undertakings, additional information related to the finances and operations of the District (collectively, the “Annual Report”). If the audited financial statements of the District are not available as of the Annual Report Filing Deadline, the Undertakings may allow the District to file unaudited financial statements before the Annual Report Filing Deadline and then file audited financial statements when they become available. The Undertakings for each series of Bonds may require different types of additional financial information and operating data to be included in the Annual Report for each series of Bonds. Copies of the Undertakings for the District’s currently-outstanding Bonds are attached hereto as Exhibit A.

The Rule and the Undertakings also require notice of the occurrence of certain events (“Events”) to be provided to the MSRB within ten (10) business days after the occurrence of the Event if such an Event is determined to be material (a “Material Event Filing”). A list of the Events for which a Material Event Filing may be required under the Rule as of November 1, 2014 is attached hereto as Exhibit B.

The Annual Report and any Material Event Filings must be filed on the MSRB’s Electronic Municipal Market Access (“EMMA”) system (accessible as of the date of adoption of these Guidelines at emma.msrb.org) to the CUSIP numbers for the maturities of each series of Bonds outstanding. If a Material Event Filing only applies to a certain series of Bonds (such as a notice of optional redemption), it needs to be filed only on the CUSIP numbers for the affected series of Bonds.

IX. Persons Responsible for Compliance with Undertakings

If the District has not appointed a Dissemination Agent (as described below), then the [Senior Business Officer, Vernon Hall] (the “Disclosure Compliance Officer”), as of the date of adoption of these Guidelines, has the primary responsibility to ensure compliance with the Undertakings relating to all Bonds. If the District has appointed a Dissemination Agent to assist the District in carrying out its obligations under the Undertakings, the Disclosure Compliance Officer will work with the Dissemination Agent to ensure compliance with the Undertakings relating to all Bonds.

X. Dissemination Agent; External Advisors

To satisfy its obligations under these Guidelines, the District may appoint or engage a third-party dissemination agent with expertise in compliance with the Rule (the “Dissemination Agent”) to assist the District in carrying out its obligations under the Undertakings. The District may discharge any such Dissemination Agent with or without appointing a successor Dissemination Agent.

As necessary and appropriate, the District shall consult with bond counsel and the District’s legal counsel and financial advisors to ensure that all applicable post-issuance disclosure requirements set forth in the Undertakings are met.

XI. Provision of Annual Reports to MSRB

On or before the Annual Report Filing Deadline, the Disclosure Compliance Officer will review the Undertaking for each series of Bonds then outstanding, will assemble the required contents of the Annual Report for such Bonds and will file on EMMA the Annual Report for such Bonds.

XII. Provision of Material Event Filings to MSRB

The occurrence of certain Events, including payment defaults, requires a Material Event Filing without the need for a materiality determination (i.e. they are deemed material under the Rule). Other Events, such as non-payment related defaults, must be analyzed to determine if the Event is material; if so, a Material Event Filing is required. The Disclosure Compliance Officer will consult with bond counsel regarding any questions as to whether an Event has occurred and what filings are required.

The Disclosure Compliance Officer is to be immediately notified by all employees, officers, Tax Compliance Officers, agents and officials of the District of the occurrence of any listed Event so that he or she may determine whether a Material Event Filing is required pursuant to the Rule and the Undertakings. As soon as the Disclosure Compliance Officer learns of the occurrence of an Event that is deemed material, the Disclosure Compliance Officer will prepare and file, within ten business days of the occurrence of the Event, a Material Event Filing on EMMA.

The Disclosure Compliance Officer will review Exhibit B on a regular basis, and consult with bond counsel or other advisors, as necessary, to update the list of Events under the Rule.

XIII. Recordkeeping; Future Bond Issuance

The Disclosure Compliance Officer will maintain copies of the District’s Annual Reports and Material Event Filings and evidence of filing of the District’s Annual Reports and Material Event Filings in the District’s records.

In connection with any subsequent issuance of Bonds by the District, the Disclosure Compliance Officer shall review and verify any statements concerning the District’s compliance with its Undertakings in any offering documents (such as an Official Statement) for such Bonds.

After the issuance of such Bonds, the Disclosure Compliance officer will attach a copy of the Undertaking entered into in connection with such Bonds to the copies of District's currently-outstanding Undertakings attached hereto as Exhibit A.

XIV. Identification and Correction of Violations

In the event that the District does not timely file complete information required in any Annual Report or does not timely make a Material Event Filing on EMMA, the District will contact Bond Counsel in a timely manner and undertake any appropriate corrective action that may be necessary to bring the District into compliance with the Rule.

Exhibit A

Copies of Continuing Disclosure Undertakings for District's Bonds

[Attach copies.]

Exhibit B

Material Events Requiring Disclosure

Last Updated: [August 20, 2015]

*(pursuant to 17 Code of Federal Regulations, §240.15c2-12 (Rule 15c2-12)
Municipal Securities Disclosure)*

In a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the securities being offered in the offering, if material:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the securities, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

**OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)**

\$ _____
**Oakland Unified School District
General Obligation Refunding Bonds
2017 Series A**

\$ _____
**Oakland Unified School District
General Obligation Refunding Bonds
(Measure B) 2017 Series B**

\$ _____
**Oakland Unified School District
General Obligation Refunding Bonds
(Measure J) 2017 Series C**

\$ _____
**Oakland Unified School District
General Obligation Crossover Refunding
Bonds (Measure B) 2017 Series D**

BOND PURCHASE AGREEMENT

_____, 2017

Oakland Unified School District
1000 Broadway, Suite 680
Oakland, CA 94607

Ladies and Gentlemen:

The undersigned, Siebert Cisneros Shank & Co., L.L.C., as underwriter (the “Underwriter”), hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Oakland Unified School District (the “District”), which, upon your acceptance hereof, will be binding upon the District and the Underwriter.

By execution of this Purchase Agreement, the District acknowledges the terms hereof and recognizes that it will be bound by certain of the provisions hereof, and acknowledges and agrees to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to us at or prior to 6:00 PM, California time on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the District at any time prior to the acceptance of this Purchase Agreement by the District. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Preliminary Official Statement (defined in Section 5 below).

1. Purchase and Sale of the Bonds.

Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of: (i) the District’s General Obligation Refunding Bonds 2017 Series A, in the aggregate principal amount of \$ _____ (the “Series A Bonds”), (ii) the District’s General Obligation Refunding Bonds (Measure B) 2017 Series B, in the aggregate principal

amount of \$_____ (the “Series B Bonds”), (iii) the District’s General Obligation Refunding Bonds (Measure J) 2017 Series C, in the aggregate principal amount of \$_____ (the “Series C Bonds), and (iv) the District’s General Obligation Crossover Refunding Bonds (Measure B) 2017 Series D, in the aggregate principal amount of \$_____ (the “Series D Bonds”). (The Series A Bonds, the Series B Bonds, the Series C Bonds and the Series D Bonds are hereinafter collectively referred to as the “Bonds”).

The Underwriter shall purchase the Bonds at a price of \$_____. The underwriter’s discount on the Bonds is \$_____.

2. **The Bonds.**

A. The Bonds shall be dated their date of delivery and shall bear interest at the rates and mature on the dates and be subject to redemption prior to their maturity all as set forth in Exhibit A hereto.

B. The Bonds are being issued and sold pursuant to the provisions of (i) the Constitution and the laws of the State, (ii) Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the State Government Code, applicable provisions of the State Education Code and other applicable provisions of law (collectively, the “Acts”) (iii) a Resolution of the Board of Education of the District, adopted on April 26, 2017, which authorizes the issuance of not to exceed [\$375,000,000] aggregate principal amount of the Bonds and certain related documents and actions (the “Resolution”), and (iv) a Paying Agent Agreement relating to the Bonds, dated as of May 1, 2017, by and between the District and the Paying Agent and acknowledged by the Treasurer-Tax Collector of the County (the “Paying Agent Agreement”).

C. The Bonds are being issued for the following purposes:

(a) the Series A Bonds are being issued to (i) refund all or a portion of the outstanding Oakland Unified School District 2007 General Obligation Bonds Refunding Bonds, and (ii) pay costs of issuance of the Series A Bonds;

(b) the Series B Bonds are being issued to (i) refund all or a portion of the outstanding Oakland Unified School District General Obligation Bonds (Election of 2006, Series 2012A), and (ii) pay costs of issuance of the Series B Bonds;

(c) the Series C Bonds are being issued to (i) refund all or a portion of the outstanding Oakland Unified School District General Obligation Bonds (Election of 2012, Series 2013), and (ii) pay costs of issuance of the Series C Bonds; and

(d) the Series D Bonds are being issued to (i) refund all or a portion of the outstanding Oakland Unified School District Taxable General Obligation Bonds (Election of 2006, Series 2009B) (Build America Bonds), and (ii) pay costs of issuance of the Series D Bonds.

D. The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement, the Paying Agent Agreement, the applicable

Acts and the Resolution. The Bonds shall be in definitive form, shall bear CUSIP numbers and shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”).

3. **Use of Documents.** The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, the Resolution, the Paying Agent Agreement, this Purchase Agreement, the Preliminary Official Statement and Official Statement (as defined herein), in print and electronic form, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

4. **Public Offering of the Bonds.** The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering prices or yields as set forth in Exhibit A hereto. Subsequent to such initial public offering, the Underwriter reserves the right to change such initial public offering prices or yields as they deem necessary in connection with the marketing of the Bonds.

5. **Review of Official Statement.**

A. The Underwriter hereby represents that it received the Official Statement in preliminary form with respect to the Bonds, dated _____, 2017 (the “Preliminary Official Statement”). The District hereby ratifies and consents to the distribution and use by the Underwriter on or before the date hereof, in connection with the public offering of the Bonds, of the Preliminary Official Statement, which Preliminary Official Statement as supplemented by the retail and institutional order period wires has been “deemed final” by the District for the purposes of Rule 15c2-12 of the Securities and Exchange Commission under the Securities and Exchange Act of 1934, as amended (“Rule 15c2-12”) as of the date thereof, except for such omissions as permitted by Rule 15c2-12, including the initial public offering prices, interest rates, yields, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, and other terms of the Bonds which depend upon the sale of the Bonds as provided in Rule 15c2-12.

B. The Underwriter agrees that prior to the time the final official statement (the “Official Statement”) relating to the Bonds is available, the Underwriter will make available to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) or electronic copy posted on an accessible website not later than the next business day following the date upon which each such request is received.

C. The Underwriter agrees to file the Official Statement with a nationally recognized municipal securities information repository within the meaning of Rule 15c2-12, which as of the date hereof, is the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (“EMMA”) system. Delivery of the Official Statement by the District to the Underwriter shall constitute the District’s approval and authorization thereof for use in connection with the public offering and sale by the Underwriter of the Bonds.

D. References herein to the Preliminary Official Statement and the Official Statement include the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto, as the same may be amended or supplemented from time to time.

6. **Closing.**

A. At [8:00] a.m., California time, on _____, 2017 (the “Closing Date”), or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto, the District will direct the Paying Agent to deliver to the account of the Underwriter, through the facilities of DTC in New York, New York, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds, duly executed and in fully registered, book-entry form, and will cause the other documents hereinafter mentioned pertaining to the Bonds to be delivered at the offices of Orrick, Herrington & Sutcliffe, LLP as bond counsel (“Bond Counsel”) in San Francisco, California or at such other place as shall have been mutually agreed upon by the parties hereto (the “Closing”).

B. Upon fulfillment of all conditions to Closing herein, the Underwriter will accept such delivery and pay the purchase price thereof in immediately available funds (by check, wire transfer or such other manner of payment as the Underwriter and the Treasurer-Tax Collector of the County shall reasonably agree upon) to the order of the County.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriter that:

A. The District is a unified school district validly existing under the laws of the State, with the power to issue the Bonds pursuant to the Acts;

B. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to enter into this Purchase Agreement and the Paying Agent Agreement, to execute the Escrow Agreement, dated as of May 1, 2017 (the “Escrow Agreement”), by and between the District and U.S. Bank National Association, as escrow agent (the “Escrow Agent”), and the Continuing Disclosure Certificate (as defined below), to adopt the Resolution to issue and to deliver the Bonds, to perform its obligations under each such document or instrument (collectively, the “District Documents”), and to carry out and effectuate the transactions contemplated by the District Documents; (iii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in, the District Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) the District Documents each constitute a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms; and (v) the District has duly authorized the consummation by it of all transactions contemplated by the District Documents;

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body

whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained; *provided, however*, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof;

D. To the knowledge of the District, the issuance of the Bonds, the execution, delivery and performance of the District Documents and the Bonds, and the compliance with the provisions hereof and thereof do not conflict with or constitute on the part of the District a violation of, or material default under, the Constitution of the State or any existing law, charter, ordinance, regulation, decree, order or resolution and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject;

E. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices of the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds or the District Documents or contesting the powers of the District or its authority with respect to the Bonds or the District Documents; or (iii) in which a final adverse decision could (a) except as disclosed in the Preliminary Official Statement and the Official Statement, materially adversely affect the operations of the District or the consummation of the transactions contemplated by the District Documents, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes and the exemption of such interest on the Bonds from State personal income taxation;

F. Between the date hereof and the Closing, without the prior written consent of the Underwriter, the District will not have issued in the name of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement;

G. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon;

H. To assist the Underwriter in complying with Rule 15c2-12, the District will undertake, pursuant to the Resolution and the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth

in the Preliminary Official Statement and will be set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement and the Official Statement, the District has not failed in the last five years to comply with any prior disclosure undertakings pursuant to Rule 15c2-12;

I. Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same in such person's individual capacity, as to the statements made therein;

J. Preparation and distribution of the Preliminary Official Statement and Official Statement has been duly authorized by the District, and at the time of delivery of the Preliminary Official Statement and Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7(K) of this Purchase Agreement, at the time of the delivery of the Official Statement, as amended) to the Underwriter and at all times subsequent thereto up to and including the Closing Date, the information contained therein (excluding the statements and information in Appendix F – "COUNTY OF ALAMEDA ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT" and Appendix G – "BOOK-ENTRY ONLY SYSTEM," demographic information in Appendix A and any information provided in writing by the Underwriter specifically for inclusion in the Preliminary Official Statement and Official Statement under the heading "Underwriting") will be true and correct in all material respects and the Preliminary Official Statement, as of its date, did not and the Official Statement as of its date and as of the Closing will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

K. The District agrees that if at any time before the Closing any event occurs or information becomes known as a result of which the Official Statement as then in effect would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, then the District will promptly notify the Underwriter in writing of the circumstances and details of such event or information. If, as a result of such event or information, it is necessary, in the reasonable opinion of Orrick, Herrington & Sutcliffe LLP, as disclosure counsel to the District ("Disclosure Counsel"), or the Underwriter, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and if either shall have so advised the District, the District and the County will forthwith cooperate with the Underwriter in the prompt preparation and furnishing to the Underwriter, at the expense of the District, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Underwriter and Disclosure Counsel, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

L. The audited financial statements of the District for the fiscal year ended June 30, 2016 (which are included as an appendix to the Preliminary Official Statement and the Official Statement) were prepared in accordance with generally accepted accounting principles consistently applied in the reporting format of the Standardized Account Code Structure for California school districts, and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement;

M. The Resolution has been duly adopted, has not been modified, repealed or rescinded in any respect, and is in full force and effect;

N. The District hereby agrees to promptly notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement until the date which is twenty-five (25) days following the Closing; and

O. To assist the Underwriter in complying with Rule 15c2-12 and for the benefit of the holders and beneficial owners of the Bonds, the District will undertake to provide annual reports and notices of certain events pursuant to the Continuing Disclosure Certificate by the District dated the Closing Date (the "Continuing Disclosure Certificate").

8. **Covenants of the District.** The District covenants and agrees with the Underwriter that:

A. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

B. The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the earlier of (i) the third (3rd) business day preceding the Closing Date or (ii) the seventh (7th) business day following the date this Purchase Agreement is signed, an electronic copy of the Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District, with printed copies to follow as soon as practicable and in any event no later than the business day preceding the Closing Date in such reasonable quantities as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the Municipal Securities Rulemaking Board;

C. If at any time prior to the expiration of twenty-five (25) days following the "end of the underwriting period," any event or information becomes known to the District relating to or affecting the District, the County or the Bonds which might cause the Official

Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the District will promptly notify the Underwriter in writing of the circumstances and details of such event or information. If, as a result of such event or information, it is necessary, in the reasonable opinion of Disclosure Counsel or the Underwriter, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and if either shall have so advised the District, the District will forthwith cooperate with the Underwriter in the prompt preparation and furnishing to the Underwriter, at the expense of the District, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Underwriter, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The “end of the underwriting period” means the Closing Date unless the Underwriter advises the District in writing on such Closing Date that, as of such date, there remains an unsold balance of the Bonds, in which case the “end of the underwriting period” means the date as of which the Underwriter notifies the District that the Underwriter no longer retains an unsold balance of the Bonds for sale to the public; however, in no event shall the “end of the underwriting period” extend beyond the date sixty (60) days from the Closing Date; and

D. The District acknowledges and agrees that: (i) the primary role of the Underwriter, as underwriter, is to purchase securities for resale to investors and that the Underwriter has financial and other interests that differ from those of the District; (ii) the purchase and sale of Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the District and the Underwriter; (iii) the Underwriter is not acting as a fiduciary or as a “municipal advisor,” within the meaning of Section 15B of the Securities Exchange Act of 1934, or as a financial advisor or fiduciary, to the District and the Underwriter has not assumed any advisory or fiduciary responsibility to the District with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading hereto; (iv) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby are expressly set forth in this Purchase Agreement; and (v) the District has consulted their own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent they deem appropriate. If the District would like a municipal advisor in this transaction that has legal fiduciary duties to the District, then the District is free to engage a municipal advisor to serve in that capacity.

9. **Representations, Warranties and Agreements of the Underwriter.** The Underwriter represents to and agrees with the District that, as of the date hereof and as of the Closing Date:

A. The Underwriter is duly authorized to execute this Purchase Agreement;

B. The Underwriter is duly authorized to take any action under this Purchase Agreement required to be taken by the Underwriter;

C. The Underwriter is in compliance with Municipal Securities Rulemaking Board Rule G-37 with respect to the District and are not prohibited from acting as underwriter for the Bonds;

D. The Underwriter does not have, or has not had, a financial advisory relationship (as the term is defined in California Government Code section 53590(c)) with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or had any such financial advisory relationship; and

E. The Underwriter has reasonably determined that the District's undertaking pursuant to the Continuing Disclosure Certificate to provide continuing disclosure with respect to the Bonds is sufficient to effect compliance with Rule 15c2-12.

10. **Conditions to Closing.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter's obligations under this Purchase Agreement are and shall be subject, at the option of the Underwriter, to the following further conditions at the Closing:

A. The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the Closing Date; and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

B. At the time of the Closing, (i) the District Documents shall be in full force and effect and the Resolution and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Acts which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (iii) the District shall have adopted, and there shall be in full force and effect such additional resolutions, agreements, opinions and certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax exempt character of the interest on the Bonds), which resolutions, agreements, opinions and certificates shall be satisfactory in form and substance to Bond Counsel to the District and to the Underwriter, and there shall have been taken in connection therewith and in connection with the execution and delivery of the Bonds all such actions as shall, in the reasonable opinion of each, be necessary in connection with the transactions contemplated hereby; (iv) all actions under the Resolution which, in the opinion of Bond Counsel to the District, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (v) the Bonds shall have been duly authorized, executed and delivered, and (vi) the District shall perform or have

performed all of its obligations required under or specified in the District Documents to be performed at or prior to the Closing;

C. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the District, be pending (in which service of process has been completed against the District) or threatened which has any of the effects described in Section 7(E) hereof or contests in any way the completeness or accuracy of the Official Statement;

D. Between the date hereof and the Closing:

(1) In the reasonable opinion and discretion of the Underwriter exercised in good faith, none of the following events shall have had a material adverse effect on the marketability or market price of the Bonds or the ability to enforce contracts for the sale of any portion of the Bonds at the contemplated offering prices by the Underwriter of the Bonds:

(i) Any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Securities;

(ii) There shall be in force a general suspension of trading or other material restrictions not in force as of the date hereof on the New York Stock Exchange or other national securities exchange;

(iii) Legislation shall have been introduced in or adopted by either House of the Congress of the United States or recommended to the Congress or otherwise endorsed for passage by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is formally proposed for consideration by either such committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States the effect of which would eliminate the exclusion of interest on the Bonds from gross income for federal income tax purposes, or legislation shall have been enacted by the State of California which renders interest on the Bonds not exempt from State of California personal income taxes;

(iv) Legislation shall have been enacted, or a decision of a court of the United States shall have been rendered or any action shall have been taken by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction in the subject matter which, in the opinion of Bond Counsel, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the Resolution or the Paying Agent Agreement to be qualified under the Trust Indenture Act of 1939, as amended;

(v) The New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose and there shall be in effect, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charges to the net capital requirements of, underwriters;

(vi) The withdrawal or downgrading, or any notice shall have been given of any intended or potential downgrading, of any rating of the District's outstanding indebtedness by a national rating agency;

(vii) The occurrence of any material adverse change in the financial condition or results of operations of the District; or

(viii) An outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war occurs; or the occurrence of any other calamity or crisis or any change in the financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in this clause (viii), in the judgment of the Underwriter, makes it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner contemplated in the Preliminary Official Statement or the Official Statement.

(2) There shall not have occurred and be continuing the declaration of a general banking moratorium by any authority of the United States or the State of New York or the State of California;

(3) A material disruption in securities settlement, payment or clearance services affecting the Bonds shall not have occurred;

(4) Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall not have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(5) A decision by a court of the United States shall not have been rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

E. At or prior to the Closing Date, the Underwriter shall have received the following documents, in each case dated as of the Closing Date, unless otherwise specified herein, and satisfactory in form and substance to the Underwriter:

(1) The approving opinion of Bond Counsel, addressed to the District, substantially in the form attached to the Preliminary Official Statement;

(2) A reliance letter from Bond Counsel, addressed to the Underwriter, to the effect that the Underwriter may rely upon the approving opinion of Bond Counsel described in Section 10(E)(1) above;

(3) A supplemental opinion of Bond Counsel, addressed to the Underwriter, substantially in the form set forth as Exhibit B herein;

(4) A certificate signed by an appropriate official of the District to the effect that (i) the official(s) signing this Purchase Agreement, the Paying Agent Agreement, the Official Statement, the Escrow Agreement and the Continuing Disclosure Certificate on behalf of the District is authorized to do so, (ii) the representations, agreements and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the District Documents to be complied with by the District prior to or concurrently with the Closing and the District Documents are in full force and effect, (iv) no litigation is pending (with service of process having been accomplished) or, to the District's knowledge, threatened (either in state or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, the Official Statement, the Continuing Disclosure Certificate, the Paying Agent Agreement, the Escrow Agreement or this Purchase Agreement, or (C) in any way contesting the existence or powers of the District; (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (vi) each of the conditions listed in Section 10 of this Purchase Agreement required to be satisfied by the District has been satisfied on the date thereof and the District is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date thereof, and (vii) the Bonds being

delivered on the Closing Date to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution, the Paying Agent Agreement, the Official Statement and this Purchase Agreement;

(5) The Continuing Disclosure Certificate, signed by an appropriate official of the District and in form and substance reasonably satisfactory to the Underwriter;

(6) The Paying Agent Agreement;

(7) The Escrow Agreement;

(8) A certificate of U.S. Bank National Association as the Paying Agent and Escrow Agent, signed by a duly authorized officer thereof, in form and substance satisfactory to the Underwriter, to the effect that (i) it is duly organized and existing under and by virtue of the laws of the United States of America, having the full power and qualified to enter into and perform its duties under the Paying Agent Agreement and the Escrow Agreement, (ii) the execution and delivery of the Paying Agent Agreement and the Escrow Agreement and compliance therewith, will not conflict with or constitute a breach by it of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or is otherwise subject; and (iii) it has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, nor is any such action, to the best of such official's knowledge after reasonable investigation, threatened against it, affecting its existence, the titles of its officers to their respective offices, or contesting or affecting the validity or enforceability of the Paying Agent Agreement or the Escrow Agreement, or contesting its power or authority to enter into, adopt or perform its obligations under the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Paying Agent Agreement or the Escrow Agreement;

(9) A tax certificate of the District relating to the use of proceeds of the Bonds in form satisfactory to Bond Counsel and the Underwriter;

(10) The opinion of General Counsel to the District ("District Counsel") addressed to the District and the Underwriter, to the effect that:

(i) the District is a unified school district validly existing under the Constitution and the laws of the State;

(ii) the Resolution approving and authorizing the execution, sale and delivery of this Purchase Agreement and the issuance of the Bonds were duly adopted at a meeting of the Board of Education of the District, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption,

and the Resolution have not been modified, amended, rescinded or revoked and is in full force and effect on the date thereof;

(iii) the District has the full right and lawful authority to enter into and perform its duties and obligations under the District Documents and to authorize the sale of the Bonds;

(iv) to the knowledge of District Counsel, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public authority or body, pending or threatened against the District in which service of process has been completed: (a) affecting the existence of the District or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution, delivery or performance of this Purchase Agreement or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or the District Documents; (c) contesting the powers of the District or its authority to enter into, adopt or perform its obligations under the District Documents; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds, or the application thereof to such payment;

(v) the Official Statement has been duly approved by the District; and

(vi) this Purchase Agreement has been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, this Purchase Agreement constitutes the legal, valid and binding obligations of the District enforceable against the District in accordance with its terms;

(11) The opinion of Curls Bartling P.C., counsel for the Underwriter, addressed to the Underwriter, satisfactory in form and substance to the Underwriter;

(12) A certificate, together with a fully executed copy of the Resolution, of the Secretary of the Board of Education to the effect that:

(i) such copies are true and correct copies of such Resolution; and

(ii) that the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the Closing Date;

(13) A certificate of the appropriate official of the District evidencing the District's determination that the Preliminary Official Statement is "deemed final," in accordance with Rule 15c2-12;

(14) A verification report of Causey Demgen & Moore P.C., as verification agent, addressed to the Underwriter, in form and substance acceptable to Bond Counsel and Underwriter's Counsel;

(15) Evidence of ratings from Standard & Poor's Ratings Services, Moody's Investors Service, Inc. and Fitch Ratings, Inc. on the Bonds; and

(16) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence compliance (i) by the County, the District and the Paying Agent (and its agent, if applicable) with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District and the Paying Agent (and its agent, if applicable) at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by them.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or electronic communication, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

11. **Indemnification.**

(A) The District agrees to indemnify and hold harmless the Underwriter, and each person, if any, who controls (within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended) the Underwriter, and their directors, officers, attorneys, agents and employees, against any and all losses, claims, damages, liabilities and expenses to which the Underwriter may become subject, insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof) ("Claim"), arise out of or are based upon (i) a claim in connection with the public offering of the Bonds to the effect that the Bonds or any related security are required to be registered under the Securities Act of 1933, as amended, or any indenture is required to be qualified under the Trust Indenture Act, or (ii) any statement or information in the Preliminary Official Statement or in the Official Statement that is or is alleged to be untrue or incorrect in any material respect, or any omission or alleged omission of any statement or information in the Preliminary Official Statement or the Official Statement which is necessary in order to make the statements therein not misleading. The foregoing indemnity agreement shall be in addition to any liability that the District otherwise may have.

(B) In case any claim shall be made or action brought against the Underwriter for which indemnity may be sought against the District, as provided above, the Underwriter shall promptly notify the District in writing setting forth the particulars of such claim or action; but the

omission to so notify the District (i) shall not relieve it from liability under paragraph (A) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the District of substantial rights and defenses and (ii) shall not relieve it from any liability which it may have to the Underwriter otherwise than under paragraph (A) above. The District shall assume the defense thereof, including the retention of counsel acceptable to the Underwriter and the payment of all expenses and shall have the right to negotiate and consent to settlement. The Underwriter shall have the right to retain separate counsel in any such action and to participate in the defense thereof but the fees and expenses of such counsel shall be at the expense of the Underwriter unless the employment of such counsel has been specifically authorized by the District or the District shall not have employed counsel reasonably acceptable to the Underwriter to have charge of the defense of such action or proceeding or the Underwriter shall have reasonably concluded that there may be defenses available to it which are different from or additional to those available to the District (in which case the District shall not have the right to direct the defense of such action or proceeding on behalf of the Underwriter), in any of which events, such legal or other expenses shall be borne by the District. No party shall be liable for any settlement of any action effected without its consent, but if settled with the consent of the District or if there is a final judgment for the plaintiff in any action with or without written consent of the District, the District agrees to indemnify and hold harmless the indemnified parties to the extent of the indemnities set forth above from and against any loss or liability by reason of such settlement or judgment. Any such settlement must include an unconditional release of the Underwriter and the indemnified parties from all liability arising out of such action.

12. **Expenses.**

(A) Except for the costs identified in paragraph (B) below, the District shall cause the payment of all expenses incident to the issuance of the Bonds, including but not limited to the following (i) the fees and disbursements of the District's municipal advisor (ii) the fees and disbursements of Bond Counsel and Disclosure Counsel, and any other experts or consultants retained by the District; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees, if any, for Bond ratings, including all necessary travel expenses; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement and any supplements and amendments thereto; (vi) the initial fees of the Paying Agent and the Escrow Agent; (vii) the bond insurance premium (if any); (viii) the fees of the Verification Agent and (ix) all other fees and expenses incident to the issuance and sale of the Bonds. Unless the District and Underwriter otherwise agree, the District shall pay for all incidental costs (including but not limited to, transportations, lodging, meals and entertainment of District personnel) incurred by or on behalf of the District in connection with the marketing, issuance and delivery of the Bonds. The District acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(B) The Underwriter shall pay all of its expenses incurred in connection with the offering and distribution of the Bonds including advertising expenses, expenses to qualify the Bonds for sale in various states chose by the Underwriter, the cost of preparing or printing any "Blue Sky" or legal investment memoranda to be used in connection such sale, any fees to be paid to the California Debt and Investment Advisory Commission, CUSIP Service Bureau fees, the fees and expenses of its counsel and such other expenses reasonably incurred by the Underwriter in

connection with this Purchase Agreement as the Underwriter and the District by reasonably agree; provided the District shall reimburse the Underwriter for all of the foregoing expenses to the extent included in the expense component of its Underwriter's discount. The Underwriter shall not be responsible for paying or causing to be paid meal, transportation, lodging, entertainment or deal memento expenses incurred by or on behalf of the employees or officials of the District.

13. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Senior Business Officer, Oakland Unified School District, 1000 Broadway, Suite 680, Oakland, California 94607, or if to the Underwriter, to the Senior Managing Director, Siebert Cisneros Shank & Co., L.L.C., Lake Merritt Plaza, 1999 Harrison Street, Suite 2720, Oakland, California 94612.

14. **Severability.** In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

15. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement among the District and the Underwriter with respect to the Bonds. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Purchase Agreement shall survive, unless waived by the Underwriter, regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder and (c) any termination of this Purchase Agreement.

16. **Execution in Counterparts.** This Purchase Agreement may be executed by facsimile transmission and in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

17. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State applicable to contracts made and performed in such State.

[Remainder of Page Intentionally Left Blank.]

Very truly yours,
SIEBERT CISNEROS SHANK & CO., L.L.C.,
as Underwriter

By: _____
Gary Hall, Senior Managing Director

The foregoing is hereby agreed to
and accepted as of the date first
above written:

OAKLAND UNIFIED SCHOOL DISTRICT

By: _____
Vernon Hal, Senior Business Officer

[Signature page to OUSD 2017 GO Refunding Bond Purchase Agreement]

**EXHIBIT A
MATURITY SCHEDULES**

\$ _____
**OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
General Obligation Refunding Bonds
2017 Series A**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Initial Public Offering Yield</u>
8/1/	\$ _____	___%	___%
8/1/			
8/1/			
8/1/			
8/1/			
8/1/			
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8/1/			
8/1/			
8/1/			
8/1/			

^c callable at par on or after _____
^t term bond

\$ _____
OAKLAND UNIFIED SCHOOL DISTRICT
 (County of Alameda, California)
General Obligation Refunding Bonds
 (Measure B) 2017 Series B

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Initial Public Offering Yield</u>
8/1/	\$ _____	___%	___%
8/1/			
8/1/			
8/1/			
8/1/			
8/1/			
8/1/			
8/1/			
8/1/			
8/1/			
8/1/ ^c			
8/1/ ^c			
8/1/ ^c			
8/1/ ^c			
8/1/ ^c			

^c callable at par on or after _____

\$ _____
OAKLAND UNIFIED SCHOOL DISTRICT
 (County of Alameda, California)
General Obligation Refunding Bonds
 (Measure J) 2017 Series C

Maturity Date	Principal Amount	Interest Rate	Initial Public Offering Yield
8/1/	\$ _____	____%	____%
8/1/			
8/1/			
8/1/			
8/1/			
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8/1/ ^c			
8/1/ ^c			
8/1/ ^c			

^c callable at par on or after _____

\$ _____
OAKLAND UNIFIED SCHOOL DISTRICT
 (County of Alameda, California)
General Obligation Crossover Refunding Bonds
 (Measure B) 2017 Series D

Maturity Date	Principal Amount	Interest Rate	Initial Public Offering Yield
8/1/	\$ _____	____%	____%
8/1/			
8/1/			
8/1/			
8/1/			
8/1/			
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8/1/			
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8/1/ ^c			
8/1/ ^c			
8/1/ ^c			
8/1/ ^c			
8/1/ ^c			

^c callable at par on or after _____

TERMS OF REDEMPTION

Special Mandatory Redemption of Bonds. The Series D Bonds are subject to special mandatory redemption prior to their respective stated maturity dates, in whole or in part, at a redemption price equal to the principal amount thereof, together with accrued interest to the date of redemption, without premium, from amounts available in the 2009B Escrow Account, if the 2009B Bonds cannot be redeemed on the Crossover Date due to an insufficiency of amounts in the 2009B Escrow Account, such redemption to occur on any date on or within 45 days after the Crossover Date, according to the following schedule:

Bonds	Crossover Date	Relating to Escrow Fund For
Series D Bonds	[August 1, 2019]	2009B Bonds

If less than all of the Series D Bonds are called for Special Mandatory Redemption pursuant to this provision, the Bonds shall be redeemed pro rata by maturity. See “SPECIAL INVESTMENT RISKS” herein.

Optional Redemption of the Series A Bonds. The Series A Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The Series A Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount thereof called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

Optional Redemption of the Series B Bonds. The Series B Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The Series B Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount thereof called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

Optional Redemption of the Series C Bonds. The Series C Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The Series C Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount thereof called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

Optional Redemption of the Series D Bonds. The Series D Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The Series D Bonds maturing on or after August 1, 20__, are subject to redemption prior to their

respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount thereof called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption of the Series A Bonds. The \$_____ Series A Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

*

* Maturity

The principal amount to be redeemed in each year shown in the table above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such Series A Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Mandatory Sinking Fund Redemption of the Series B Bonds. The \$_____ Series B Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

†

† Maturity

The principal amount to be redeemed in each year shown in the table above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such Series B Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Mandatory Sinking Fund Redemption of the Series C Bonds. The \$_____ Series C Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

*

* Maturity

The principal amount to be redeemed in each year shown in the table above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such Series C Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Mandatory Sinking Fund Redemption of the Series D Bonds. The \$_____ Series D Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

*

* Maturity

The principal amount to be redeemed in each year shown in the table above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such Series D Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

EXHIBIT B
FORM OF SUPPLEMENTAL OPINION

[Closing Date]

Siebert Cisneros Shank & Co., L.L.C.
Oakland, California

\$ _____
Oakland Unified School District
General Obligation Refunding Bonds
2017 Series A

\$ _____
Oakland Unified School District
General Obligation Refunding Bonds
(Measure B) 2017 Series B

\$ _____
Oakland Unified School District
General Obligation Refunding Bonds
(Measure J) 2017 Series C

\$ _____
Oakland Unified School District
General Obligation Crossover Refunding
Bonds (Measure B) 2017 Series D

(Supplemental Opinion)

Ladies and Gentlemen:

This letter is addressed to you, as underwriter (the “Underwriter”), pursuant to Section 10(E)(3) of the Bond Purchase Agreement, dated _____, 2017 (the “Purchase Contract”), between you and the Oakland Unified School District (the “District”), providing for the purchase of (i) \$_____ principal amount of the Oakland Unified School District General Obligation Refunding Bonds 2017 Series A, (ii) \$_____ principal amount of the Oakland Unified School District General Obligation Refunding Bonds (Measure B) 2017 Series B, (iii) \$_____ principal amount of the Oakland Unified School District General Obligation Refunding Bonds (Measure J) 2017 Series C, and (iv) \$_____ principal amount of the Oakland Unified School District General Obligation Crossover Refunding Bonds (Measure B) 2017 Series D (collectively, the “Bonds”). The Bonds are being issued pursuant to the Paying Agent Agreement, dated as of May 1, 2017, by and between the District and U.S. Bank National Association, as paying agent (the “Paying Agent”), and acknowledged by the County (the “Paying Agent Agreement”), as approved by the resolution adopted by the Board of Education of the District on April [26], 2017 (the “Resolution”). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Paying Agent Agreement or, if not defined in the Paying Agent Agreement, in the Purchase Contract.

We have delivered our final legal opinions (the “Bond Opinions”) as bond counsel to the District concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the District. You may rely on such opinion as though the same were addressed to you.

In connection with our role as bond and disclosure counsel to the District, we have reviewed the Purchase Contract, the Resolution, the Paying Agent Agreement, the Tax Certificate,

dated the date hereof (the “Tax Certificate”), an opinion of counsel to the District, certificates of the District, the Paying Agent and others, and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

The opinions and conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Resolution, the Paying Agent Agreement, the Tax Certificate and the Purchase Contract and their enforceability may be subject to bankruptcy, insolvency, reorganization, receivership, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against school districts and counties in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinions with respect to the state or quality of title to or interest in any assets described in or as subject to the lien of the Resolution, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Paying Agent Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. The Purchase Contract, the Continuing Disclosure Certificate and the Paying Agent Agreement have been duly executed and delivered by, and are valid and binding agreements of, the District.

3. The statements contained in the Official Statement under the captions “THE BONDS,” “TAX MATTERS,” and “APPENDIX D – PROPOSED FORMS OF OPINIONS OF BOND COUNSEL,” excluding any material that may be treated as included under such captions by cross-reference, or reference to other documents or sources, insofar as such statements expressly summarize certain provisions of the Paying Agent Agreement, the Bonds, the Resolution and the form and content of our Bond Opinions, are accurate in all material respects.

4. We are not passing upon and do not assume any responsibility for the accuracy (except as explicitly stated in paragraph 3 above), completeness or fairness of any of the statements contained in the Official Statement, and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. We do not assume any responsibility for any electronic version of the Official Statement, and assume that any such version is identical in all respects to the printed version. In our capacity as bond and disclosure counsel to the District in connection with the issuance of the Bonds, we participated in conferences with your representatives, your counsel, representatives of the District, the District's counsel, the Paying Agent, KNN Public Finance, LLC, as municipal advisor to the District, and others, during which conferences the contents of the Official Statement and related matters were discussed. Based on our participation in the above-referenced conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the District and others and on the records, documents, certificates, opinions and matters herein mentioned, subject to the limitations on our role as bond and disclosure counsel, we advise you as a matter of fact and not opinion that no facts came to the attention of the attorneys in our firm rendering legal services with respect to the Official Statement which caused us to believe that the Official Statement as of its date and as of the date hereof (except for any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about verification, book-entry, DTC, litigation, ratings, rating agencies, the Underwriter, underwriting, and the information contained in Appendices A, C, E, F, and G, included or referred to therein or omitted therefrom, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Official Statement.

This letter is furnished by us as bond and disclosure counsel to the District. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. We disclaim any obligation to update this letter. This letter is delivered to you as Underwriter of the Bonds, is solely for your benefit as such Underwriter and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

PRELIMINARY OFFICIAL STATEMENT DATED [APRIL __, 2017]**NEW ISSUE – BOOK-ENTRY ONLY****RATINGS: Moody's: “__”****S&P: “__”****Fitch: “__”**

(See “MISCELLANEOUS – Ratings” herein.)

[In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “TAX MATTERS.”]

**OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)**

\$ _____*
**General Obligation Refunding Bonds
2017 Series A**

\$ _____*
**General Obligation Refunding Bonds
(Measure B) 2017 Series B**

\$ _____*
**General Obligation Refunding Bonds
(Measure J) 2017 Series C**

\$ _____*
**General Obligation Crossover Refunding Bonds
(Measure B) 2017 Series D**

Dated: Date of Delivery**Due: August 1, as shown on the inside cover**

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Oakland Unified School District (the “**District**”) General Obligation Refunding Bonds, 2017 Series A (the “**Series A Bonds**”), in the aggregate principal amount of \$ _____*, are being issued and sold by the District (i) to refund, on a current basis, all or a portion of the District’s outstanding 2007 General Obligation Refunding Bonds (the “**2007 Refunding Bonds**”) and (ii) to pay costs of issuance of the Series A Bonds. The Oakland Unified School District General Obligation Refunding Bonds, (Measure B) 2017 Series B (the “**Series B Bonds**”), in the aggregate principal amount of \$ _____*, are being issued by the District (i) to refund, on an advance basis, all or a portion of the District’s outstanding General Obligation Bonds, Election of 2006, Series 2012A (the “**2012A Bonds**”) and (ii) to pay costs of issuance of the Series B Bonds. The Oakland Unified School District General Obligation Refunding Bonds, (Measure J) 2017 Series C (the “**Series C Bonds**”), in the aggregate principal amount of \$ _____*, are being issued by the District (i) to refund, on an advance basis, all or a portion of the District’s outstanding General Obligation Bonds, Election of 2012, Series 2013 (the “**2013 Bonds**”) and (ii) to pay costs of issuance of the Series C Bonds. The Oakland Unified School District General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D (the “**Series D Bonds**,” and together with the Series A Bonds, the Series B Bonds and the Series C Bonds, the “**Bonds**”), in the aggregate principal amount of \$ _____*, are being issued by the District (i) to advance refund, on a crossover basis, all or a portion of the District’s outstanding General Obligation Bonds, Election of 2006, Series 2009B Build America Bonds (the “**2009B Bonds**,” and together with the 2007 Refunding Bonds, the 2012A Bonds and the 2013 Bonds, the “**Outstanding Bonds**”) and (ii) to pay costs of issuance of the Series D Bonds. The outstanding 2007 Refunding Bonds, the outstanding 2012A Bonds, the outstanding 2013 Bonds and the outstanding 2009B Bonds to be refunded and defeased are collectively referred to herein as the “**Refunded Bonds**.”

The Series A Bonds, the Series B Bonds, the Series C Bonds and, after [August 1, 2019] (the “**Crossover Date**”), the Series D Bonds, are payable from *ad valorem* taxes to be levied within the District pursuant to the State Constitution and other State law. The Board of Supervisors of the County will be empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series A Bonds, the Series B Bonds, the Series C Bonds and, after the Crossover Date, the Series D Bonds. **Prior to and through Crossover Date, the Series D Bonds are secured and payable solely form proceeds of the Series D Bonds deposited into an escrow fund established therefor (the “2009B Escrow Account”).** After the Crossover Date, the Series D Bonds will be, without any further action on the part of the District, the Owners or Beneficial

* Preliminary, subject to change.

Owners of the Bonds, payable solely from *ad valorem* property taxes. See “THE BONDS – Payment of Principal and Interest” and “APPENDIX G – “BOOK-ENTRY ONLY SYSTEM” herein.

The Bonds are being issued pursuant to the laws of the State of California (the “**State**”), a resolution adopted by the Board of Education of the District on [April 26, 2017] (the “**District Resolution**”), and a paying agent agreement, dated as of [May 1, 2017] (the “**Paying Agent Agreement**”), by and among the District, the County of Alameda (the “**County**”) and U.S. Bank National Association, as paying agent (the “**Paying Agent**”). See “THE BONDS” herein.

The Bonds will be issued as current interest bonds in denominations of \$5,000 principal amount and integral multiples thereof as shown on the inside cover page of this Official Statement. Interest on the Bonds is payable on [February 1] and [August 1] of each year, commencing on [_____ 1, 20__].

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“**DTC**”). DTC will act as securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Bonds purchased by them. Payments of the principal of and interest on the Bonds will be made by U.S. Bank National Association, as paying agent, registrar and transfer agent with respect to the Bonds, to DTC for subsequent disbursement through DTC Participants to the beneficial owners of the Bonds. See “THE BONDS – Payment of Principal and Interest” herein.

The Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS – Redemption” herein.

The Bonds will be offered when, as and if issued by the District and received by the Underwriter, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, as Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriter by Curls Bartling P.C., Oakland, California. KNN Public Finance, LLC, Oakland, California, serves as Municipal Advisor to the District in connection with the issuance of the Bonds. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about _____, 2017.

[Siebert Cisneros Shank & Co., L.L.C. Logo]

Dated: _____, 2017.

MATURITY SCHEDULES

\$ _____*
OAKLAND UNIFIED SCHOOL DISTRICT
General Obligation Refunding Bonds, 2017 Series A

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield†</u>	<u>CUSIP‡ ([____])</u>
---------------------------------	-------------------------	----------------------	---------------	------------------------

\$ _____ .__% Term Bond due August 1, 20__; Yield† __.____%; CUSIP‡ _____

\$ _____*
OAKLAND UNIFIED SCHOOL DISTRICT
General Obligation Refunding Bonds, (Measure B) 2017 Series B

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield†</u>	<u>CUSIP‡ ([____])</u>
---------------------------------	-------------------------	----------------------	---------------	------------------------

\$ _____ .__% Term Bond due August 1, 20__; Yield† __.____%; CUSIP‡ _____

\$ _____*
OAKLAND UNIFIED SCHOOL DISTRICT
General Obligation Refunding Bonds, (Measure J) 2017 Series C

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield†</u>	<u>CUSIP‡ ([____])</u>
---------------------------------	-------------------------	----------------------	---------------	------------------------

\$ _____ .__% Term Bond due August 1, 20__; Yield† __.____%; CUSIP‡ _____

* Preliminary, subject to change.

† Yields certified by the Underwriter. The District takes no responsibility therefor.

‡ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2017 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such numbers.

\$ _____*

OAKLAND UNIFIED SCHOOL DISTRICT
General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D

Crossover Date: [August 1, 2019]

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield†	CUSIP‡ ([____])
--------------------------------	---------------------	---------------	--------	--------------------

\$ _____ . . % Term Bond due August 1, 20 __; Yield† . . %; CUSIP‡ _____

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The Bonds are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities law as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Certain statements contained in this Official Statement constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget” or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based, occur.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market prices of the Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain securities dealers and dealer banks and banks acting as agents at prices lower than the public offering prices stated on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

OAKLAND UNIFIED SCHOOL DISTRICT

Board of Education

James Harris, *President (District 7)*
Nina Senn, *Vice President (District 4)*
Aimee Eng, *Director (District 2)*
Shanthi Gonzales, *Director (District 6)*
Jumoke Hinton-Hodge, *Director (District 3)*
Jody London, *Director (District 1)*
Roseann Torres, *Director (District 5)*

Administration

Devin Dillon, *Interim Superintendent*
Vernon Hal, *Senior Business Officer*
Gloria Gamblin, *Interim Chief Financial Officer*
Marion McWilliams, *General Counsel*

COUNTY OF ALAMEDA, CALIFORNIA

Board of Supervisors

Wilma Chan, *President (District 3)*
Richard Valle, *Vice President (District 2)*
Scott Haggerty, *Member (District 1)*
Nate Miley, *Member (District 4)*
Keith Carson, *Member (District 5)*

Administration

Donald R. White, *Treasurer-Tax Collector*
Steve Manning, *Auditor-Controller*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Municipal Advisor

KNN Public Finance, LLC
Oakland, California

Paying Agent and Escrow Agent

U.S. Bank National Association
San Francisco, California

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

TABLE OF CONTENTS

	Page
INTRODUCTION	1
General	1
The District.....	2
THE BONDS.....	2
Authority for Issuance; Purpose	2
Form and Registration.....	3
Payment of Principal and Interest.....	3
Redemption	4
Defeasance of Bonds	7
Unclaimed Moneys	8
Plan of Refunding.....	8
ESTIMATED SOURCES AND USES OF FUNDS	12
The Series A Bonds.....	Error! Bookmark not defined.
DEBT SERVICE SCHEDULES	13
Semi-Annual Debt Service Payments for the Bonds.....	13
Combined Annual Debt Service.....	14
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS	15
General	15
Statutory Restrictions and Lien on Debt Service Taxes - SB 222	15
Special Investment Risks.....	16
Pledge of Tax Revenues	16
Property Taxation System	17
Assessed Valuation of Property Within the District.....	17
Tax Rates.....	22
Tax Charges and Delinquencies	23
Direct and Overlapping Debt	24
RISK FACTORS	26
Risks to the Property Tax Base	26
Incomplete Audit Reports; Limited Scope Audits.....	26
Risks of Bankruptcy of District.....	28
Possession of Tax Revenues; Remedies.....	29
Risk of Investment Losses.....	29
District Financial Considerations	29
TAX MATTERS	30
OTHER LEGAL MATTERS	31
Legal Opinion.....	31
Legality for Investment in the State of California.....	31
Continuing Disclosure	31
No Litigation	32
ESCROW VERIFICATION.....	32
MISCELLANEOUS.....	32
Ratings.....	32
Professionals Involved in the Offering.....	32
Underwriting	33
ADDITIONAL INFORMATION.....	34

TABLE OF CONTENTS

(continued)

APPENDIX A – THE ECONOMY OF THE DISTRICT	
APPENDIX B – INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET	
APPENDIX C – FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016	
APPENDIX D – PROPOSED FORMS OF OPINIONS OF BOND COUNSEL	
APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE	
APPENDIX F – COUNTY OF ALAMEDA ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT	
APPENDIX G – BOOK-ENTRY ONLY SYSTEM	

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)

\$ _____*
General Obligation Refunding Bonds
2017 Series A

\$ _____*
General Obligation Refunding Bonds
(Measure B) 2017 Series B

\$ _____*
General Obligation Refunding Bonds
(Measure J) 2017 Series C

\$ _____*
General Obligation Crossover Refunding Bonds
(Measure B) 2017 Series D

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, which includes the cover page and appendices hereto (this “**Official Statement**”), is provided to furnish information in connection with the sale of (i) \$ _____* aggregate principal amount of Oakland Unified School District General Obligation Refunding Bonds, 2017 Series A (the “**Series A Bonds**”), (ii) \$ _____* aggregate principal amount of Oakland Unified School District General Obligation Refunding Bonds, (Measure B) 2017 Series B (the “**Series B Bonds**”), (iii) \$ _____* aggregate principal amount of Oakland Unified School District General Obligation Refunding Bonds, (Measure J) 2017 Series C (the “**Series C Bonds**”) and (iv) \$ _____* aggregate principal amount of Oakland Unified School District General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D (the “**Series D Bonds**” and, together with the Series A Bonds, the Series B Bonds and the Series C Bonds, the “**Bonds**”), as described more fully herein.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificate to be executed by the District. See “OTHER LEGAL MATTERS – Continuing Disclosure.”

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the resolution of the Board of Education of the District (the “**Board of Education**”), adopted on [April 26, 2017], providing for the issuance of the Bonds (the “**District Resolution**”), and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

Copies of documents referred to herein and information concerning the Bonds are available from the District by contacting: Oakland Unified School District, 1000 Broadway Suite 680, Oakland, California 94607, Attention: Chief Financial Officer. The District may impose a charge for copying, handling and mailing such requested documents.

* Preliminary, subject to change.

The District

The District is located in and is approximately coterminous with the City of Oakland, California (the “**City**”), located on the east side of the San Francisco Bay, approximately seven miles from the city of San Francisco. The District’s boundaries also include small portions of the neighboring cities of Emeryville and Alameda. The District encompasses approximately 53.8 square miles, including a diverse economy of industry, services, health care, retail and other commercial activity. The District was unified in 1952, combining then-existing high school and elementary school districts.

The District currently operates 50 elementary schools, four elementary/middle schools serving grades K-8, 13 middle schools serving grades 6-8, three middle/high schools serving grades 6-12, seven comprehensive high schools serving grades 9-12, nine alternate high school programs and 30 early childhood education centers. 37 independent charter schools currently operate within the District’s boundaries. The District has projected enrollment of approximately [36,761] students and average daily attendance (“**A.D.A.**”) of approximately [35,484] students, not including students in charter schools, for fiscal year 2016-17. The District has budgeted for approximately 4,617.2 full-time equivalent (“**FTE**”) employees, including 2,654.6 FTE certificated (teaching) employees, 1,429.2 FTE classified (non-teaching) employees and 533.4 management, supervisor, and confidential employees for fiscal year 2016-17. The District’s projected fiscal year 2016-17 general fund expenditures are approximately \$545.6 million.

The District operates under the jurisdiction of the Alameda County Superintendent of Schools. The District is governed by a Board of Education consisting of seven members. The members of the Board of Education are elected to four-year terms in staggered years. The Superintendent (the “**Superintendent**”) acts as the chief executive officer of the District. Dr. Devin Dillon has served as Interim Superintendent since February 2017. Vernon Hal has served as the District’s Senior Business Officer since December 2008. Gloria Gamblin has served as the District’s Interim Chief Financial Officer since [_____, 20__]. For additional information regarding the Interim Superintendent and the District’s financial and fiscal administrative personnel, see APPENDIX B – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – THE DISTRICT – Superintendent and Key Personnel.”

From May 30, 2003 to June 29, 2009, all or a portion of the functional areas of the District’s operations was governed by a State Administrator (the “**State Administrator**”), appointed by the State Superintendent of Public Instruction (the “**State Superintendent**”) pursuant to special state legislation (“**S.B. 39**”) enacted in response to the District’s request for emergency financial assistance from the State during fiscal year 2002-03. On June 30, 2009, the Board of Education regained full control of all functional areas of District governance. However, as long as the emergency loan made by the State to the District remains outstanding, a trustee appointed by the State Superintendent (the “**State Trustee**”) will monitor and review the District’s operations, with the power to stay or rescind any action of the Board of Education that may affect the District’s financial condition. [The State Trustee has agreed not to rescind the Board of Education’s authorization of the Bonds.] For additional information regarding the recent history of the District’s finances and governance and the powers of the State Trustee, see “RISK FACTORS” and APPENDIX B – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – THE DISTRICT – School District Governance, State Trustee” and “– Financial History of the District.”

For additional information regarding the District’s operations and finances, see APPENDIX B – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET” and APPENDIX C – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016.”

THE BONDS

Authority for Issuance; Purpose

The Bonds are being issued by the District pursuant to the State Constitution and State laws, including Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the State Government Code (the “**Government Code**”), applicable provisions of the State Education Code and other applicable provisions of law. The Bonds are authorized by the District Resolution, and are being issued pursuant to a paying agent agreement, dated as of May 1, 2017 (the “**Paying Agent Agreement**”), by and between the District and U.S. National Bank Association, as Paying Agent (the “**Paying Agent**”), and acknowledged by the Treasurer-Tax Collector of the County (the “**County Treasurer**”).

The Government Code permits the issuance of bonds payable from *ad valorem* property taxes without a vote of the electors solely to refund other outstanding general obligation bonds which were originally approved by such a vote, provided that the total debt service to maturity on the refunding bonds does not exceed the total debt service to maturity on the bonds being refunded. Proceeds from the Series A Bonds are expected to be used (i) to refund, on a current basis, all or a portion of the outstanding Oakland Unified School District 2007 General Obligation Refunding Bonds (the “**2007 Refunding Bonds**”) and (ii) to pay costs of issuance of the Series A Bonds. Proceeds from the Series B Bonds are expected to be used (i) to refund, on an advance basis, all or a portion of the outstanding Oakland Unified School District, General Obligation Bonds Election of 2006, Series 2012A (the “**2012A Bonds**”) and (ii) to pay costs of issuance of the Series B Bonds. Proceeds from the Series C Bonds are expected to be used (i) to refund, on an advance basis, all or a portion of the outstanding Oakland Unified School District General Obligation Bonds, Election of 2012, Series 2013 (the “**2013 Bonds**”) and (ii) to pay costs of issuance of the Series C Bonds. Proceeds from the Series D Bonds are expected to be used (i) to advance refund, on a crossover basis, all or a portion of the outstanding Oakland Unified School District General Obligation Bonds, Election of 2006, Series 2009B (Build America Bonds) (the “**2009B Bonds**,” and together with the 2007 Refunding Bonds, the 2012A Bonds and the 2013 Bonds, the “**Outstanding Bonds**”) and (ii) to pay costs of issuance of the Series D Bonds. The outstanding 2007 Refunding Bonds, the outstanding 2012A Bonds, the outstanding 2013 Bonds and the outstanding 2009B Bonds to be refunded and defeased are collectively referred to herein as the “**Refunded Bonds**.”

Form and Registration

The Bonds will be issued in fully registered form only in denominations of \$5,000 principal amount or integral multiples thereof. The Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”), New York, New York. DTC will act as securities depository of the Bonds. Purchases of Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in the Bonds or any transfer thereof will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Bonds, beneficial owners (“**Beneficial Owners**” or “**Owners**”) will not receive physical certificates representing their ownership interests. Principal and interest will be paid by the Paying Agent to DTC, which will in turn remit such payments to DTC participants for subsequent distribution to Beneficial Owners of the Bonds, as described herein. See APPENDIX G – “BOOK-ENTRY ONLY SYSTEM.”

Payment of Principal and Interest

The Bonds shall be dated the date of their delivery, and shall bear interest at the rates set forth in the related table on the inside cover page hereof, payable on [February 1] and [August 1] of each year (each, an “**Interest Payment Date**”), commencing on [_____ 1, 20__], calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds shall be issued in the denomination of \$5,000 principal amount each or any integral multiple thereof.

The principal and any redemption premium of the Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the office of the Paying Agent designated for the purpose pursuant to the respective Paying Agent Agreement, on or after the maturity date thereof or upon redemption prior to maturity.

Prior to and through the Crossover Date (as defined herein), the Series D Bonds, the proceeds of which will be applied to redeem the 2009B Bonds, are secured and payable solely from proceeds of the Series D Bonds deposited into the 2009B Escrow Account (as hereinafter defined). After the Crossover Date, the interest, principal and premiums, if any, on the Series D Bonds will be, without any further action on the part of the District, the Owners or Beneficial Owners of the Bonds, payable in lawful money of the United States of America solely from moneys on deposit in the interest and sinking fund of the District (the “**Interest and Sinking Fund**”) within the County treasury, consisting of *ad valorem* property taxes collected and held by the County Treasurer, together with any net premium and accrued interest received by the District upon issuance of the Bonds. See “SPECIAL INVESTMENT RISKS” herein.

Each Bond authenticated and registered on any date prior to the close of business on [_____ 15, 20__] shall bear interest from the date of said Bond. Each Bond authenticated during the period between the 15th day of the calendar month immediately preceding an Interest Payment Date (the “**Record Date**”) and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Bond, interest is in default on any outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds.

Interest on the Bonds shall be payable in lawful money to the person whose name appears on the bond registration books of the Paying Agent as the Owner thereof as of the close of business on the applicable Record Date for each Interest Payment Date. Payment of the interest on any Bond shall be made by check mailed by first class mail on each Interest Payment Date (or on the following Business Day, if the Interest Payment Date does not fall on a Business Day) to such Owner at such Owner’s address as it appears on such registration books or at such address as the Owner may have filed with the Paying Agent for that purpose on or before the Record Date; or upon written request of the Owner of interest-bearing Bonds aggregating not less than \$1,000,000 in principal amount, given no later than the Record Date immediately preceding the applicable Interest Payment Date, by wire transfer in immediately available funds to an account maintained in the United States at such wire address as such Owner shall specify in its written notice. So long as Cede & Co. or its registered assigns shall be the registered owner of any of the Bonds, payment shall be made thereto by wire transfer as provided in the Paying Agent Agreement.

Redemption*

Special Mandatory Redemption of Bonds. The Series D Bonds are subject to special mandatory redemption prior to their respective stated maturity dates, in whole or in part, at a redemption price equal to the principal amount thereof, together with accrued interest to the date of redemption, without premium, from amounts available in the 2009B Escrow Account, if the 2009B Bonds cannot be redeemed on the Crossover Date due to an insufficiency of amounts in the 2009B Escrow Account, such redemption to occur on any date on or within 45 days after the Crossover Date, according to the following schedule:

<u>Bonds</u>	<u>Crossover Date</u>	<u>Relating to Escrow Fund For</u>
Series D Bonds	[August 1, 2019]	2009B Bonds

If less than all of the Series D Bonds are called for Special Mandatory Redemption pursuant to this provision, the Bonds shall be redeemed pro rata by maturity. See “SPECIAL INVESTMENT RISKS” herein.

Optional Redemption of the Series A Bonds. The Series A Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The Series A Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount thereof called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

Optional Redemption of the Series B Bonds. The Series B Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The Series B Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount thereof called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

* Preliminary, subject to change.

Optional Redemption of the Series C Bonds. The Series C Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The Series C Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount thereof called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

Optional Redemption of the Series D Bonds. The Series D Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The Series D Bonds maturing on or after August 1, 20__, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 20__, at a redemption price equal to the principal amount thereof called for redemption plus interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption of the Series A Bonds. The \$_____ Series A Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

*

* Maturity

The principal amount to be redeemed in each year shown in the table above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such Series A Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Mandatory Sinking Fund Redemption of the Series B Bonds. The \$_____ Series B Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

†

† Maturity

The principal amount to be redeemed in each year shown in the table above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such Series B Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Mandatory Sinking Fund Redemption of the Series C Bonds. The \$_____ Series C Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

*

* Maturity

The principal amount to be redeemed in each year shown in the table above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such Series C Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Mandatory Sinking Fund Redemption of the Series D Bonds. The \$_____ Series D Term Bond maturing on August 1, 20__, is also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
	\$

*

* Maturity

The principal amount to be redeemed in each year shown in the table above will be reduced proportionately, in integral multiples of \$5,000, by the amount of such Series D Term Bond optionally redeemed prior to the mandatory sinking fund redemption date.

Selection of Bonds for Redemption. If less than all of the Bonds of a Series are called for redemption, such bonds shall be redeemed in inverse order of maturities or as otherwise directed by the District. If less than all of the Bonds of any given maturity are called for redemption, the portions of such bonds of a given maturity to be redeemed shall be determined by lot. For purposes of such selection, each Bond shall be deemed to consist of individual Bonds of denominations of \$5,000 principal amount each, which may be separately redeemed.

Notice of Redemption. Notice of redemption of the Bonds will be mailed postage prepaid not less than 20 nor more than 60 days prior to the date fixed for redemption (i) by first class mail to the respective Owners of Bonds designated for redemption at the addresses appearing on the bond registration books of the Paying Agent, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate. See APPENDIX F – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Each notice of redemption shall contain all of the following information: (i) the date of such notice; (ii) the name of the affected Bonds and the date of issue of the Bonds; (iii) the date fixed for redemption; (iv) the redemption price; (v) the dates of maturity of the Bonds to be redeemed; (vi) if less than all of the then outstanding Bonds are to be redeemed, the distinctive serial numbers of the Bonds of each maturity to be redeemed; (vii) in the case of Bonds redeemed in part only, the respective portions of the principal amount of the Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed; (ix) a statement that such Bonds must be surrendered by the Owners at the office of the Paying Agent designated by the Paying Agent for such purpose; (x) notice that further interest on such Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

The actual receipt by the Owner of any Bond of notice of such redemption will not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, will not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Effect of Notice of Redemption. When notice of redemption has been given substantially as described above, and when the amount necessary for the payment of the redemption price of the Bonds called for redemption is set aside for such purpose, the Bonds designated for redemption will become due and payable on the date fixed for redemption and interest will cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds will be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of Bonds so called for redemption after such date fixed for redemption will look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit in the Interest and Sinking Fund of the District or the escrow fund established for such purpose. All Bonds redeemed will be cancelled forthwith by the Paying Agent and will not be reissued.

Conditional Notice. Any notice of optional redemption of the Bonds delivered in accordance herewith may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, (i) said notice shall be of no force and effect; (ii) the District shall not be required to redeem such Bonds; (iii) the redemption shall be cancelled; and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons and in the manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. The actual receipt by the Owner of any Bond of notice of such cancellation shall not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

Rescission of Notice of Redemption. The District may rescind any optional redemption and notice thereof for any reason on any date on or prior to the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Any optional redemption and notice thereof will be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Defeasance of Bonds

The District may pay and discharge any or all of the Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available moneys then on deposit in the Interest and Sinking Fund, be fully sufficient in the opinion of a certified public accountant licensed to practice in the State to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

If at any time the District pays or causes to be paid or there is otherwise paid to the Owners of any or all outstanding Bonds all of the principal, interest and premium, if any, represented by such Bonds when due, or as

described above, or as otherwise provided by law, then such Owners shall cease to be entitled to the obligation of the County to levy and collect taxes to pay the Bonds as described in the Paying Agent Agreement, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the District Resolution shall thereupon be satisfied and discharged and shall terminate, except only that the District will remain liable for payment of all principal, interest and premium, if any, represented by such Bonds, but only out of moneys on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment, provided, that the unclaimed moneys provisions described in the Paying Agent Agreement will apply in all events.

Unclaimed Moneys

Any money held in any fund created pursuant to the Paying Agent Agreement, or held by the Paying Agent in trust, for the payment of the principal of, redemption premium, if any, or interest on the Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the Interest and Sinking Fund for payment of any outstanding bonds of the District payable from said fund; or, if no such bonds of the District are at such time outstanding, said moneys shall be transferred to the general fund of the District as provided and permitted by law.

Plan of Refunding

The Series A Bonds are expected to be issued to (i) refund and defease, on a current basis, all or a portion of the outstanding 2007 Refunding Bonds on August 1, 2017 (the “**2007 Redemption Date**”), and (ii) pay costs of issuance of the Series A Bonds. The Series B Bonds are expected to be issued to (i) refund and defease, on an advance basis, all or a portion of the outstanding 2012A Bonds on August 1, 2022 (the “**2012A Redemption Date**”), and (ii) pay costs of issuance of the Series B Bonds. The Series C Bonds are expected to be issued to (i) refund and defease, on an advance basis, all or a portion of the outstanding 2013 Bonds on [August 1, 20[18][21]] (the “**2013 Redemption Date**”), and (ii) pay costs of issuance of the Series C Bonds. The District intends to apply the net proceeds of the sale of the Series D Bonds to (i) effect a crossover refunding of certain maturities of the 2009B Bonds and (ii) to pay costs of issuance of the Series D Bonds. The 2009B Bonds will be redeemed on [August 1, 2019], (the “**Crossover Date**”) at a price equal to the principal amount on the 2009B Bonds Redemption Date. Until the Crossover Date, the proceeds of the Series D Bonds will be invested under the terms of the Escrow Agreement (defined herein) as described herein. The outstanding 2007 Refunding Bonds, the outstanding 2012A Bonds, the outstanding 2013 Bonds and the outstanding 2009B Bonds are collectively referred to herein as the “**Refunded Bonds.**” Further description of the Refunded Bonds is provided in the following tables.

A portion of the proceeds from the Series A Bonds, the Series B Bonds, the Series C Bonds and the Series D Bonds will be deposited into the 2007 Escrow Account (the “**2007 Escrow Account**”), the 2012A Escrow Account (the “**2012A Escrow Account**”), the 2013 Escrow Account (the “**2013 Escrow Account**”) and the 2009B Escrow Account (the “**2009B Escrow Account**” and, together with the 2007 Escrow Account, the 2012A Escrow Account and the 2013 Escrow Account, the “**Escrow Accounts**”), respectively, within an escrow fund (the “**Escrow Fund**”) to be established and maintained by U.S. Bank National Association, acting as escrow agent (the “**Escrow Agent**”) under that certain escrow agreement, dated as of [May 1, 2017] (the “**Escrow Agreement**”), by and between the District and the Escrow Agent. Such moneys will be used to purchase certain United States government obligations or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, the principal of and interest on which (together with any uninvested amount) will be sufficient to enable the Escrow Agent to pay the interest due on the 2007 Refunding Bonds, the 2012A Bonds and the 2013 Bonds to their respective redemption date at their respective redemption price and, with respect to the 2009B Bonds, the interest and principal, if any, due on the Series D Bonds on and prior to the Crossover Date and the redemption price of the 2009B Bonds on the Crossover Date. See “**ESCROW VERIFICATION**” herein.

A portion of the proceeds of the Bonds will be retained by the Paying Agent in a Costs of Issuance Fund and used to pay costs associated with the issuance of the Bonds and the refunding of the Refunded Bonds. Any proceeds of sale of the Bonds not needed to fund the Escrow Fund or to pay costs of issuance of the Bonds will be transferred to the County Treasurer for deposit in the District’s Interest and Sinking Fund in the County treasury, and applied only for payment of principal of and interest on outstanding bonds of the District. Amounts deposited into the Interest and Sinking Fund, as well as proceeds of taxes held therein for payment of the Bonds, will be invested at the sole discretion

of the County Treasurer pursuant to law and the investment policy of the County. See APPENDIX F – “COUNTY OF ALAMEDA ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT.”

Causey Demgen & Moore P.C., a Certified Public Accountant licensed to practice in the State, acting as verification agent (the “**Verification Agent**”) with respect to the Escrow Fund, will verify the mathematical accuracy of the computations relating to the sufficiency of the moneys proposed to be deposited and invested in the Escrow Fund, together with earnings thereon, for the payment of interest on the 2007 Refunding Bonds, the 2012A Bonds and the 2013 Bonds to the respective Redemption Date, and for the payment of interest and principal, if any, on the Series D Bonds on and prior to the Crossover Date and the redemption price of the 2009B Bonds on the Crossover Date. After the Crossover Date, the Series D Bonds will be payable solely from the proceeds of *ad valorem* property taxes levied.

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The Refunded Bonds to be refunded are as follows:

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
2007 General Obligation Refunding Bonds
Redemption Date: [August 1, 2017]
Redemption Price: 100%

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP* (672325)
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OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
General Obligation Bonds, Election of 2006, Series 2012A
Redemption Date: [August 1, 2022]
Redemption Price: 100%

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP* (672325)
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OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
General Obligation Bonds, Election of 2012, Series 2013
Redemption Date: [August 1, 20[18][21]]
Redemption Price: 100%

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP* (672325)
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* CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel assumes responsibility for the accuracy of such numbers.

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
General Obligation Bonds, Election of 2006, Series 2009B (Build America Bonds)
Redemption Date: [August 1, 2019]
Redemption Price: 100%

Crossover Date: [August 1, 2019]

Maturity Date (August 1)	Principal Amount	Interest Rate	CUSIP* (672325)
	\$	%	

† Term Bond

All funds held by the County Treasurer under the District Resolution and the Paying Agent Agreement will be invested in the County Treasurer’s investment pool, the Local Agency Investment Fund or any investment authorized pursuant to Sections 53601 and 53635 of the Government Code, all pursuant to law and the investment policy of the County. At the written direction of the District, all or any portion of the Building Fund may be invested in the Local Agency Investment Fund in the treasury of the State, and all or any portion of the Building Fund may be invested on behalf of the District in investment agreements, including guaranteed investment contracts, which comply with the requirements of Section 148 of the Internal Revenue Code of 1986 (the “Code”) and the requirements of each rating agency then rating the Bonds (if any) necessary to maintain the then-current rating on the Bonds. See APPENDIX F – “COUNTY OF ALAMEDA ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT.”

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the Bonds are expected to be applied as follows:

Sources of Funds	Series A Bonds	Series B Bonds	Series C Bonds	Series D Bonds
Principal Amount of Bonds				
[Net] Original Issue [Premium/Discount]				
Total Sources of Funds:				
Uses of Funds				
Deposit to Escrow Fund				
Deposit to Interest and Sinking Fund				
Underwriter's Discount				
Costs of Issuance ⁽¹⁾				
Total Uses of Funds:				

⁽¹⁾ Includes Bond Counsel fees, Disclosure Counsel fees, rating agency fees, Municipal Advisor fees, Paying Agent fees, Escrow Agent fees, Verification Agent fees, printing fees and other miscellaneous expenses.

DEBT SERVICE SCHEDULES

Semi-Annual Debt Service Payments for the Bonds

The following table shows the semi-annual debt service requirements of the Bonds, assuming no early redemptions:

	<u>Series A Bonds</u>		<u>Series B Bonds</u>		<u>Series C Bonds</u>		<u>Series D Bonds</u>		
<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Semi- Annual Debt Service</u>

Combined Annual Debt Service

In addition to the Bonds, the District has other outstanding series of bonds that are on parity with the Bonds. See APPENDIX B – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – District Debt Structure.” Prior to the issuance of the Bonds, annual debt service obligations for all outstanding bonds of the District, including the Bonds (assuming no optional redemptions prior to maturity) are expected to be as follows:

Bond Year	Outstanding Bonds⁽¹⁾⁽²⁾	Series A Bonds	Series B Bonds	Series C Bonds	Series D Bonds	Total Annual Debt Service⁽³⁾
2017						
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
Total	_____	_____	_____	_____	_____	_____

⁽¹⁾ Includes debt service on the Refunded Bonds. See APPENDIX B – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – District Debt Structure.”

⁽²⁾ Debt service on the District’s Taxable General Obligation Bonds (Election of 2006, Series 2009B) (Build America Bonds) is net of the Build America Bonds subsidy. Debt service on the District’s Taxable General Obligation Bonds (Election of Series 2012B) (Qualified School Construction Bonds) is net of the Qualified School Construction Bonds subsidy.

⁽³⁾ Totals may not add due to rounding.

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SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

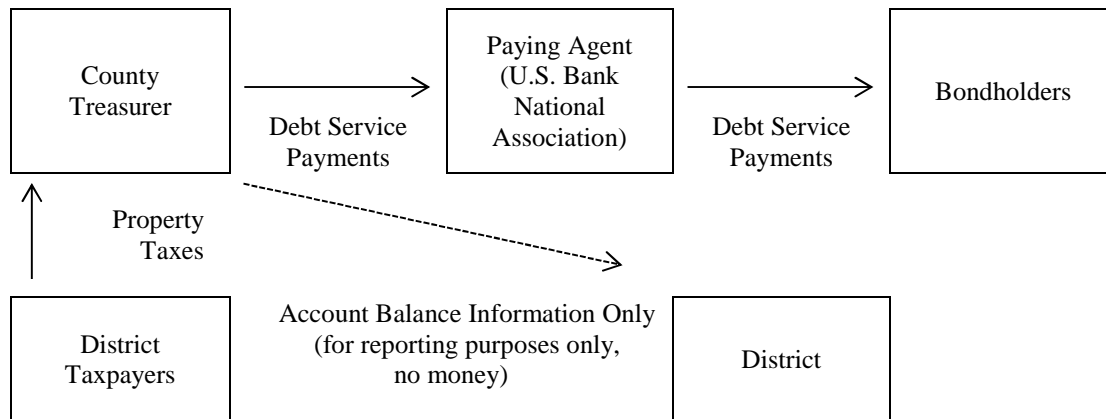
General

In order to provide sufficient funds for repayment of principal and interest when due on a school district's bonds, the board of supervisors of the county, the superintendent of schools of which has jurisdiction over such school district, is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by such school district, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the school district.

The assessor of the county in which the school district lies must annually certify to the board of supervisors the assessed value of all taxable property in the county situated in the school district. The board of supervisors must levy upon the property of the school district within its own county the rate of tax that will be sufficient to raise not less than the amount needed to pay the interest and any portion of the principal of the bonds that is to become due during the year.

Accordingly, the Board of Supervisors of the County must levy upon the property of the District the rate of tax that will be sufficient to provide sufficient funds for repayment of principal and interest when due on the Series A Bonds, the Series B Bonds, the Series C Bonds and, after the Crossover Date, the Series D Bonds. See "—Series D Bonds After the Crossover Date" herein. When collected, the tax revenues will be deposited in the District's Interest and Sinking Fund, which is required to be maintained by the County and to be used solely for the payment of bonds of the District. Moneys in the Interest and Sinking Fund will be invested on behalf of the District in any one or more investments generally permitted to school districts authorized pursuant to Section 53601 *et seq.* or Section 53635 *et seq.* of the Government Code by the County Treasurer, and consistent with the investment policy of the County. See APPENDIX F – "COUNTY OF ALAMEDA ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT."

The following diagram illustrates the flow of property taxes from District taxpayers to the Interest and Sinking Fund, and from there to bondholders.



Series D Bonds Prior to the Crossover Date

Prior to and through the Crossover Date, the Series D Bonds, the proceeds of which will be applied to redeem the Prior Bonds, are secured by and payable solely from proceeds of Bonds deposited into the 2009B Escrow Account. See "—Special Investment Risks" herein.

As noted above, **prior to and through the Crossover Date, the Series D Bonds are secured solely by amounts on deposit in the 2009B Escrow Account and the investments made thereunder.** All 2009B Escrow Account deposits will be held, pursuant to the Escrow Agreement, in cash or noncallable Escrow Securities set forth below. The sufficiency of the amounts deposited into and of the investments held in the Escrow Fund to effect the payment of interest on the Bonds and the refunding of the Prior Bonds will be verified by the Verification Agent.

**2009B Escrow Account Investments
Crossover Date: August 1, 2021**

<u>Type</u>	<u>Settlement Date</u>	<u>Maturity Date</u>	<u>Par Amount</u>	<u>Coupon Rate</u>	<u>Price</u>	<u>Total Cost</u>
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Special Investment Risks

If, on the Crossover Date, the 2009B Escrow Account contains insufficient moneys for the payment of the redemption price of the 2009B Bonds, the Paying Agent Agreement provides for the amounts then on deposit in the 2009B Escrow Account to instead be applied within 45 days to pay the special mandatory redemption price of the Series D Bonds. **If the 2009B Escrow Account does not contain sufficient funds to redeem in full the 2009B Bonds then outstanding, the Series D Bonds would be selected for partial redemption pro rata and any unpaid Series D Bonds would remain payable only from legally available moneys, if any, subject to appropriation by the Board of Education. The District is not obligated to provide additional funds for any insufficiency of moneys in the 2009B Escrow Account. The County is not obligated to levy taxes for payment of the Series D Bonds until after the Crossover Date. See “THE BONDS - Redemption” herein.**

Series D Bonds After the Crossover Date

After the Crossover Date and the redemption of the 2009B Bonds, the interest, principal and premiums, if any, on the Series D Bonds will, without any further action on the part of the District, the Owners or Beneficial Owners of the Series D Bonds, begin to be payable solely from moneys on deposit in the Interest and Sinking Fund, consisting of *ad valorem* property taxes collected and held by the County, together with any net premium and accrued interest received upon issuance of the Series D Bonds. From and after the Crossover Date and the redemption of the 2009B Bonds, in order to provide sufficient funds for repayment of principal and interest when due on the Series D Bonds, the Board of Supervisors of the County is empowered and will be obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District, including the countywide tax of 1% of taxable value. When collected, the tax revenues will be deposited by the County in the District’s Interest and Sinking Fund, which is required to be maintained by the County and to be used solely for the payment of bonds of the District.

Statutory Restrictions and Lien on Debt Service Taxes – SB 222

Government Code Section 53515 provides that general obligation bonds issued and sold by or on behalf of a local agency, like the District, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. For a discussion of possible legal risks to the enforceability of the Bonds and the security pledged for their payment, see “RISK FACTORS – Risks of Bankruptcy of District” herein.

Pledge of Tax Revenues

Pursuant to the District Resolution, the District pledges all revenues from the property taxes collected from the levy by the Board of Supervisors for the payment of the Bonds (as defined below) of the District and amounts on deposit in the Interest and Sinking Fund of the District to the payment of the principal or redemption price of and interest on the Bonds. The Bonds shall be valid and binding from the date of the District Resolution for the benefit of the owners of the Bonds and successors thereto. The property taxes and amounts held in the Interest and Sinking Fund shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall

immediately attach to the property taxes and amounts held in the Interest and Sinking Fund to secure the payment of the Bonds and shall be effective, binding and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The term “Bonds” for purpose of this pledge contained herein means all bonds, including refunding bonds, of the District heretofore or hereafter issued pursuant to voter approved measures of the District, as all such Bonds are required by State law to be paid from the Interest and Sinking Fund.

The pledge is an agreement between the District and the bondholders to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds and each of the other Bonds secured by the pledge are or were issued to finance one or more of the projects specified in the applicable voter-approved measure.

Property Taxation System

Property tax revenues result from the application of the appropriate tax rate to the total assessed value of taxable property in the District. School districts receive property taxes for payment of voter-approved bonds as well as for general operating purposes.

Local property taxation is the responsibility of various county officers. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer and tax collector prepares and mails tax bills to taxpayers and collects the taxes. In addition, the county treasurer and tax collector, as *ex officio* treasurer of each school district located in the county, holds school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on the bonds when due.

As mandated by law, the County Treasurer has sole responsibility for the levy and collection of the tax imposed to pay the principal of and interest on the District’s bonds. Pursuant to State law, the proceeds of the tax levy are never in the custody of the District or available for any other purpose, and are at all times segregated from the operating revenues of the District. The District has no role in the process of taxation and payment of the District’s bonds. Although the District may have legal authority to supplement the payments on its bonds by transferring operating revenues to the Interest and Sinking Fund administered by the County Treasurer, there is no statutory obligation that the District uses its operating revenues to support its bonds in this way. Neither the principal of nor interest on the Bonds is payable from the District’s General Fund or from State revenues.

Assessed Valuation of Property Within the District

Taxable property located in the District has a fiscal year 2016-17 assessed value of \$50,278,981,123. All property (real, personal and intangible) is taxable unless an exemption is granted by the State Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization (the “**Board of Equalization**”).

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See “*–Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” and “**RISK FACTORS – Risks to the Property Tax Base**” herein.

Under the State Constitution, the Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Locally taxed property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as "utility" property.

The following table shows the assessed valuation of the various classes of property in the District for recent fiscal years.

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Assessed Valuations
Fiscal Years 2006-07 through 2016-17

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2006-07	\$33,174,718,874	\$69,846,294	\$2,153,409,965	\$35,397,975,133	-
2007-08	36,532,402,606	38,365,380	2,217,827,560	38,788,595,546	9.58
2008-09	38,361,093,139	36,601,757	2,244,430,090	40,642,124,986	4.78
2009-10	36,970,846,568	20,111,731	2,411,540,443	39,402,498,742	(3.05)
2010-11	35,395,239,449	17,942,547	2,713,192,555	38,126,374,551	(3.24)
2011-12	35,751,945,435	19,640,604	2,727,442,229	38,499,028,268	0.98
2012-13	36,271,770,017	16,985,541	2,892,634,324	39,181,389,882	1.77
2013-14	37,502,395,457	16,319,551	2,833,029,883	40,351,744,891	2.99
2014-15	40,091,358,068	15,070,688	2,809,510,293	42,915,939,049	6.35
2015-16	44,159,989,483	20,517,048	2,822,888,936	47,003,395,467	9.52
2016-17	47,249,996,605	24,317,524	3,004,666,994	50,278,981,123	6.97

Source: California Municipal Statistics, Inc.

Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, sea level rise, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes

are pro-rated for each portion of the tax year. See also “–*Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*” below.

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property’s then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner’s property by filing a written application, in the form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner’s property in any one year must submit an application to the county assessment appeals board (the “**Appeals Board**”). Following a review of the application by the county assessor’s office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal’s filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

See APPENDIX B – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues” for a discussion of other limitations on the valuation of real property with respect to *ad valorem* taxes.

Bonding Capacity. As a unified school district, the District may issue bonds in an amount up to 2.5% of the assessed valuation of taxable property within its boundaries. As of [_____, 2017], the District’s gross bonding capacity (also commonly referred to as the “bonding limit” or “debt limit”) is approximately \$1.3 billion and its net bonding capacity is approximately \$[___] million (taking into account current outstanding debt before refunding of the Refunded Bonds). Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District’s bonding capacity.

Assessed Valuation by Land Use. The following table shows a distribution of taxable property located in the District on the fiscal year 2016-17 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
2016-17 Local Secured Assessed Valuation and Parcels by Land Use**

	2016-17 <u>Assessed Valuation</u> ⁽¹⁾	% of <u>Total</u>	No. of <u>Parcels</u>	% of <u>Total</u>
Non-Residential:				
Commercial	\$ 8,151,052,907	17.25%	5,858	5.36%
Vacant Commercial	144,492,164	0.31	469	0.43
Industrial	4,050,619,550	8.57	2,249	2.06
Vacant Industrial	148,856,012	0.32	501	0.46
Recreational	70,730,956	0.15	260	0.24
Government/Social/Institutional	<u>293,132,163</u>	<u>0.62</u>	<u>2,614</u>	<u>2.39</u>
Subtotal Non-Residential	\$12,858,883,752	27.21%	11,951	10.93%
Residential:				
Single Family Residence	\$24,790,350,399	52.47%	67,113	61.37%
Condominium/Townhouse	3,755,056,347	7.95	9,623	8.80
Mobile Home	27,733,198	0.06	174	0.16
2-4 Residential Units	1,836,056,454	3.89	13,786	12.61
5+ Residential Units/Apartments	3,765,358,270	7.97	2,937	2.69
Residential-Miscellaneous Uses	73,620,898	0.16	87	0.08
Vacant Residential	<u>142,937,287</u>	<u>0.30</u>	<u>3,684</u>	<u>3.37</u>
Subtotal Residential	\$34,391,112,853	72.79%	97,404	89.07%
Total	\$47,249,996,605	100.00%	109,355	100.00%

⁽¹⁾ Local Secured Assessed Valuation, excluding tax-exempt property.

Source: California Municipal Statistics, Inc.

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Assessed Valuation of Single-Family Homes. The following table focuses on single-family residential properties only, the value of which comprised approximately 49.3% of the assessed value of taxable property in the District in fiscal year 2016-17. The average assessed value was \$369,382, and the median assessed value was \$260,057.

**OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Per Parcel 2016-17 Assessed Valuation of Single-Family Homes**

	No. of <u>Parcels</u>	2016-17 <u>Assessed Valuation</u>	Average <u>Assessed Valuation</u>	Median <u>Assessed Valuation</u>
Single Family Residential	67,113	\$24,790,350,399	\$369,382	\$260,057

<u>2016-17 Assessed Valuation</u>	<u>No. of Parcels (1)</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$49,999	4,843	7.216%	7.216%	\$ 184,392,864	0.744%	0.744%
\$50,000 - \$99,999	8,045	11.987	19.203	602,842,405	2.432	3.176
\$100,000 - \$149,999	7,785	11.600	30.803	970,766,450	3.916	7.091
\$150,000 - \$199,999	6,415	9.559	40.362	1,117,633,064	4.508	11.600
\$200,000 - \$249,999	5,490	8.180	48.542	1,229,816,929	4.961	16.561
\$250,000 - \$299,999	4,441	6.617	55.159	1,217,142,141	4.910	21.470
\$300,000 - \$349,999	3,792	5.650	60.809	1,227,769,135	4.953	26.423
\$350,000 - \$399,999	3,536	5.269	66.078	1,320,809,827	5.328	31.751
\$400,000 - \$449,999	3,101	4.621	70.699	1,314,228,813	5.301	37.052
\$450,000 - \$499,999	2,500	3.725	74.424	1,184,783,442	4.779	41.832
\$500,000 - \$549,999	2,072	3.087	77.511	1,085,243,611	4.378	46.209
\$550,000 - \$599,999	1,892	2.819	80.330	1,085,413,826	4.378	50.588
\$600,000 - \$649,999	1,653	2.463	82.793	1,031,419,194	4.161	54.748
\$650,000 - \$699,999	1,583	2.359	85.152	1,066,531,605	4.302	59.050
\$700,000 - \$749,999	1,430	2.131	87.283	1,036,014,615	4.179	63.229
\$750,000 - \$799,999	1,310	1.952	89.235	1,013,160,631	4.087	67.316
\$800,000 - \$849,999	1,249	1.861	91.096	1,028,606,835	4.149	71.466
\$850,000 - \$899,999	952	1.419	92.514	831,535,797	3.354	74.820
\$900,000 - \$949,999	839	1.250	93.764	773,820,176	3.121	77.941
\$950,000 - \$999,999	612	0.912	94.676	595,366,322	2.402	80.343
\$1,000,000 and greater	<u>3,573</u>	<u>5.324</u>	100.000	<u>4,873,052,717</u>	<u>19.657</u>	100.000
Total	67,113	100.000%		\$24,790,350,399	100.000%	

⁽¹⁾ Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

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Largest Taxpayers in District. The twenty taxpayers with the greatest combined ownership of taxable property in the District on the fiscal year 2016-17 tax roll, and the assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, are shown below.

**OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Largest 2016-17 Local Secured Taxpayers**

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2016-17 Assessed Valuation</u>	<u>% of Total⁽¹⁾</u>
1.	CIM Oakland	Office Building	\$ 506,650,957	1.07%
2.	SIC Lakeside Drive LLC	Office Building	221,349,882	0.47
3.	Broadway Franklin LLC	Office Building	203,815,375	0.43
4.	1221 Broadway Investors LLC	Office Building	165,400,900	0.35
5.	Kaiser Foundation Health Plan Inc.	Office Building	145,929,406	0.31
6.	DWF IV 1999 Harrison LLC	Office Building	144,978,270	0.31
7.	555 Oakland City Center LLC	Office Building	137,880,819	0.29
8.	1800 Harrison Foundation	Office Building	132,638,485	0.28
9.	Zwuschen LLC	Office Building	123,500,000	0.26
10.	Domain Residence LLC	Apartments	107,066,128	0.23
11.	BEX FMCA LLC	Apartments	104,265,083	0.22
12.	Claremont Hotel Properties LP	Hotel	82,586,608	0.17
13.	Eastmont Office Owner LLC	Office Building	80,204,750	0.17
14.	Oak Knoll Venture Acquisition LLC	Planned Residential	79,228,339	0.17
15.	BA1 1330 Broadway LLC	Office Building	77,890,903	0.16
16.	WM Allegro LC	Apartments	74,548,783	0.16
17.	Sparknight	Office Building	70,698,064	0.15
18.	Essex Portfolio LP	Office Building	68,389,508	0.14
19.	Digital 720 2 nd LLC	Industrial	64,931,441	0.14
20.	Tarpon SPE I LP	Industrial	<u>62,615,375</u>	<u>0.13</u>
			\$2,654,569,076	5.62%

⁽¹⁾ 2016-17 Local Secured Assessed Valuation: \$47,249,996,605
Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer’s financial situation and ability or willingness to pay property taxes. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District’s control. See “– Appeals of Assessed Valuation; Blanket Reductions of Assessed Values” above.

Tax Rates

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Bonds in a given year depends on the assessed value of taxable property in that year. The rate of tax imposed on unsecured property for repayment of the Bonds is based on the prior year’s secured property tax rate. Economic and other factors beyond the District’s control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax

rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

Typical Tax Rate Area. The following table shows *ad valorem* property tax rates for the last five fiscal years in a typical Tax Rate Area of the District (TRA 17-001).

**OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Typical Tax Rates per \$100 of Assessed Valuation
(TRA 17-001)**

	2012-13	2013-14	2014-15	2015-16	2016-17
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Oakland Unified School District Bonds	0.1384	0.1780	0.1745	0.1539	0.1384
Peralta Community College District Bonds	0.0434	0.0419	0.0412	0.0337	0.0256
Bay Area Rapid Transit District	0.0043	0.0075	0.0045	0.0026	0.0080
East Bay Municipal Utility District Bonds	0.0068	0.0066	0.0047	0.0034	0.0028
East Bay Regional Park District Bonds	0.0051	0.0078	0.0085	0.0067	0.0032
City of Oakland	<u>0.2077</u>	<u>0.1985</u>	<u>0.2042</u>	<u>0.1651</u>	<u>0.1961</u>
Total	1.4057%	1.4403%	1.4376%	1.3654%	1.3508%

Source: California Municipal Statistics, Inc.

Tax Charges and Delinquencies

A school district's share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to a complicated statutory scheme enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness, including the Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The county treasurer and tax collector prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches and a \$40 cost is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a \$15 state redemption fee applies. Interest then begins to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the county treasurer.

Property taxes on the unsecured roll are due in one payment on the lien date, January 1, and become delinquent after August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the county treasurer may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the county, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The county treasurer may also bring a civil suit against the taxpayer for payment. The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Tax Collections and Delinquencies
2006-07 through 2015-16

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent (June 30)	Percent Delinquent
2006-07	\$46,493,487.76	\$2,886,125.96	6.21%
2007-08	49,533,162.50	3,750,930.53	7.57
2008-09	52,208,875.88	3,537,133.99	6.77
2009-10	66,552,286.84	3,529,755.43	5.30
2010-11	64,969,613.31	2,779,923.73	4.28
2011-12	66,438,365.38	2,206,564.05	3.32
2012-13	70,191,721.44	1,785,077.90	2.54
2013-14	86,661,775.17	1,756,630.10	2.03
2014-15	89,995,251.27	1,701,850.25	1.89
2015-16	87,407,025.12	1,750,932.72	2.00

⁽¹⁾ District's general obligation bond and parcel tax levy.

Source: California Municipal Statistics, Inc.

Teeter Plan. The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 and following of the California Revenue and Taxation Code. However, the County does not apply the Teeter Plan to taxes levied for repayment of school district bonds. In order to ensure sufficient funds are on deposit in the Interest and Sinking Fund on each principal and interest payment date, despite potential delinquencies in tax collections, the County has historically levied a tax in each year sufficient to cover debt service obligations of the District for the succeeding eighteen months, which has resulted in a surplus balance in the Interest and Sinking Fund each year.

The Teeter Plan is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in the boundaries of that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in the boundaries of that agency. The Board of Supervisors has never elected to exercise this right with respect to the District, although the delinquency rate within the boundaries of the District has been above 3% of the total of taxes and assessments levied on the secured roll.

Direct and Overlapping Debt

Set forth on the following page is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. effective March 8, 2017 for debt issued as of March 1, 2017. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The schedule generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District.

In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

**OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Direct and Overlapping Bonded Debt**

2016-17 Assessed Valuation: \$50,278,981,123

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/17</u>
Bay Area Rapid Transit District	7.782%	\$ 40,758,225
East Bay Municipal Utility District, Special District No. 1	51.594	3,789,579
East Bay Regional Park District	12.004	14,933,576
Peralta Community College District	55.433	218,672,098
Oakland Unified School District	100.000	940,840,000⁽¹⁾
City of Oakland	97.896	212,096,579
City of Oakland 1915 Act Bonds	100.000	5,335,000
City of Emeryville 1915 Act Bonds	3.914	142,470
City of Piedmont 1915 Act Bonds	4.792	<u>134,895</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$1,436,702,422

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Alameda County General Fund Obligations	19.788%	\$ 169,612,743
Alameda County Pension Obligation Bonds	19.788	5,485,132
Alameda-Contra Costa Transit District Certificates of Participation	23.435	4,130,419
Peralta Community College District Pension Obligation Bonds	55.433	88,492,047
Oakland Unified School District Lease Revenue Bonds	100.000	32,165,000⁽²⁾
City of Emeryville General Fund Obligations	0.012	439
City of Oakland General Fund Obligations	97.896	154,258,491
City of Oakland Pension Obligation Bonds	97.896	<u>290,608,020</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$744,752,291

OVERLAPPING TAX INCREMENT DEBT (Successor Agency): \$378,221,155

COMBINED TOTAL DEBT \$2,559,675,868⁽³⁾

(1) Excludes the Bonds.

(2) State School Fund Apportionment, Refunding Series 2008 issued by California Infrastructure and Economic Development Bank.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2016-17 Assessed Valuation:

Direct Debt (\$940,840,000)	1.87%
Total Direct and Overlapping Tax and Assessment Debt.....	2.86%
Combined Direct Debt (\$973,005,000)	1.94%
Combined Total Debt	5.09%

Ratios to Redevelopment Incremental Valuation (\$13,171,791,811):

Total Overlapping Tax Increment Debt.....	2.87%
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RISK FACTORS

The factors discussed below (among others) should be considered in evaluating the probability of repayment of the Bonds. The considerations discussed below are not meant to be an exhaustive list of considerations associated with the purchase of the Bonds, and the discussion below does not necessarily reflect the relative importance of the various considerations. Potential investors should consider the following factors, among others, and review the other information in this Official Statement. Any one or more of the considerations discussed, and others, could lead to a decrease in the market value and/or the liquidity of the Bonds. There can be no assurance that other factors and considerations will not become material in the future.

Risks to the Property Tax Base

Certain events could cause a decline in assessed value of property in the District, requiring the County to increase tax rates in order to meet the debt service obligations on the Bonds.

The property tax base has in the past and may in the future shrink due either to base year assessment appeals or due to blanket reductions of assessed values. For more detail concerning base year assessment appeals or blanket reductions of assessed values, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District.” For a recent history of assessed value in the District, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District.”

Increased unemployment and other general economic conditions in the District may also correlate with a decline in assessed value and an increase in delinquent tax payments. For more information regarding unemployment and general economic conditions in the District and surrounding areas, see APPENDIX A – “THE ECONOMY OF THE DISTRICT.”

The property tax base in the District is located on a seismically active fault in California and could sustain a significant decline in value were a large-magnitude earthquake to occur. Property values in the District could also be adversely affected by a number of other natural or manmade disasters. For a more detailed discussion of earthquake risk, see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District.”

Although the District may have legal authority to supplement the payments on its bonds by transferring operating revenues to the Interest and Sinking Fund were amounts on deposit therein ever insufficient to pay the principal of and interest due on its bonds, the District is not legally obligated to use its operating revenues to support its bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District.”

The reorganization of regulated utilities and the transfer of electricity generating property between State-assessed utilities and non-utility companies may also have an effect on the size of the District’s tax base. A more in-depth discussion of how state-assessed property affects the size of the tax base is available at “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Assessed Valuation of Property Within the District.”

Incomplete Audit Reports; Limited Scope Audits

The District experienced increasing financial strain over a period of several years which culminated in 2003 when the State appointed an administrator to assume the powers of the District’s Board of Education and made an emergency loan to the District. Although the Board of Education regained full control of District governance in June 2009, certain historical information described in this section may be of interest to investors in the Bonds. Additional information about the District’s financial history and steps taken to fiscal recovery are described in APPENDIX B – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – THE DISTRICT – School District Governance, State Trustee,” “– Financial History of the District” and “DISTRICT FINANCIAL MATTERS – District Debt Structure.”

In December 2002, the District's unaudited financial statements for the fiscal year 2001-02 showed a General Fund deficit of \$31 million as of June 30, 2002, and projected the deficit would reach \$52 million by June 30, 2003. Before the audit for fiscal year 2001-2002 was completed, a Financial Crisis Management Assistance Team ("FCMAT") declared a fiscal emergency in the District and the Board of Education requested an emergency loan from the State, resulting in the State takeover of the District's financial affairs.

From 2002 to 2011, the District's financial statements were not audited by an independent public accounting firm. The California State Controller's Office (the "**Controller**"), acting as the District's independent auditor, as required by S.B. 39, performed audits of the District's financial statements for fiscal years 2002-03 through 2007-08 and fiscal years 2010-11 and 2011-12. However, in each case except fiscal year 2011-12, the Controller limited its opinion in scope to State and federal program compliance.

In November 2014, the Controller released an audit report for the District for the fiscal year ended June 30, 2012 (the "**2012 Audit Report**"). For the first time since the Controller took responsibility for annually auditing the District, the Controller was able to express an opinion on the District's financial statements. The Controller qualified its opinion on the District's financial statements for the fiscal year ended June 30, 2012 because the District did not present the financial statements for the Associated Student Body ("**ASB**") funds, which generally accepted governmental accounting principles require as part of the fund financial statements. In the Controller's opinion, however, the District's financial statements for fiscal year 2011-12 present fairly, in all material respects, the respective financial position of the governmental activities, each major fund other than the ASB funds, and the aggregate remaining fund information of the District, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year ending June 30, 2012.

The Controller ceded responsibility for conducting the District's annual financial audits to an outside auditing firm starting with fiscal year 2012-13. On July 20, 2015, Vavrinek, Trine, Day & Co., LLP ("**VTD**"), the outside auditing firm, released their audit for fiscal year 2012-13 (the "**2013 Audit Report**"). On January 15, 2016, VTD released their audit for fiscal year 2013-14 (the "**2014 Audit Report**"). On June 30, 2016, VTD released their audit for fiscal year 2014-15 (the "**2015 Audit Report**"). On December 14, 2016, VTD released their audit for fiscal year 2015-16 (the "**2016 Audit Report**"). VTD expressed a qualified opinion on the District's financial statements for fiscal years 2012-13, 2013-14, 2014-15 and 2015-16 because the financial statements did not include the ASB funds, and statements for such fund are required by generally accepted accounting principles in the United States of America. Except for the omission of the ASB funds, VTD opined that the District's financial statements for fiscal years 2012-13, 2013-14, 2014-15 and 2015-16 fairly present, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District, as of June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016 respectively, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

ASB funds are the funds collected and held at school sites specifically for student activities. The District has not prepared a summary of the ASB funds in an auditable format. Therefore, the required schedule of these fiduciary funds is not presented in the financial statements, and the auditors were not able to provide an unqualified opinion on the District's financial statements.

The District began collecting information on the ASB funds, including site visits, during fiscal year 2015-16. For fiscal year 2016-17, the District plans to collect, review and monitor all ASB account information. In addition, the District plans to provide training for school site staff managing the ASB accounts and to implement accounting procedures to monitor ASB funds at the District level. Mock audits are also planned to prepare school sites for actual audits. [The District expects to have a summary of ASB funds in an auditable format for fiscal year 2016-17.]

The financial information presented in APPENDIX C represents the audited financial statements of the District for fiscal year ended June 30, 2016. For further discussion, see APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET."

The ACOE reviews the District's budget, interim and unaudited financial reports throughout the year. The ACOE also reviews and processes expenditures and receipts and performs internal reconciliation of the District's cash and budget. See "APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND

BUDGET – DISTRICT FINANCIAL MATTERS – Other Pending Audits; Audit Findings.” Also see “District Financial Considerations” below.

Risks of Bankruptcy of District

State law provides that for so long as any of the State School Fund Apportionment Lease Revenue Bonds issued by the California Infrastructure and Economic Development Bank (the “**Infrastructure Bank**”) on behalf of the District are outstanding, the District cannot file for bankruptcy. See APPENDIX B – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – District Debt Structure – Refunding of a Portion of the State Emergency Apportionment Loan” herein. The final maturity of the Infrastructure Bank bonds is in 2023. The District can make no prediction as to whether the Infrastructure Bank bonds will remain outstanding to their scheduled maturity. Thus, it is not clear how long such a prohibition would last. In addition, federal law determines whether or not the District can file for bankruptcy relief, and while the District believes that a federal bankruptcy court will enforce the State law prohibition on filing for bankruptcy, the District can give no assurance that the prohibition will be enforced. It is also possible that federal law could be amended in a manner so that the State law prohibition is no longer enforceable. Furthermore, if the State were to repeal the relevant law, then the District may be able to file for bankruptcy. While the State has pledged for the benefit of the holders of the Infrastructure Bank bonds that it will not amend or repeal this prohibition on a District bankruptcy in any manner that would materially impair the security or other interests of holders of any of the Infrastructure Bank bonds, the District can make no representation or prediction as to the enforceability of this pledge, or whether if the pledge were breached, holders of the Infrastructure Bank bonds would seek to enforce it. The pledge is not made for the benefit of holders of the Bonds and the holders of the Bonds do not have the right to enforce the pledge.

In addition, State law also limits the filing of bankruptcy proceedings by school districts, such as the District, to specified circumstances. Applicable law appears to provide that the State Superintendent of Schools would have to appoint an administrator for the District and the administrator would determine whether or not the District should file for bankruptcy.

If the District were to become a debtor in a bankruptcy case, it would be a debtor under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of the applicable state to control its municipalities in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. State law provides that the *ad valorem* taxes must be used to pay principal and interest on general obligation bonds and for no other purpose. The District believes that this restriction on the expenditure of the *ad valorem* taxes would be respected in any bankruptcy proceeding so that the *ad valorem* tax revenues could not be used by the District for any purpose other than to make payments on the Bonds, although a bankruptcy court could conclude otherwise.

If the District is in bankruptcy, the parties may be prohibited from taking any action to collect any amount from the District (including *ad valorem* tax revenues) or to enforce any obligation of the District, without the bankruptcy court’s permission. This prohibition may also prevent the Paying Agent from making payments to the holders of the Bonds from funds in the Paying Agent’s possession. While the County Treasurer has agreed that it will pay the *ad valorem* tax revenues directly to the Paying Agent, so that the District never receives them, it is not clear whether this arrangement is enforceable in bankruptcy or whether the District would instead be able to require that *ad valorem* tax revenues be paid directly to it by the County Treasurer. As part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, as part of such a plan, the District may be able to eliminate the obligation of the County, on behalf of the District, to raise taxes if necessary to pay the Bonds. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

General obligation bonds (including refunding bonds) issued by school districts are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. Although a statutory lien would not be

automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

If the *ad valorem* tax revenues that are pledged to the payment of the Bonds are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues should not be subject to the automatic stay. “Special revenues” are defined to include taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

In addition, even if the *ad valorem* tax revenues are determined to be “special revenues,” the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the District is entitled to use the *ad valorem* tax revenues to pay necessary operating expenses of the District and its schools, before the remaining revenues are paid to the Owners of the Bonds.

Bondholders may experience delays or reductions in payments on the Bonds, the Bonds may decline in value or Bondholders may experience other adverse effects should the District file for bankruptcy.

Possession of Tax Revenues; Remedies

If the County or the District goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if such County or the District, as applicable, does not voluntarily pay such tax revenues to the Owners of the Bonds, it is not entirely clear what procedures the Owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful.

Risk of Investment Losses

Pending delivery of *ad valorem* tax revenues to the Paying Agent, the County Treasurer may invest the *ad valorem* tax revenues in the Alameda County Investment Pool or in other investments. Should any of these investments suffer any losses, there may be delays or reductions in payments on the Bonds.

District Financial Considerations

The District has presented information concerning its finances and operations and has detailed the State funding of education in APPENDIX B as supplementary information. Because some of the events and circumstances discussed in APPENDIX B are anomalous, they are noted above. However, neither the principal of nor interest on the Bonds is payable either from the District’s General Fund or from State revenues. The Bonds are paid by the County from an *ad valorem* property tax levied by the County – moneys over which the District exerts no control.

Because the District is dependent on the State for a substantial portion of its operating funds, it is susceptible to changes in State funding. Reductions in State funding may have an adverse effect on the District’s financial health. In past years the State has reduced its funding of the District to try to address shortfalls in the State budget, and these reductions have caused concomitant reductions in the District’s budget. For a more detailed discussion of the relationship between State funding of education and the District’s budget, see APPENDIX B – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET.”

TAX MATTERS

[In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix D hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the amount, accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. For example, presidential budget proposals in previous years have proposed legislation that would limit the exclusion from gross income of interest on the Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the Beneficial Owners to incur significant expense.]

OTHER LEGAL MATTERS

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinions of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel. Bond Counsel expects to deliver opinions with respect to the Bonds at the time of issuance of the Bonds substantially in the forms set forth in APPENDIX D hereto. Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe, LLP, as Disclosure Counsel to the District.

Legality for Investment in the State of California

Under the provisions of the State Financial Code, the Bonds are a legal investment for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors and, under provisions of the California Government Code, the Bonds are eligible securities for deposit of public moneys in the State.

Continuing Disclosure

The District has covenanted for the benefit of the holders and Beneficial Owners of the Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board (the "**EMMA System**") certain annual financial information and operating data relating to the District (the "**Annual Report**") by not later than nine months following the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2016-17 fiscal year (which is due no later than April 1, 2018) and notice of the occurrence of certain enumerated events ("**Notice Events**") in a timely manner not in excess of ten business days after

the occurrence of such a Notice Event. The specific nature of the information to be contained in the Annual Report and the notices of Notice Events is set forth in APPENDIX E – “FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “**Rule**”).

[During the last five years, the District did not include information regarding assessed valuation and parcels by land use and assessed valuation of single-family homes in the Annual Report for fiscal year 2012-13. The information has since been filed. The District has implemented procedures to assist with future compliance. The District has retained Digital Assurance Certification, LLC to serve as dissemination agent with respect to the Bonds.] [To be confirmed/updated]

No Litigation

No litigation is pending or threatened concerning or contesting the validity of the Bonds or the District’s ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District’s ability to issue and retire the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District officers who will execute the Bonds or District or County officials who will sign certifications relating to the Bonds, or the powers of those offices. A certificate or certificates to that effect will be furnished to the Underwriter at the time of the original delivery of the Bonds.

The District is occasionally subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

ESCROW VERIFICATION

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter relating to the computation of the projected payments of principal and interest on the government obligations, and the projected payments of principal, redemption premium, if any, and interest to redeem and defease the Refunded Bonds will be verified by Causey Demgen & Moore P.C. (the “**Verification Agent**”). Such computations will be based solely on assumptions and information supplied by the District and the Underwriter. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.

MISCELLANEOUS

Ratings

Moody’s Investor Services has assigned its rating of “___” to the Bonds, Standard & Poor’s Ratings Services has assigned its rating of “___” to the Bonds, and Fitch Ratings, Inc. has assigned its rating of “___” to the Bonds. Rating agencies generally base their ratings on their own investigations, studies and assumptions. The rating reflects only the view of the rating agency furnishing the same, and any explanation of the significance of such rating should be obtained only from the rating agency providing the same. Such rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency providing the same, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. Neither the Underwriter nor the District has undertaken any responsibility after the offering of the Bonds to assure the maintenance of the rating or to oppose any such revision or withdrawal.

Professionals Involved in the Offering

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel and Disclosure Counsel with respect to the Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Bonds. KNN Public Finance, LLC, is acting as the District’s Municipal Advisor with respect to the Bonds. Payment of the fees and

expenses of the Municipal Advisor is also contingent upon the sale and delivery of the Bonds. Curls Bartling P.C. is acting as Underwriter's Counsel with respect to the Bonds, and will receive compensation from the Underwriter contingent upon the sale and delivery of the Bonds.

Underwriting

The Bonds are being purchased for reoffering to the public by Siebert Cisneros Shank & Co., L.L.C. (the "**Underwriter**"), pursuant to the terms of a bond purchase agreement executed on [May __, 2017], by and between the Underwriter and the District (the "**Purchase Contract**"). The Underwriter has agreed to purchase the Bonds at a price of \$_____. The Underwriter's discount on the Bonds is \$_____. The Purchase Contract provides that the Underwriter will purchase all of the Bonds, subject to certain terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices shown on the inside front cover page of this Official Statement. The offering prices may be changed from time to time by the Underwriter.

[Siebert Cisneros Shank & Co., L.L.C. ("**Siebert Cisneros Shank**") has entered into an agreement with Muriel Siebert & Co. for the retail distribution of certain securities offerings at the original issue prices. Pursuant to this distribution agreement, if applicable to the Bonds, Muriel Siebert & Co. will purchase Bonds at the original issue price less the selling concession with respect to any Bonds that Muriel Siebert & Co. sells. Siebert Cisneros Shank will share a portion of its underwriting compensation with Muriel Siebert & Co.]

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to purchasers of the Bonds. Quotations from and summaries and explanations of the Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners of any of the Bonds.

The District has duly authorized the delivery of this Official Statement.

OAKLAND UNIFIED SCHOOL DISTRICT

By: _____
Interim Superintendent

APPENDIX A

THE ECONOMY OF THE DISTRICT

The following economic data is presented for information purposes only. The Bonds are not a debt or obligation of the City of Oakland or the County of Alameda.

General

Information regarding the City of Oakland (the “**City**”) is provided in this APPENDIX A because economic data specific to the exact boundaries of the Oakland Unified School District (the “**District**”) is not available. Although the District encompasses slightly more land than the City, they are virtually coterminous and, therefore, the data provided herein is representative of the economy of the District. Data from the County of Alameda (the “**County**”) is provided where data for the City is not available.

The City has a population of approximately 422,856 as of January 1, 2016, and the County has a population of approximately 1,627,865 as of January 1, 2016. The City is located in the County and comprises approximately one-quarter of the County’s population. The City is located on the eastern shore of the San Francisco Bay (the “**Bay**”), approximately seven miles from San Francisco via the San Francisco-Oakland Bay Bridge. The City, approximately 53.8 square miles, is the largest and most established of the “East Bay” cities. Its geography ranges from industrialized areas to the west which border the Bay to suburban foothills in the east. The City is the hub of an extensive transportation network, which includes several interstate freeways, the western terminus of major railroad and trucking operations, and one of the largest container-ship ports in the United States. The City is also served by an international airport and the Bay Area Rapid Transit system (“**BART**”), which connects the City by commuter rail with most of the Bay Area. Formerly the industrial heart of the San Francisco Bay Area (the “**Bay Area**”), the City has developed into a diverse financial, commercial and governmental center. The City is the seat of government for the County and is the eighth most populous city in the State.

The City has a diverse mix of traditional and new economy companies. Leading industries include business services, health care services, transportation, food processing, light manufacturing, government, arts, culture and entertainment. Prominent employers or businesses headquartered in the City include Pandora Radio, Kaiser Permanente, Dreyer’s Grand Ice Cream, Southwest Airlines, FedEx, Clorox Company, AT&T, U.S. Postal Service and Safeway Inc. Additionally, Uber Technologies, Inc., a multinational online transportation network company, is expected to move to the City in 2017.

Culturally, the City is home to a regionally and nationally recognized symphony, many up-and-coming artistic and cultural institutions, an award-winning zoo, the Paramount Theater and the Fox Theater, a burgeoning restaurant scene, the recently remodeled Oakland Museum of California, and a vibrant nightlife. The City is also currently home to three major professional sports teams. The Oakland Athletics, the Golden State Warriors* and the Oakland Raiders† all play at stadiums within the City. At other times these venues are used for concerts, other sporting events and other purposes.

The City boasts one of the highest percentages of parks and open space per capita in the nation. The City counts lush green hills, forests, creeks, an estuary and two lakes among its natural amenities, and the extensive East Bay Regional Park District is easily accessible from the City.

* The Golden State Warriors are expected to move to San Francisco in 2019.

† The Oakland Raiders are expected to move to Las Vegas in 2019.

Population

The following table sets forth the population of the City, the County and the State for the last 10 years. The City's population increased by 36,974, or approximately 9.6%, over this 10-year period.

City of Oakland, County of Alameda and State of California Population 2007 – 2016⁽¹⁾

Calendar Year	City of Oakland	County of Alameda	State of California
2007	385,882	1,470,622	36,399,676
2008	387,554	1,484,085	36,704,375
2009	389,913	1,497,799	36,966,713
2010 ⁽¹⁾	390,724	1,509,240	37,253,956
2011	394,716	1,525,695	37,536,835
2012	400,281	1,543,027	37,881,357
2013	408,822	1,566,339	38,239,207
2014	413,626	1,587,637	38,567,459
2015	419,539	1,610,765	38,907,642
2016	422,856	1,627,865	39,255,833

⁽¹⁾ Data reflects population estimates as of January 1 for calendar years 2007-2009 and 2011-2016 and as of April 1 for calendar year 2010.

Source: California Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2001–2010, with 2000 & 2010 Census Counts for 2007-10 and E-4 Population Estimates for Cities, Counties, and the State, 2011–2016, with 2010 Census Benchmark for 2011-2016.

Employment

The following table sets forth industries in the County of Alameda in terms of employment in each respective industry, as estimated by the State of California Employment Development Department as follows:

County of Alameda Employment by Industry Group Annual Averages 2011 – 2015⁽¹⁾

Industry	2011	2012	2013	2014	2015
Farm	700	700	600	500	400
Mining, Logging & Construction	30,800	33,300	35,600	37,600	40,600
Manufacturing	62,100	62,300	64,600	67,500	71,500
Trade, Transportation & Utilities	119,200	123,300	127,700	131,300	136,500
Information	13,600	13,600	12,900	12,900	14,100
Financial Activities	23,000	23,500	24,400	24,300	23,400
Professional & Business Services	111,600	118,300	121,300	125,600	132,700
Educational & Health Services	104,600	108,300	111,000	111,600	114,500
Leisure & Hospitality	56,000	58,300	61,900	65,800	67,900
Other Services	23,300	24,000	24,800	25,000	25,500
Government	116,000	114,900	115,100	117,300	119,300

⁽¹⁾ Most recent data available as of the date of this Official Statement.

Source: State of California, Employment Development Department, Labor Market Information Division.

Industry and Employment

The following table sets forth estimates of the labor force, civilian employment, unemployment and unemployment rates for City residents, County residents and State residents from calendar years 2011 through 2016. The California Employment Development Department reported unemployment rates for November 2016 at 5.0% for the State, 4.0% for the County and 4.9% for the City (not seasonally adjusted).

City of Oakland, County of Alameda and State of California Civilian Labor Force, Employment and Unemployment Annual Average 2011 – 2016⁽¹⁾

	Labor Force	Civilian Employment	Unemployment	Unemployment Rate (%)
City of Oakland				
2011	205,600	180,200	25,300	12.3%
2012	207,800	185,600	22,100	10.7
2013	207,600	189,100	18,500	8.9
2014	208,600	193,600	15,000	7.2
2015	211,100	198,700	12,400	5.9
2016 ⁽²⁾	215,100	204,500	10,600	4.9
County of Alameda				
2011	786,800	707,400	79,400	10.1%
2012	799,600	730,100	69,500	8.7
2013	804,800	746,600	58,200	7.2
2014	812,800	765,600	47,200	5.8
2015	824,800	785,700	39,100	4.7
2016 ⁽²⁾	842,100	808,600	33,500	4.0
State of California				
2011	18,415,100	16,258,100	2,157,000	11.7%
2012	18,551,400	16,627,800	1,923,600	10.4
2013	18,670,100	17,001,000	1,669,000	8.9
2014	18,827,900	17,418,000	1,409,900	7.5
2015	18,981,800	17,798,600	1,183,200	6.2
2016 ⁽²⁾	19,357,100	18,228,600	964,200	5.0

⁽¹⁾ Most recent data available as of the date of this Official Statement.

⁽²⁾ Data as of November 2016, the most recent data available as of the date of this Official Statement.

Source: State of California Employment Development Department – Unemployment rates (Labor Force).

Major Employers

The following table sets forth the top ten major employers in the City.

City of Oakland Major Employers

Employer	Number of Employees	% of Total Employment
Kaiser Foundation Hospitals/Permanente Medical Center	12,287	6.13%
Oakland Unified School District	5,080	2.53
County of Alameda	4,490	2.24
City of Oakland	3,500	1.75
Bay Area Rapid Transit	3,288	1.64
State of California	3,168	1.58
UCSF Children's Hospital Oakland	2,675	1.33
Alameda Health Systems (Highland Hospital)	2,300	1.15
Sutter Hospitals, Medical Foundation & Support Services	2,257	1.13
Southwest Airlines	2,256	1.13

Source: City of Oakland Comprehensive Annual Financial Report for the year ended June 30, 2016.

Construction Activity

The following table sets forth a summary of housing unit building permits in the City and the County.

City of Oakland and the County of Alameda Housing Unit Building Permits 2012 – 2016⁽¹⁾

	2012	2013	2014	2015	2016
City of Oakland					
Total Units	275	509	257	866	1,943
Units in Single-Family Structures	54	52	81	109	125
Units in All Multi-Family Structures	221	457	176	757	1,818
County of Alameda					
Total Units	2,745	3,081	3,438	5,101	5,277
Units in Single-Family Structures	1,373	1,391	1,613	1,905	2,111
Units in All Multi-Family Structures	1,372	1,690	1,825	3,196	3,166

⁽¹⁾ Most recent data available as of the date of this Official Statement.

Source: U.S. Department of Housing and Urban Development for years 2012-2015; Construction Industry Research Board (CIRB) and California Homebuilding Foundation (CHF) for 2016.

The following table sets forth a summary of non-residential valuation for the City and the County.

**City of Oakland and the County of Alameda
Non-Residential Valuation
2012 – 2016⁽¹⁾⁽²⁾**

	2012	2013	2014	2015	2016
City of Oakland	\$50,592,902	\$46,015,883	\$58,015,043	\$96,605,362	\$386,600,476 ⁽³⁾
County of Alameda	\$463,431,632	\$636,773,980	\$1,026,771,499	\$1,146,437,073	\$1,270,755,210

⁽¹⁾ Most recent data available as of the date of this Official Statement.

⁽²⁾ Includes non-residential valuation for hotels and motels, non-housekeeping shelter, recreational, churches, industrial, parking garages, service stations, hospitals, offices, public work, schools education, retail, other non-residential buildings, structures other than buildings, non-residential alterations and residential garages.

⁽³⁾ Increase in Non-Residential Valuation for the City of Oakland in 2016 is primarily due to newly available data from the City's Planning and Building Department.

Source: CIRB and CHF.

Median Housing Price

The median price of a house in the City increased from \$460,000 in 2005 to \$565,000 in 2016. The median price of a house in the County increased from \$565,000 in 2005 to \$676,250 in 2016.

**City of Oakland and County of Alameda
Median Housing Prices
2005 – 2016⁽¹⁾**

Year	City of Oakland	County of Alameda
2005	\$460,000	\$565,000
2006	499,000	588,000
2007	499,000	581,000
2008	320,000	426,000
2009	198,000	339,000
2010	242,250	369,000
2011	220,000	337,000
2012	250,000	367,750
2013	377,500	483,000
2014	430,000	561,000
2015	520,000	630,000
2016	565,000	676,250

⁽¹⁾ Most recent data available as of the date of this Official Statement.

Source: CoreLogic; provided by DQNews.

Income

Personal income in the San Francisco – Oakland – Hayward area (which is larger than the District, and which contains the District) increased by 10.9% from 2014 to 2015. Per capita personal income in the area grew by 9.5% in that same time period. The following tables summarize personal income for the San Francisco-Oakland-Hayward area, which encompasses the District, for the calendar years 2005 through 2015.

Personal Income and Per Capita Income San Francisco – Oakland – Hayward 2005 – 2015⁽¹⁾

Year	Personal Income (\$ in Thousands)	Annual Percent Change	Per Capita Income	Annual Percent Change
2005	\$231,352,393	-	\$55,911	-
2006	250,453,763	8.3%	60,369	8.0%
2007	260,222,261	3.9	62,200	3.0
2008	264,563,680	1.7	62,339	0.2
2009	248,917,851	(5.9)	57,850	(7.2)
2010	255,461,345	2.6	58,792	1.6
2011	278,037,608	8.8	63,188	7.5
2012	304,722,327	9.6	68,290	8.1
2013	313,452,105	2.9	69,200	1.3
2014	332,445,103	6.1	72,364	4.6
2015	368,794,858	10.9	79,206	9.5

⁽¹⁾ Most recent data available as of the date of this Official Statement.

Source: U.S. Department of Commerce, Bureau of Economic Analysis – Table 2. Per Capita Personal Income by Metropolitan Area, 2012-2014

Retail Sales

The following tables set forth a history of taxable sales for the City and County for calendar years 2010 through 2015.

**City of Oakland and County of Alameda
Taxable Sales 2010 – 2015⁽¹⁾
(\$ in Thousands)**

Taxable Sales	Retail and Food Services		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
City of Oakland				
2010	7,849	2,246,454	10,981	3,310,325
2011	7,238	2,504,327	10,284	3,733,232
2012	7,694	2,741,626	10,715	4,031,912
2013	7,713	2,871,106	10,670	4,179,349
2014	7,797	3,041,086	10,742	4,357,407
2015 ⁽²⁾	-	3,159,286	-	4,455,627
County of Alameda				
2010	26,241	13,374,283	40,348	21,541,741
2011	24,809	14,519,756	38,577	23,430,799
2012	26,027	15,781,349	39,706	25,181,571
2013	27,017	16,893,102	40,662	26,624,571
2014	27,152	17,820,857	40,746	28,377,714
2015 ⁽²⁾	-	18,702,806	-	29,770,157

⁽¹⁾ Most recent data available as of the date of this Official Statement.

⁽²⁾ No data available for number of permits in 2015.

Source: California State Board of Equalization, Taxable Sales in California for 2010 through 2015.

APPENDIX B

INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

The information in this appendix concerning the operations of the Oakland Unified School District (the “District”), the District’s finances, and State of California (the “State”) funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District or from State revenues. Each series of the Bonds is payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and State Constitutional requirements, and required to be levied by the County of Alameda (the “County”) on property within the District in an amount sufficient for the timely payment of principal of and interest on each series of the Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” in the front portion of this Official Statement.

THE DISTRICT

General

The Oakland Unified School District (the “District”) is located in and is approximately coterminous with the City of Oakland, California (the “City”), located on the east side of the San Francisco Bay, approximately seven miles from San Francisco. The District’s boundaries also include small portions of the neighboring cities of Emeryville and Alameda. The District encompasses approximately 53.8 square miles, including a diverse economy of industry, services, health care, retail and other commercial activity. The District was unified in 1952, combining then-existing high school and elementary school districts.

The District currently operates 50 elementary schools, four elementary/middle schools serving grades K-8, 13 middle schools serving grades 6-8, three middle/high schools serving grades 6-12, seven comprehensive high schools serving grades 9-12, nine alternate high school programs and 30 early childhood education centers. 37 independent charter schools currently operate within the District’s boundaries. The District has projected enrollment of approximately [36,761] students and average daily attendance of approximately [35,484] students, not including students in charter schools, for fiscal year 2016-17. The District has budgeted for approximately 4,617.2 full-time equivalent (“FTE”) employees, including 2,654.6 FTE certificated (teaching) employees, 1,429.2 FTE classified (non-teaching) employees and 533.4 management, supervisor and confidential employees for fiscal year 2016-17. The District’s projected fiscal year 2016-17 general fund expenditures are approximately \$545.6 million.

Board of Education

The District operates under the jurisdiction of the Alameda County Superintendent of Schools. The governing board of the District is the Board of Education of the Oakland Unified School District (the “Board of Education”). The Board of Education consists of seven members who are elected to staggered four-year terms and two student board members who participate on an advisory basis. The name, office and the month and year of the expiration of the term of the seven elected members of the Board of Education are described below.

Name	Office	District	Term Expires
James Harris	President	District 7	January 2021
Nina Senn	Vice President	District 4	January 2019
Aimee Eng	Director	District 2	January 2019
Shanthi Gonzales	Director	District 6	January 2019
Jumoke Hinton-Hodge	Director	District 3	January 2021
Jody London	Director	District 1	January 2021
Roseann Torres	Director	District 5	January 2021

Superintendent and Key Personnel

The Superintendent of the District is appointed by the Board of Education and reports to the Board of Education. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other key District administrators. Information concerning the Interim Superintendent and certain other key administrative personnel is set forth below.

[Devin Dillon, Interim Superintendent. Dr. Dillon has served as the District's Interim Superintendent since February 2017. Dr. Dillon previously served as the Deputy Superintendent of Academics and Socio-Economic Learning and Chief Academic Official for the District. Prior to joining the District, she was Director of Elementary Schools in the Los Angeles Unified School District, and after one year, became Director of Common Core for the West Region of the United States. Dr. Dillon also served in a variety of roles at Denver Public Schools over a 15-year period, ranging from classroom teacher and literacy coach to school principal and the district's Director of Instructional Networks. Dr. Dillon started her teaching career as a reading intervention teacher in Charlotte, North Carolina.]

Vernon Hal, Senior Business Officer. Mr. Hal has served as the District's Senior Business Officer since December 2008. Prior to serving as the District's Senior Business Officer, Mr. Hal served as the District's Deputy Superintendent, Business and Operations, the Associate Superintendent of Business Services, the Assistant Superintendent of Business Services, and Controller. Mr. Hal also served as Managing Director of Oakland-based Impact Capital Management for eight years and has had more than 27 years of experience in accounting and financial management positions, including nearly a decade in the audit department of Deloitte & Touche.

Gloria Gamblin, Interim Chief Financial Officer. [Insert bio.]

Marion L. McWilliams, General Counsel. Ms. McWilliams joined the District's legal team in 2009. She has over 20 years of experience practicing labor, employment and education law. Ms. McWilliams has a bachelor of business administration degree in accounting from Texas A&M University and a law degree from the University of Texas School of Law. Ms. McWilliams replaced the District's prior General Counsel, Jacqueline P. Minor, on July 1, 2016.

School District Governance, State Trustee

From May 30, 2003 to June 29, 2009, all or a portion of the functional areas of the District's operations were governed by a State Administrator (the "**State Administrator**") appointed by the State Superintendent of Public Instruction (the "**State Superintendent**") pursuant to special state legislation ("**SB 39**") enacted in response to the District's request for emergency financial assistance from the State during the 2002-03 fiscal year. On June 30, 2009, the Board of Education regained full control of all functional areas of District governance. Upon the return of control of District governance to the Board of Education, the State Superintendent appointed a trustee for the District (the "**State Trustee**"). The State Trustee serves at the pleasure of, and reports directly to, the State Superintendent, until (i) the emergency loan (the "**Emergency Apportionment Loan**") is repaid, (ii) the District has adequate fiscal systems and controls in place and (iii) the State Superintendent has determined that the District's future compliance with the Recovery Plan (as defined below) is probable. During his or her tenure, the State Trustee is empowered to stay or rescind any action of the Board of Education that, in the judgment of the State Trustee, may affect the District's financial condition.

[Carlene Naylor currently serves as the State Trustee. Ms. Naylor worked as Associate Superintendent for the Alameda County Office of Education (the "**ACOE**") from 2004-2010. Her responsibilities spanned the areas of finance, fiscal oversight, information technology and operations. Prior to serving as the Associate Superintendent for the ACOE, Ms. Naylor spent thirteen years as Deputy Superintendent for the Yolo County Office of Education where she served as fiscal and legal advisor to the Superintendent and County Board of Education in all matters relating to fiscal and administrative support services for the Yolo County Office of Education and school districts.

Ms. Naylor has informed the District that she will not rescind the Board of Education's authorization of the Bonds because the issuance of the Bonds will not impact the District's financial condition.]

Strategic Plan

In November 2014, the District released a five-year strategic plan (the “**Strategic Plan**”) for 2015-2020 with five goals: (i) providing every student with access to a high-quality school, (ii) ensuring each student is prepared for college, career and community success, (iii) staffing every school with talented individuals committed to working in service of children, (iv) creating a school district that holds itself and its partners accountable for superior outcomes and (v) guaranteeing rigorous instruction in every classroom. The Strategic Plan also identified three major priorities: (i) creating effective talent programs, (ii) creating an accountable school district and (iii) creating quality community schools. The District has also adopted a Local Control and Accountability Plan (“**LCAP**”) that identifies specific goals and actions in line with the Strategic Plan.

DISTRICT FINANCIAL MATTERS

State Funding of Education; State Budget Process

General. As is true for all school districts in California, the District’s operating income consists primarily of two components: a State portion funded from the State’s general fund in accordance with the Local Control Funding Formula (see “– Allocation of State Funding to School Districts; Local Control Funding Formula” herein) and a local portion derived from the District’s share of the 1% local *ad valorem* tax authorized by the State Constitution (see “– Local Sources of Education Funding” herein). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District projects to receive approximately 60.0% of its general fund revenues from State funds (not including the local portion derived from the District’s share of the local *ad valorem* tax), projected at approximately \$320.7 million in fiscal year 2016-17. Such amount includes both the State funding provided under the Local Control Funding Formula as well as other State revenues (see “– Allocation of State Funding to School Districts; Local Control Funding Formula – Attendance and LCFF” and “– Other District Revenues – Other State Revenues” below). As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may affect the District’s revenues and operations, though generally to a lesser extent than these may affect most school districts.

Under Proposition 98, a constitutional and statutory amendment adopted by the State’s voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution), a minimum level of funding is guaranteed to school districts, community college districts and other State agencies that provide direct elementary and secondary instructional programs. Recent years have seen frequent disruptions in State personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State’s general fund expenditures, it is generally at the center of annual budget negotiations and adjustments.

The State budget for fiscal year 2013-14 contained a new formula for funding the school finance system (the “**Local Control Funding Formula**” or “**LCFF**”). The LCFF replaced the revenue limit funding system and most categorical programs. See “– Allocation of State Funding to School Districts; Local Control Funding Formula” herein for more information.

State Budget Process. According to the State Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. Historically, the budget required a two-thirds vote of each house of the State Legislature for passage. However, on November 2, 2010, the State’s voters approved Proposition 25, which amended the State Constitution to lower the vote requirement necessary for each house of the State Legislature to pass a budget bill and send it to the Governor. Specifically, the vote requirement was lowered from two-thirds to a simple majority (50% plus one) of each house of the State Legislature. The lower vote requirement also would apply to trailer bills that appropriate funds and are identified by the State Legislature “as related to the budget in the budget bill.” The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. Under Proposition 25, a two-thirds vote of the State Legislature is still required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes

in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2016-17 State budget on June 27, 2016.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district's State funding are affected differently. Under the rule of *White v. Davis* (also referred to as *Jarvis v. Connell*), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the Constitution (such as appropriations for salaries of elected State officers) or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the *White v. Davis* decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the *White v. Davis* decision to have any long-term effect on its operating budgets.

Aggregate State Education Funding. The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor."

In recent years, the State's response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds from one fiscal year to the next; by permanently deferring apportionments of Proposition 98 funds from one fiscal year to the next; by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Bonds, and the District takes no responsibility for informing owners of the Bonds as to actions the State

Legislature or Governor may take affecting the current year's budget after its adoption. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, www.treasurer.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Rainy Day Fund; SB 858. In connection with the 2014-15 State Budget, the Governor proposed certain constitutional amendments ("Proposition 2") to the rainy day fund (the "Rainy Day Fund") for the November 2014 Statewide election. Senate Bill 858 (2014) ("SB 858") amends the Education Code to, among other things, limit the amount of reserves that may be maintained by a school district subject to certain State budget matters. Upon the approval of Proposition 2, SB 858 became operational. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

AB 1469. As part of the 2014-15 State Budget, the Governor signed Assembly Bill 1469 ("AB 1469") which implemented a new funding strategy for the California State Teachers' Retirement System ("CalSTRS") and increased the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. See "– Retirement Benefits – CalSTRS" herein for more information about CalSTRS and AB 1469.

2016-17 State Budget. The Governor signed the fiscal year 2016-17 State budget (the "2016-17 State Budget") on June 27, 2016. The 2016-17 State Budget sets forth a balanced budget for fiscal year 2016-17 and allocates funds from Proposition 2 to pay down outstanding budgetary borrowing and retirement liabilities of the State and University of California. The 2016-17 State Budget estimates that total resources available in fiscal year 2015-16 totaled approximately \$120.45 billion (including a prior year balance of \$3.4 billion) and total expenditures in fiscal year 2015-16 totaled approximately \$115.57 billion. The 2016-17 State Budget projects total resources available for fiscal year 2016-17 of \$125.18 billion, inclusive of revenues and transfers of \$120.31 billion and a prior year balance of \$4.87 billion. The 2016-17 State Budget projects total expenditures of \$122.47 billion, inclusive of non-Proposition 98 expenditures of \$71.42 billion and Proposition 98 expenditures of \$51.05 billion. The 2016-17 State Budget proposes to allocate \$966 million of the General Fund's projected fund balance to the Reserve for Liquidation of Encumbrances and \$1.75 billion of such fund balance to the State's Special Fund for Economic Uncertainties. In addition, the 2016-17 State Budget estimates the Rainy Day Fund will have a fund balance of \$6.71 billion.

Certain budgeted adjustments for K-12 education set forth in the 2016-17 State Budget include the following:

- **School District Local Control Funding Formula.** The 2016-17 State Budget includes an increase of more than \$2.9 billion to continue the implementation of the Local Control Funding Formula. The 2016-17 State Budget proposes to commit most new funding to Supplemental Grants and Concentration Grants. The Governor estimates that the budgeted increase will bring the total Local Control Funding Formula implementation to 96%.
- **Proposition 98 Minimum Guarantee.** The 2016-17 State Budget includes Proposition 98 funding of \$71.9 billion, inclusive of State and local funds, for fiscal year 2016-17. Such amount is expected to satisfy the Proposition 98 minimum guarantee for fiscal year 2016-17.
- **Mandate Claims.** The 2016-17 State Budget proposes to allocate approximately \$1.3 billion in one-time moneys to reduce outstanding mandate claims by K-12 local education agencies. The State expects such funds to be used for activities including, among others, deferred maintenance, professional development, induction for beginning teachers, instructional materials, technology and the implementation of new educational standards.
- **College Readiness Block Grant.** The 2016-17 State Budget includes a one-time increase of \$200 million to the Proposition 98 General Fund for grants to school districts and charter schools that

serve high school students. The State will direct grant recipients to such funds be used to support access to higher education and transition to higher education.

- Integrated Teacher Preparation Grant Program. The 2016-17 State Budget includes a one-time allocation of \$10 million from the Proposition 98 portion of the General Fund to the Integrated Teacher Preparation Grant Program, which provides competitive grants to colleges and universities to develop or improve teacher credential programs.
- Classified School Employees Credentialing Program. The 2016-17 State Budget includes a one-time allocation of \$20 million from the Proposition 98 portion of the General Fund to establish a credentialing program that recruits non-certified school employees and prepares them to become certificated classroom teachers.
- California Center on Teacher Careers. The 2016-17 State Budget includes a one-time increase of \$5 million of Proposition 98 General Fund to establish a multi-year competitive grant, which will be awarded to a local education agency to establish and operate the California Center on Teaching Careers. The California Center on Teaching Careers, once established, will recruit individuals to the teaching profession, host a referral database for teachers seeking employment, develop and distribute recruitment publications, conduct outreach activities to high school and college students, provide statewide public service announcements related to teacher recruitment and provide prospective teachers information on credential requirements, financial aid and loan assistance programs.
- California Collaborative for Educational Excellence. The 2016-17 State Budget provides a one-time increase of \$24 million to the Proposition 98 portion of the General Fund for the California Collaborative for Educational Excellence to, among other things, support statewide professional development training relating to evaluation methods and metrics and implement a pilot program related to advising and assisting local education agencies on improving pupil outcomes.
- Safe Drinking Water in Schools. The 2016-17 State Budget includes an increase of \$9.5 million of one-time Proposition 98 General Fund to create a grant program to improve access to safe drinking water for schools located in isolated areas and economically disadvantaged areas. The program will be developed and administered by the State Water Resources Control Board in consultation with the California Department of Education.
- Charter School Startup Grants. The 2016-17 State Budget allocates an increase of \$20 million of one-time Proposition 98 General Fund resources to support operational startup costs for new charter schools in 2016 and 2017. Such allocation is expected to partially offset the loss of federal funding previously available for such purpose.
- Multi-Tiered Systems of Support. The 2016-17 State Budget allocates an increase of \$20 million of one-time Proposition 98 General Fund resources to build upon the \$10 million investment included in the 2015-16 State Budget for an increased number of local educational agencies to provide academic and behavioral supports in a coordinated and systematic way. The State expects such funds to, among other things, assist local education agencies as they provide services that support academic, behavioral, social and emotional needs and improve outcomes for students.
- Proposition 47. Proposition 47 (2014) requires a portion of any State savings which have resulted from the State's reduced penalties for certain non-serious and non-violent property and drug offenses, to be allocated to K-12 truancy and dropout prevention, victim services, and mental health and drug treatment. The 2016-17 State Budget includes an increase of \$18 million on a one-time basis to the Proposition 98 portion of the General Fund allocated to a grant program for truancy and dropout prevention.

The complete 2016-17 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

2017-18 Proposed State Budget. The Governor released his proposed fiscal year Proposed 2017-18 State Budget (the “Proposed 2017-18 State Budget”) on January 10, 2017. The Proposed 2017-18 State Budget sets forth a balanced budget for fiscal year 2017-18. However, the Governor cautions that the State’s projected revenues are approximately \$5.8 billion lower than projected for 2015-16 through 2017-18 and, absent corrective action, could lead to annual deficits of \$1 billion to \$2 billion. The Proposed 2017-18 State Budget estimates that total resources available in fiscal year 2016-17 totaled approximately \$123.79 billion (including a prior year balance of \$5.0 billion) and total expenditures in fiscal year 2016-17 totaled approximately \$122.76 billion. The Proposed 2017-18 State Budget projects total resources available for fiscal year 2017-18 of \$125.05 billion, inclusive of revenues and transfers of \$124.03 billion and a prior year balance of \$1.03 billion. The Proposed 2017-18 State Budget projects total expenditures of \$122.52 billion, inclusive of non-Proposition 98 expenditures of \$71.17 billion and Proposition 98 expenditures of \$51.35 billion. The 2016-17 State Budget proposes to allocate \$980 million of the General Fund’s projected fund balance to the Reserve for Liquidation of Encumbrances and \$1.55 billion of such fund balance to the State’s Special Fund for Economic Uncertainties. In addition, the Proposed 2017-18 State Budget estimates the Rainy Day Fund will have a fund balance of \$7.87 billion.

Certain budgeted adjustments for K-12 education set forth in the Proposed 2017-18 State Budget include the following:

- **School District Local Control Funding Formula.** The Proposed 2017-18 State Budget includes an increase of more than \$744 million to continue the transition to full implementation of the Local Control Funding Formula. The Governor estimates that the Local Control Funding Formula’s implementation will reach 96 percent in fiscal year 2017-18.
- **Proposition 98 Minimum Guarantee.** The Proposed 2017-18 State Budget proposes to fund the Proposition 98 minimum guarantee in fiscal year 2016-17 and 2017-18. However, due to changes in workload factors and budgetary adjustments, the Governor’s calculation of the Proposition 98 minimum guarantee will be approximately \$55.5 million and \$113.5 million less than previously projected for fiscal years 2015-16 and 2016-17, respectively. The Proposed 2017-18 State Budget projects a Proposition 98 minimum guarantee of \$73.5 billion in 2017-18.
- **One-Time Local Control Funding Formula Cost Shift.** The Proposed 2017-18 State Budget proposes to shift \$859.1 million in Local Control Funding Formula expenditures from June 2017 to July 2017 in order to maintain 2016-17 programmatic expenditure levels. The Proposed 2017-18 State Budget will repay this deferral in 2017-18.
- **One-Time Discretionary Funding.** The Proposed 2017-18 State Budget includes an increase of \$287 million in one-time Proposition 98 General Fund for school districts, charter schools and county offices of education to use at local discretion. This funding will support investments such as content standards implementation, technology, professional development, induction programs for beginning teachers and deferred maintenance.
- **Career Technical Education Funding.** The Proposed 2017-18 State Budget includes \$200 million for the Career Technical Education Incentive Grant Program, the final installment of funding for this three-year program.
- **County Offices of Education Local Control Funding Formula.** The Proposed 2017-18 State Budget includes an increase of \$2.4 million Proposition 98 General Fund to support a cost-of-living adjustment and average daily attendance changes for county offices of education.
- **Charter School Growth.** The Proposed 2017-18 State Budget includes an increase of \$93 million Proposition 98 General Fund to support projected charter school average daily attendance growth.

- Special Education. The Proposed 2017-18 State Budget includes a decrease of \$4.9 million Proposition 98 General Fund to reflect a projected decrease in special education average daily attendance.
- Local Property Tax Adjustments. The Proposed 2017-18 State Budget includes a decrease of \$922.7 million in Proposition 98 General Fund for school districts and county offices of education in 2017-18 as a result of increased offsetting local property tax revenues.
- School District Average Daily Attendance. The Proposed 2017-18 State Budget includes a decrease of \$63.1 million in fiscal year 2017-18 for school districts as a result of a projected decline in average daily attendance.
- Cost-of-Living Adjustments. The Proposed 2017-18 State Budget includes an increase of \$58.1 million Proposition 98 General Fund to support a 1.48-percent cost-of-living adjustment for categorical programs that remain outside of the Local Control Funding Formula, including Special Education, Child Nutrition, Foster Youth, American Indian Education Centers and the American Indian Early Childhood Education Program.
- California Clean Energy Jobs Act. The California Clean Energy Jobs Act of 2012 increases state corporate tax revenues, and requires half of the increased revenues, up to \$550 million per year, to be used to support energy efficiency for fiscal years 2013-14 through 2017-18. The Proposed 2017-18 State Budget includes \$422.9 million to support school district and charter school energy efficiency projects.
- Proposition 47. Proposition 47 (2014) requires a portion of any State savings which have resulted from the State's reduced penalties for certain non-serious and non-violent property and drug offenses, to be allocated to K-12 truancy and dropout prevention, victim services, and mental health and drug treatment. The Proposed 2017-18 State Budget includes \$10.1 million to support investments aimed truancy and dropout prevention among K-12 public school pupils.
- Proposition 56. Proposition 56 (2016) requires a portion of the revenues from the increased cigarette tax and the tax on other tobacco products to be used for school programs that prevent and reduce the use of tobacco and nicotine products by youths. The Proposed 2017-18 State Budget includes \$29.9 million to support tobacco and nicotine prevention and reduction programs at K-12 schools.
- Kindergarten Through Community College Public Education Facilities Bond Act. The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 authorized \$7 billion in State general obligation bonds for K-12 schools. The Proposed 2017-18 State Budget states that the Governor will support the expenditures of Proposition 51 funds after, among other things, legislation is approved regarding bond expenditures audit requirements and the State Allocation Board and Office of Public School Construction revise policies and regulations for school participants that request funding through the school facilities program.

The complete 2017-18 Proposed State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

LAO Overview of 2017-18 Proposed State Budget. The Legislative Analyst's Office ("LAO"), a nonpartisan State office which provides fiscal and policy information and advice to the State Legislature, released its report on the 2017-18 Proposed State Budget entitled "The 2017-18 Budget: Overview of the Governor's Budget" on January 13, 2017 (the "2017-18 Proposed Budget Overview"). In the 2017-18 Proposed Budget Overview, the LAO challenges the Governor's revenue projections with regard to personal income tax revenues as being far too low. While the LAO admits that the Governor's estimated 3.3% personal income tax growth rate is possible, the LAO points out that it is inconsistent with other aspects of the administration's economic outlook, which predicts stock price growth for several

years after 2016. By the May revision of the budget, the LAO predicts that the budget will change and reflect considerably more revenue since the State will have more information on its fiscal condition. The LAO also points out that the Governor's budget proposal assumes no major changes in federal policy, which the LAO notes is a reasonable assumption given that at this point, there is no way of knowing precisely what actions the new Congress and President will pursue. The LAO explains that there may be some near-term benefit to state tax revenues based on changes in federal tax policies, but states that other possible federal policy changes, however, could affect the economy, reduce federal funding, and/or increase state costs substantially in future years—especially potential changes in federal health care programs.

With respect to the Proposition 98 budget plan in the 2017-18 Proposed State Budget, the LAO expects that the minimum guarantee for fiscal year 2015-16 will remain unchanged while the fiscal year 2016-17 minimum guarantee could be revised more substantially. In light of the higher revenue that the LAO expects in fiscal year 2017-18, the LAO also predicts that the minimum guarantee for fiscal year 2017-18 will be higher.

As discussed in the 2017-18 Proposed Budget Overview, the largest ongoing budget proposal is a \$744 million augmentation to LCFF. According to the LAO, the proposed augmentation is approximately equal to the cost of applying the statutory 1.48% cost-of-living adjustment. The LAO reports that the Governor estimates that LCFF would be 96% funded in fiscal year 2017-18—about the same percentage as fiscal year 2016-17. Under this proposal, school districts would receive 13 months of payments in fiscal year 2017-18, which includes 12 normal monthly LCFF payments plus a one-time payment of \$859 million related to the prior-year deferral. The LAO notes that the Governor's proposed budget also includes new community college funding—about half of which is for apportionments, and the remainder is for mainly one-time payments for categorical programs. The 2017-18 Proposed Budget Overview provides that the Governor's budget plan includes \$600 million in additional Proposition 98 related funding, including (1) \$287 million for the K-12 mandates backlog, (2) \$200 million for the Career Technical Education Incentive Grant program, (3) \$44 million for deferred maintenance at the community colleges, and (4) \$70 million for fund swaps (using one-time payments to support ongoing programs).

The Governor's budget roughly balances new ongoing and one-time Proposition 98 spending in fiscal year 2017-18. Regardless of the exact level of the fiscal year 2017-18 minimum guarantee, the LAO recommends that the Legislature adopt a final budget plan that continues to rely on a mix of ongoing and one-time spending. Under the LAO's advised approach, the Legislature could dedicate a portion of any additional increases in the minimum guarantee to LCFF and California Community College apportionments while using the remainder for one-time payments to reduce or eliminate the K-12 mandates backlog. The LAO cautions that a stronger fiscal year 2017-18 does not necessarily imply a strong fiscal year 2018-19, and by setting aside some funding for one-time purposes, the state would be better positioned to accommodate a drop in the fiscal year 2018-19 minimum guarantee without needing to make cuts to LCFF or community college apportionments.

The 2017-18 Budget Overview is available on the LAO website at www.lao.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Changes in State Budget. The final fiscal year 2017-18 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Governor's budget proposal. Accordingly, the District cannot provide any assurances that there will not be any changes in the final fiscal year 2017-18 State budget from the 2017-18 Proposed State Budget. Additionally, the District cannot predict the impact that the final fiscal year 2017-18 State Budget, or subsequent budgets, will have on its finances and operations. The final fiscal year 2017-18 State budget may be affected by national and State economic conditions and other factors which the District cannot predict.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund (“**ERAF**”) in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition

1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as “**Proposition 22.**”

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State’s control over local property taxes. One effect of this amendment will be to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in 2009-10 from cities, counties and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved (see “– Dissolution of Redevelopment Agencies” below). Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State’s authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years—such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State’s general fund.

Dissolution of Redevelopment Agencies. The adopted State budget for fiscal year 2011-12, as signed by the Governor of the State on June 30, 2011, included as trailer bills Assembly Bill No. 26 (First Extraordinary Session) (“**AB1X 26**”) and Assembly Bill No. 27 (First Extraordinary Session) (“**AB1X 27**”), which the Governor signed on June 29, 2011. AB1X 26 suspended most redevelopment agency activities and prohibited redevelopment agencies from incurring indebtedness, making loans or grants, or entering into contracts after June 29, 2011. AB1X 26 dissolved all redevelopment agencies in existence and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. Certain provisions of AB1X 26 are described further below.

In July of 2011, various parties filed an action before the Supreme Court of the State of California (the “**Court**”) challenging the validity of AB1X 26 and AB1X 27 on various grounds (*California Redevelopment Association v. Matosantos*). On December 29, 2011, the Court rendered its decision in Matosantos upholding virtually all of AB1X 26 and invalidating AB1X 27. In its decision, the Court also modified various deadlines for the implementation of AB1X 26. The deadlines for implementation of AB1X 26 below take into account the modifications made by the Court in Matosantos. On February 1, 2012, and pursuant to Matosantos, AB1X 26 dissolved all redevelopment agencies in existence and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency will be transferred to the control of its successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various related taxing agencies pursuant to AB1X 26.

AB1X 26 requires successor agencies to continue to make scheduled payments on and perform obligations required under “enforceable obligations” of their former redevelopment agencies. For this purpose, AB1X 26 defines “enforceable obligations” to include “bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of outstanding bonds of the former redevelopment agency and “any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy.” AB1X 26 specifies that only payments included on an “enforceable obligation payment schedule” adopted by a redevelopment agency shall be made by a redevelopment agency until its dissolution. However, until a successor agency adopts a “recognized obligation payment schedule” the only payments permitted to be made are payments on enforceable obligations included on an enforceable obligation payment

schedule. A successor agency may amend the enforceable obligation payment schedule at any public meeting, subject to the approval of its oversight board.

Under AB1X 26, commencing February 1, 2012, property taxes that would have been allocated to each redevelopment agency if the agencies had not been dissolved will instead be deposited in a “redevelopment property tax trust fund” created for each former redevelopment agency by the related county auditor-controller and held and administered by the related county auditor-controller as provided in AB1X 26. AB1X 26 generally requires each county auditor-controller on each January 2 and June 1 pursuant to AB 1484, as described below), to apply amounts in a related redevelopment property tax trust fund, after deduction of the county auditor-controller’s administrative costs, in the following order of priority:

- To pay pass-through payments to affected taxing entities in the amounts that would have been owed had the former redevelopment agency not been dissolved; provided, however, that if a successor agency determines that insufficient funds will be available to make payments on the recognized obligation payment schedule and the county auditor-controller and State Controller verify such determination, pass-through payments that had previously been subordinated to debt service may be reduced;
- To the former redevelopment agency’s successor agency for payments listed on the successor agency’s recognized obligation payment schedule for the ensuing six-month period;
- To the former redevelopment agency’s successor agency for payment of administrative costs; and
- Any remaining balance to school entities and local taxing agencies.

It is possible that there will be additional legislation proposed and/or enacted to “clean up” various inconsistencies contained in AB1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB1X 26. For example, AB 1484 was signed by the Governor on June 27, 2012, to clarify and amend certain aspects of AB1X 26. AB 1484, among other things, attempts to clarify the role and requirements of successor agencies, provides successor agencies with more control over agency bond proceeds and properties previously owned by redevelopment agencies and adds other new and modified requirements and deadlines. AB 1484 also provides for a “tax claw back” provision, wherein the State is authorized to withhold sales and use tax revenue allocations to local successor agencies to offset payment of property taxes owed and not paid by such local successor agencies to other local taxing agencies. This “tax claw back” provision has been challenged in court by certain cities and successor agencies. The District cannot predict the outcome of such litigation and what effect, if any, it will have on the District. Additionally, no assurances can be given as to the effect of any such future proposed and/or enacted legislation on the District.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District’s ability to predict or control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State’s ability to fund schools during future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District.

Allocation of State Funding to School Districts; Local Control Funding Formula

Prior to the implementation of the Local Control Funding Formula in fiscal year 2013-14, under California Education Code Section 42238 and following, each school district was determined to have a target funding level: a “base revenue limit” per student multiplied by the district’s student enrollment measured in units of average daily attendance. The base revenue limit was calculated from the district’s prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district’s base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State “equalization aid.” To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State’s contribution; ultimately, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State equalization aid, and received only its special categorical aid, which is deemed to include the “basic aid” of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as “basic aid districts,” which are now referred to as “community funded districts.” School

districts that received some equalization aid were commonly referred to as “revenue limit districts,” which are now referred to as “LCFF districts.” The District is currently an LCFF district.

Beginning in fiscal year 2013-14, the LCFF replaced the revenue limit funding system and most categorical programs, and distributes combined resources to school districts through a base revenue limit funding grant (“**Base Grant**”) per unit of average daily attendance (“**A.D.A.**”) with additional supplemental funding allocated to local educational agencies based on their proportion of English language learners, students from low-income families and foster youth. The LCFF has an eight year implementation program to incrementally close the gap between actual funding and the target level of funding, as described below. The LCFF includes the following components:

- A Base Grant for each local education agency, equivalent to \$7,643 per unit of A.D.A. in fiscal year 2013-14. Such Base Grant per unit of A.D.A., adjusted by grade span variation and to be adjusted annually for cost-of-living, is as follows: \$6,845 for grades K-3, \$6,947 for grades 4-6, \$7,154 for grades 7-8 and \$8,289 for grades 9-12. This amount includes an adjustment of 10.4% to the Base Grant to support lowering class sizes in grades K-3, and an adjustment of 2.6% to reflect the cost of operating career technical education programs in grades 9-12.
- A 20% supplemental grant for the unduplicated number of English language learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 50% of a local education agency’s Base Grant, based on the number of English language learners, students from low-income families and foster youth served by the local education agency that comprise more than 55% of enrollment.
- An Economic Recovery Target (the “**ERT**”) that is intended to ensure that almost every local education agency receives at least their pre-recession funding level (i.e., the fiscal year 2007-08 revenue limit per unit of A.D.A.), adjusted for inflation, at full implementation of the LCFF. Upon full implementation, local education agencies would receive the greater of the Base Grant or the ERT.

Of the projected \$25 billion in new funding to be invested through the LCFF over the next eight years, the vast majority of new funding will be provided for Base Grants. Specifically, of every dollar invested through the LCFF, 84 cents will go to Base Grants, 10 cents will go to supplemental grants and 6 cents will go to concentration grants.

Under the new formula, for “basic aid districts” (now, “**community funded districts**”), local property tax revenues would be used to offset up to the entire allocation under the new formula. However, community funded districts would continue to receive the same level of State aid as allocated in fiscal year 2012-13.

Local Control Accountability Plans. A feature of the LCFF is a system of support and intervention for local education agencies. School districts, county offices of education and charter schools are required to develop, implement and annually update a three-year LCAP. Each LCAP must be developed with input from teachers, parents and the community, and should describe local goals as they pertain to eight areas identified as state priorities, including student achievement, parent engagement and school climate, as well as detail a course of action to attain those goals. Moreover, the LCAPs must be designed to align with the district’s budget to ensure adequate funding is allocated for the planned actions.

Each school district must submit its LCAP annually on or before July 1 for approval by its county superintendent. The county superintendent then has until August 15 to seek clarification regarding the contents of the LCAP, and the school district must respond in writing. The county superintendent can submit recommendations for amending the LCAP, and such recommendations must be considered, but are not mandatory. A school district’s LCAP must be approved by its county superintendent by October 8 of each year if such superintendent finds (i) the LCAP adheres to the State template and (ii) the district’s budgeted expenditures are sufficient to implement the strategies outlined in the LCAP.

Performance evaluations are to be conducted to assess progress toward goals and guide future actions. County superintendents are expected to review and provide support to the school districts under their jurisdiction, while the State Superintendent of Public Instruction performs a corresponding role for county offices of education. The California Collaborative for Education Excellence (the “**Collaborative**”), a newly established body of educational specialists, was created to advise and assist local education agencies in achieving the goals identified in their LCAPs. For local education agencies that continue to struggle in meeting their goals, and when the Collaborative indicates that

additional intervention is needed, the State Superintendent of Public Instruction would have authority to make changes to a local education agency's LCAP.

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Attendance and Base Revenue Limit. The following table sets forth the District’s actual A.D.A., enrollment and base revenue limit per unit of A.D.A. for fiscal years 2011-12 through 2012-13 for K-12. The A.D.A. and enrollment numbers reflected in the following table include special education, and exclude enrollment at any independent charter schools.

**OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Average Daily Attendance, Enrollment and Base Revenue Limit
Fiscal Years 2011-12 and 2012-13**

Fiscal Year	Average Daily Attendance ⁽¹⁾	Enrollment ⁽²⁾	Base Revenue Limit	Per Unit of Average Daily Attendance
2011-12 ⁽³⁾	35,994.34	37,887.00	\$234,915,980.18	\$6,526.47
2012-13 ⁽⁴⁾	34,625.95	36,368.00	233,356,049.87	6,739.34

⁽¹⁾ A.D.A. for the second period of attendance, typically in mid-April of each school year.

⁽²⁾ Reflects enrollment as of October report submitted to the California Basic Educational Data System (“CBEDS”) in each school year.

⁽³⁾ The District had a 79.398% base revenue limit deficit factor and a 2.25% cost of living adjustment in fiscal year 2011-12, which resulted in a funded base revenue limit per unit of A.D.A. of \$5,160.38.

⁽⁴⁾ The District had a 77.728% base revenue limit deficit factor and a 3.262% cost of living adjustment in fiscal year 2012-13, which resulted in a funded base revenue limit per unit of A.D.A. of \$5,216.62.

Source: Oakland Unified School District.

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Attendance and LCFF. The following table sets forth the District’s actual and budgeted A.D.A., enrollment (including percentage of students who are English language learners, from low-income families and/or foster youth (collectively, “**EL/LI Students**”), and targeted Base Grant per unit of A.D.A. for fiscal years 2013-14, 2014-15, 2015-16 and 2016-17. The State has not reached full funding of the Base Grant yet. The A.D.A. and enrollment numbers reflected in the following table include special education, and exclude enrollment at any independent charter schools.

**OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Average Daily Attendance/Base Grant and Enrollment
Fiscal Years 2013-14 through 2016-17**

Fiscal Year		A.D.A./Base Grant				Enrollment ⁽⁵⁾		
		K-3	4-6	7-8	9-12	Total A.D.A.	Total Enrollment	Unduplicated % of EL/LI Students
2013-14	A.D.A. ⁽²⁾ :	13,431.30	8,450.94	4,725.57	8,245.15	34,852.96	36,869	77.59%
	Targeted Base Grant ⁽³⁾ :	\$6,952	\$7,056	\$7,266	\$8,419	-	-	-
2014-15	A.D.A. ⁽²⁾ :	13,574.62	8,321.54	4,766.64	8,523.18	35,185.98	37,096	78.07%
	Targeted Base Grant ⁽³⁾ :	\$7,011	\$7,116	\$7,328	\$8,491	-	-	-
2015-16	A.D.A. ⁽²⁾ :	13,437.97	8,496.21	4,589.11	9,041.83	35,565.12	37,122	78.07%
	Targeted Base Grant ^{(3) (4)} :	\$7,083	\$7,189	\$7,403	\$8,578	-	-	-
2016-17 ⁽¹⁾	A.D.A. ⁽²⁾ :	13,568.17	8,578.53	4,633.57	9,129.44	35,909.72	37,435	78.07%
	Targeted Base Grant ^{(3) (4)} :	\$7,083	\$7,189	\$7,403	\$8,578	-	-	-

(1) Figures are projections.

(2) A.D.A. for the second period of attendance, typically in mid-April of each school year.

(3) Such amounts represent the targeted amount of Base Grant per unit of A.D.A., and do not include any supplemental and concentration grants under the LCFF. Such amounts are not expected to be fully funded until fiscal year 2020-21.

(4) Targeted fiscal year 2014-15 Base Grant amounts reflect a 0.85% cost of living adjustment from targeted fiscal year 2013-14 Base Grant amounts. Targeted fiscal year 2015-16 Base Grant amounts reflect a 1.02% cost of living adjustment from targeted fiscal year 2014-15 Base Grant amounts. Targeted fiscal year 2016-17 Base Grant amounts reflect a 0.0% cost of living adjustment from targeted fiscal year 2015-16 Base Grant amounts.

(5) Reflects enrollment as of October report submitted to the CBEDS in each school year. For purposes of calculating Supplemental and Concentration Grants, a school district’s fiscal year 2013-14 percentage of unduplicated EL/LI Students was expressed solely as a percentage of its fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI Students enrollment was based on the two-year average of EL/LI Students enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district’s percentage of unduplicated EL/LI Students was and will be based on a rolling average of such school district’s EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

Source: Oakland Unified School District.

The District received approximately \$339.1 million in aggregate revenues reported under LCFF sources in fiscal year 2015-16, and projects to receive approximately \$357.2 million in aggregate revenues under the LCFF in fiscal year 2016-17 (or approximately 67.8% of its general fund revenues in fiscal year 2016-17). Such amount includes combined supplemental and concentration grants budgeted to be approximately \$[66.56] million in fiscal year 2016-17.

Effect of Changes in Enrollment. Changes in local property tax income and A.D.A. affect LCFF districts and community funded districts differently. In an LCFF district, increasing enrollment increases the total amount distributed under the LCFF and thus generally increases a district's entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs increase disproportionately slowly to enrollment growth; and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools.

In community funded districts, the opposite is generally true: increasing enrollment increases the amount to which the district would be entitled were it an LCFF district, but since all LCFF income (and more) is already generated by local property taxes, there is no increase in State income, other than the \$120 per student in basic aid, as described above. Meanwhile, as new students impose increased operating costs, property tax income is stretched further. Declining enrollment does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

Local Sources of Education Funding

The principal component of local revenues is a school district's property tax revenues, i.e., each district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. California Education Code Section 42238(h) itemizes the local revenues that are counted towards the amount allocated under the LCFF (and formerly, the base revenue limit) before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to receive. Prior to the implementation of the LCFF, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State aid, and received only its special categorical aid which is deemed to include the "basic aid" of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as "basic aid districts." School districts that received some State aid were commonly referred to as "revenue limit districts." The District was a revenue limit district and is now referred to as a LCFF district. See "—Allocation of State Funding to School Districts; Local Control Funding Formula" herein for more information.

Local property tax revenues accounted for approximately [18.6]% of the District's aggregate revenues reported under LCFF sources in fiscal year 2015-16, and are projected to be \$[120.0] million, or [22.7]% of total general fund revenues in fiscal year 2016-17.

For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below.

Other District Revenues

Federal Revenues. The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, comprise approximately 8.8% (or approximately \$47.2 million) of the District's general fund projected revenues for fiscal year 2016-17.

Other State Revenues. In addition to State apportionments for Proposition 98 funding through the Local Control Funding Formula, the District receives other State revenues which comprise approximately 11.8% (or approximately \$63.0 million) of the District's general fund projected revenues for fiscal year 2016-17. A significant portion of such other State revenues are amounts the District expects to receive from State lottery funds, which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District's State lottery revenue is projected at approximately \$7.2 million for fiscal year 2016-17.

Other Local Revenues. In addition to *ad valorem* property taxes, the District receives additional local revenues from items such as interest earnings and other local sources. Other local revenues comprise approximately 12.7% (or approximately \$67.8 million) of the District's general fund projected revenues for fiscal year 2016-17.

Parcel Tax. In 1996, voters in the District approved a qualified special tax (parcel tax) of \$75 per parcel for five years with a 77.8% passage rate. The parcel tax was set to expire in 2001.

On November 6, 2001, voters in the District approved a qualified special tax (parcel tax) of \$123 per parcel for five years. Tax proceeds were authorized to be used to reduce class sizes, improve teacher salaries, purchase textbooks and materials, improve math, science, fine arts programs and libraries, improve safety and provide resources for underachieving students in district programs, and provide job training. An exemption was provided for qualifying low-income parcel owners. The parcel tax was set to expire on June 30, 2007.

On March 2, 2004, voters in the District approved an increase and extension of the parcel tax, to \$195 per parcel, beginning on July 1, 2004, and expiring on June 30, 2009. The measure authorizes the parcel tax to be used to attract and retain qualified credentialed teachers, to maintain elective courses for students needing to qualify for college admission, to purchase textbooks and materials, to maintain libraries, music and arts programs, to maintain reduced class sizes and to continue after-school academic programs. No moneys are authorized to be used for administrative costs.

In February 2008, voters in the District approved a permanent parcel tax measure, authorizing the \$195 per parcel tax with no sunset provision. The permanent parcel tax generates approximately \$20 million annually, and is used in part to attract and retain highly qualified teachers, maintain courses that help students qualify for college, maintain up-to-date textbooks and instructional materials, keep class sizes small, continue after-school academic programs, maintain school libraries, and provide programs, including arts and music, that enhance student achievement.

On November 4, 2014, voters in the District approved a parcel tax of \$120 per parcel for ten years, commencing July 1, 2015. The parcel tax is expected to generate approximately \$12 million annually. Proceeds from the parcel tax may be used (i) to increase support for high school students in college preparatory courses, (ii) to provide work-based learning in every high school, including career exploration, career technical education courses, job shadowing, internships and job certifications, (iii) to reduce the drop-out rate and (iv) to provide programs to students transitioning to high school and college.

District Budget Process and County Review

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Alameda County Superintendent of Schools.

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its

current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year's obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) develop and impose, after also consulting with the district's governing board, revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 (known as "**AB 1200**") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of AB 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or certificates of participation without approval by the County Superintendent.

The District's most recent interim report received a positive certification.

The following table shows the statement of revenues, expenditures and changes in fund balances for the District's general fund for the fiscal years 2012-13 through 2016-17.

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OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Fiscal Years 2012-13 through 2016-17
General Fund Revenues, Expenditures and Fund Balances ⁽¹⁾⁽²⁾

	2012-13 Actuals	2013-14 Actuals	2014-15 Actuals	2015-16 Actuals	2016-17 Projected
REVENUE					
Revenue Limit/LCFF					
Sources	\$194,494,027	\$266,369,764	\$296,107,658	\$339,083,640	\$357,139,244 ⁽³⁾
Federal Revenue	52,471,720	47,630,290	43,726,879	43,929,012	47,204,044
Other State Sources	116,094,633	53,628,476	57,701,799	80,879,959	62,955,220 ⁽⁴⁾
Other Local Sources	37,344,909	41,991,114	46,466,301	59,830,477	67,842,494
Total Revenue ⁽⁵⁾ :	\$400,405,289	\$409,619,644	\$444,002,637	\$523,723,088	\$535,141,002
EXPENDITURES					
Certificated Salaries	\$155,185,719	\$153,700,801	\$163,259,777	\$186,977,491	\$198,272,621
Classified Salaries	59,760,371	66,035,708	71,616,975	89,091,972	97,289,913
Employee Benefits ⁽⁵⁾	88,248,420	89,591,902	104,874,788	122,566,571	133,136,551
Books and Supplies	17,978,066	25,076,461	16,782,529	20,967,378	29,226,223
Services/Other Operating Expenditures	77,383,970	76,865,489	79,164,535	88,844,867	77,542,660
Other Outgo	2,619,529	1,438,383	(380,907)	1,250,430	8,891,040 ⁽⁷⁾
Capital Outlay	347,180	710,171	662,328	997,926	2,713,811
Debt Service	5,977,003	8,424,233	5,980,139	5,978,699	-
Total Expenditures:	\$407,500,258	\$419,443,148	\$441,960,164	\$516,675,334	\$545,587,223
Excess (Deficiency) of Revenues Over Expenditures	\$ (7,094,969)	\$ (9,823,504)	\$ 2,042,473	\$ 7,047,754	\$ (10,446,221)
OTHER FINANCING SOURCES (USES)					
Transfers In	\$537,196	\$2,574,570	\$542,275	\$1,082,591 ⁽⁶⁾	\$735,130
Transfers Out	(1,000,000)	(2,488,770)	(806,946)	(3,097,178)	(3,918,860)
Net Financing Sources (Uses):	\$ (462,804)	\$ 85,800	(264,671)	(1,294,587)	\$ (3,183,729)
NET CHANGE IN FUND BALANCE					
	\$ (7,557,773)	\$ (9,737,704)	\$ 1,777,802	\$ 5,753,167	\$ (13,629,950)
Fund Balance – Beginning	\$44,660,068	\$37,102,295	\$27,364,591	\$29,142,393	\$34,501,695 ⁽⁸⁾
Fund Balance – End	\$37,102,295	\$27,364,591	\$29,142,393	\$34,895,560	\$21,264,609

⁽¹⁾ Totals may not add up due to rounding.

⁽²⁾ Audited financials are presented for fiscal year 2012-13 through 2015-16. Second Interim Report figures are presented for fiscal year 2016-17.

⁽³⁾ Increase in LCFF Sources for fiscal year 2016-17 is primarily due to higher enrollment and A.D.A. projections for fiscal year 2016-17.

⁽⁴⁾ Decreases in Other State Sources for fiscal year 2016-17 are primarily due to less State one-time revenues in fiscal year 2016-17.

⁽⁵⁾ Does not include \$8,227,929 or \$8,357,715 in contributions made to CalSTRS by the State on behalf of the District for fiscal year ended June 30, 2013 and June 30, 2014, respectively.

⁽⁶⁾ Includes one-time expenditure for self-insurance payment of moving costs.

⁽⁷⁾ Includes debt service.

⁽⁸⁾ The beginning fund balance shown for fiscal year 2016-17 does not match the audited ending fund balance for fiscal year 2015-16 because of adjustments the District's auditors have made as they have completed the audits for fiscal year 2015-16.

Source: Oakland Unified School District Annual Financial Report for June 30, 2013, June 30, 2014, June 30, 2015 and June 30, 2016. Second Interim Budget Report, dated as of March 8, 2017 for fiscal year 2016-17.

Accounting Practices

The accounting policies of the District conform to generally accepted accounting principles in accordance with the definitions, instructions and procedures of the California School Accounting Manual, as required by the State Education Code. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

The District retained Vavrinek, Trine, Day & Co., LLP (“VTD”), an independent auditor, to perform audits for fiscal years 2011-12 through 2015-16. The audit for fiscal year ended June 30, 2012 was delivered on November 1, 2014. The audit for fiscal year ended June 30, 2013 was delivered on July 20, 2015. The audit for fiscal year ended June 30, 2014 was delivered on January 15, 2016. The audit for fiscal year ended June 30, 2015 was delivered on June 30, 2016. The audit for fiscal year ended June 30, 2016 was delivered on December 14, 2016. VTD has not been requested to consent to the use or to the inclusion of its report in this Official Statement, and it has not audited nor reviewed this Official Statement.

Audit Findings

[The District has resolved all findings from all past audits and has paid approximately \$6.0 million in total audit liabilities.]

District Debt Structure

State of California Emergency Apportionment Loan. Prior to 2003, the County Superintendent appointed the Fiscal Crisis and Management Assistance Team (“FCMAT”) as the financial advisor to the District. Upon review of the District’s financial condition, FCMAT declared a fiscal emergency in the District and, in response to this declaration, the District requested an emergency apportionment loan. On May 30, 2003, the Governor approved SB 39, which provided an emergency apportionment loan to the District of up to \$100,000,000 as a floating line of credit to be drawn as the State Administrator and FCMAT jointly determined was needed to meet District obligations, including the District’s operating costs. The District drew down \$65,000,000 in 2003 (the “**2003 Draw**”) and drew down the remaining \$35,000,000 in 2007 (the “**2007 Draw**”). SB 39 requires the District to repay the loan over a 20-year term, commencing at the time of origination of the loan, with interest determined at a rate of 1.778%. The District began repayment of the Emergency Apportionment Loan in fiscal year 2003-04 using funds from the District’s General Fund.

Refunding of a Portion of the State Emergency Apportionment Loan. In December 2005, the Infrastructure Bank issued its State School Fund Apportionment Lease Revenue Bonds, Series 2005 (the “**2005 Emergency Apportionment Refunding Bonds**”). A portion of the proceeds of the 2005 Emergency Apportionment Refunding Bonds were used to repay to the State’s general fund the then-outstanding amount of the 2003 Draw and convert the 2003 Draw into a lease-financing obligation of the District. The 2005 Emergency Apportionment Refunding Bonds were then refunded through the issuance of the Infrastructure Bank’s State School Fund Apportionment Lease Revenue Refunding Bonds, Series 2008 in April 2008, in the amount of \$59,565,000 (the “**2008 Emergency Apportionment Refunding Bonds**”). The District is required to make rental payments to the Infrastructure Bank on identified property of the District. The District’s rental payments secure and are used to pay the District’s portion of the Infrastructure Bank’s bonds. The District’s obligation to make the rental payments is identical to the scheduled debt service payments on the refunded portion of the 2003 Draw. Payments are made directly by the State from funds intercepted from the State’s monthly apportionments to the District. The net annual payment is \$3,890,534. The 2007 Draw has not been converted to a lease revenue bond and continues to be repaid directly to the State. The amount outstanding of the 2007 Draw is [\$19,038,102 as of June 30, 2016 and the annual payment is \$2,094,903.]

General Obligation Bonds. The District currently has 11 series of bonds outstanding, including each series of the Bonds (as further described under “THE BONDS – Plan of Refunding” in the front portion of this Official Statement), each of which is secured by *ad valorem* taxes upon all property subject to taxation by the District.

On March 7, 2000, the District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$303,000,000 (the “**2000 Measure A Authorization**”). All of the bonds from the 2000 Measure A Authorization have been issued and no bonds from the 2000 Measure A Authorization are currently outstanding.

On June 6, 2006, the District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$435,000,000 (the “**2006 Measure B Authorization**”). The following table shows bonds issued under the 2006 Measure B Authorization and outstanding as of [_____, 2017]:

Series Name	Issue Date	Initial Principal Amount	Outstanding Principal Amount
Series 2009B ⁽¹⁾	August 12, 2009	70,795,000	70,795,000
Series 2009C	August 12, 2009	26,320,000	[26,320,000]
Series 2012A ⁽²⁾	March 21, 2012	31,040,000	28,635,000
Series 2012B	March 21, 2012	23,960,000	[23,960,000]
Series 2016A	August 17, 2016	65,000,000	65,000,000
Total:		\$217,115,000	\$(214,710,000)

⁽¹⁾ All or a portion to be refunded with the District’s General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D.

⁽²⁾ All or a portion to be refunded with the District’s General Obligation Refunding Bonds, (Measure B) 2017 Series B.

On August 1, 2007, the District issued its 2007 General Obligation Refunding Bonds in an aggregate principal amount of \$199,240,000, of which \$136,400,000 are outstanding as of [_____, 2017]. The following table shows the principal amounts refunded:

Election Year	Series Name	Principal Amount Refunded
1994	Series B	\$3,470,566.90
1994	Series C (CIB)	27,045,000.00
1994	Series C (CAB)	5,550,617.80
1994	Series D	3,155,747.90
1994	Series E	8,970,000.00
1994	Series F	56,565,000.00
1994/2000	Series 2001	89,335,000.00
Total:		\$194,091,932.60

The District’s General Obligation Refunding Bonds, 2017 Series A will refund all or a portion of the District’s 2007 General Obligation Refunding Bonds.

On November 6, 2012, the District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$475,000,000 (the “**2012 Measure J Authorization**”). The following table shows bonds issued under the 2012 Measure J Authorization and outstanding as of [_____, 2017]:

Series Name	Issue Date	Initial Principal Amount	Outstanding Principal Amount
Series 2013 ⁽¹⁾	September 4, 2013	\$120,000,000	\$94,505,000
Series 2015A	August 20, 2015	173,500,000	[173,500,000]
Series 2015B	August 20, 2015	6,500,000	0
Total:		\$293,506,500	\$(268,005,000)

⁽¹⁾ All or a portion to be refunded with the District’s General Obligation Refunding Bonds, (Measure J) 2017 Series C.

On August 20, 2015, the District issued \$168,705,000 in general obligation refunding bonds (the “**2015 General Obligation Refunding Bonds**”), of which \$[161,735,000] are outstanding as of [_____, 2017]. The following table shows the principal amounts refunded:

<u>Election Year</u>	<u>Series Name</u>	<u>Principal Amount Refunded</u>
2000	Series 2002	\$84,005,000
2000	Series 2005	104,075,000
Total:		<u>\$188,080,000</u>

On August 17, 2016, the District issued \$155,780,000 in general obligation refunding bonds, all of which are outstanding as of [_____, 2017]. The following table shows the principal amounts refunded:

<u>Election Year</u>	<u>Series Name</u>	<u>Principal Amount Refunded</u>
2006	Series 2006	\$106,690,000
2006	Series 2009A	75,880,000
Total:		<u>\$182,570,000</u>

Voter-approved bonds are payable from an *ad valorem* property tax authorized to be levied by the County as necessary to repay the amounts coming due in each year. The District’s General Fund is not pledged to repayment of these bonds. See “– Combined Annual Debt Service” below for a description of principal and interest owed on all bonds outstanding.

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The following table shows scheduled debt service obligations for all outstanding bonds of the District prior to the issuance of the Bonds:

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
General Obligation Bonds
Aggregate Debt Service Schedule

[To be updated]

Bond Year	2007 Refunding ⁽¹⁾	Election of 2006, Series 2009A	Election of 2006, Series 2009B ⁽¹⁾⁽²⁾	Election of 2006, Series 2009C ⁽³⁾	Election of 2006, Series 2012A ⁽¹⁾	Election of 2006, Series 2012B ⁽²⁾⁽³⁾	Election of 2012, Series 2013 ⁽¹⁾	Election of 2012, Series 2015A	2015 Refunding	Election of 2006, Series 2016A	2016 Refunding	Aggregate Debt Service Schedule ⁽²⁾⁽³⁾⁽⁴⁾
2017	\$18,341,060	\$2,979,063	\$4,531,659	\$2,622,224	\$1,554,050	\$1,734,715	\$10,461,313	\$12,573,627	\$15,686,750	\$2,390,274	\$8,841,301	\$81,716,035
2018	18,784,310	3,206,250	4,531,659	2,622,224	2,049,050	1,734,715	8,036,313	8,458,250	16,021,750	2,501,450	9,250,750	77,196,720
2019	19,345,250	3,479,688	4,531,659	2,622,224	2,164,300	1,734,715	8,271,313	8,458,250	16,356,000	2,501,450	9,658,750	79,123,597
2020	19,613,250	-	4,531,659	2,622,224	2,267,550	1,734,715	5,488,813	13,128,250	16,842,750	4,441,450	13,687,750	84,358,410
2021	20,273,500	-	4,531,659	2,622,224	2,469,050	1,734,715	5,563,813	13,134,750	17,147,500	4,403,850	14,335,250	86,216,310
2022	20,789,000	-	4,371,591	2,622,224	2,673,550	1,734,715	7,124,688	13,139,250	17,507,000	4,404,650	15,000,000	89,366,667
2023	19,938,500	-	4,371,591	2,622,224	2,805,300	1,734,715	7,304,488	13,146,250	18,501,500	4,407,250	15,768,750	90,600,567
2024	19,622,000	-	4,371,591	3,257,224	3,115,000	1,734,715	7,489,438	13,150,000	19,267,000	4,406,450	15,738,750	92,152,167
2025	15,492,750	-	4,371,591	-	3,053,250	1,734,715	7,672,438	13,160,000	21,756,000	4,407,250	20,012,000	91,659,993
2026	-	-	4,371,591	-	3,184,300	1,734,715	7,866,538	13,165,250	29,288,750	4,404,450	20,852,250	84,867,843
2027	-	-	4,371,591	-	3,257,425	1,734,715	8,064,938	13,175,250	8,925,000	4,403,050	21,499,250	65,431,218
2028	-	-	4,371,591	-	3,330,100	1,734,715	8,263,063	13,184,000	8,943,500	4,407,850	22,168,750	66,403,568
2029	-	-	4,371,591	-	3,401,775	1,734,715	8,471,188	13,190,750	9,022,750	4,407,350	22,881,000	67,481,118
2030	-	-	16,926,591	-	3,476,900	1,734,715	8,682,125	13,204,750	9,108,750	3,645,350	12,055,000	68,834,181
2031	-	-	16,906,320	-	3,554,650	1,734,715	8,899,000	13,209,750	-	4,274,600	12,148,500	60,727,535
2032	-	-	16,884,428	-	3,629,200	1,734,715	9,120,763	13,220,250	-	4,407,100	-	48,996,455
2033	-	-	16,863,135	-	-	-	2,410,416	9,350,756	13,235,000	4,407,100	-	46,266,407
2034	-	-	16,839,355	-	-	-	-	9,586,000	13,242,750	4,407,100	-	44,075,205
2035	-	-	-	-	-	-	-	9,823,513	13,257,750	4,406,900	-	27,488,163
2036	-	-	-	-	-	-	-	10,070,313	13,268,500	4,406,300	-	27,745,113
2037	-	-	-	-	-	-	-	10,322,756	13,284,000	4,405,100	-	28,011,856
2038	-	-	-	-	-	-	-	10,577,200	13,297,750	4,406,100	-	28,281,050
2039	-	-	-	-	-	-	-	-	13,313,500	4,403,650	-	17,717,150
2040	-	-	-	-	-	-	-	-	13,329,750	4,402,750	-	17,732,500
2041	-	-	-	-	-	-	-	-	-	4,403,250	-	4,403,250
Total	\$172,199,620	\$9,665,000	\$142,050,852	\$21,612,792	\$45,985,450	\$30,165,848	\$186,510,763	\$306,927,627	\$224,375,000	\$103,462,074	\$233,898,051	\$1,476,853,077

⁽¹⁾ Prior to issuance of the Bonds.

⁽²⁾ Net of federal subsidies, as reduced.

⁽³⁾ Reflects Qualified School Construction Bonds sinking fund deposits by District rather than payments to bondholders.

⁽⁴⁾ Total may not add due to rounding.

Source: KNN Public Finance, LLC

Employment

The District has budgeted for approximately 4,617.2 full-time equivalent (“FTE”) employees, including 2,666.7 FTE certificated (teaching) employees, 1,429.2 FTE classified (non-teaching) employees and 533.4 management, supervisor and confidential employees for fiscal year 2016-17. For fiscal year 2015-16, the total certificated and classified payrolls for the general fund were approximately \$187.0 million and \$89.1 million, respectively. For fiscal year 2016-17, the total certificated and classified payrolls for the general fund are projected to be approximately \$198.3 million and \$97.3 million, respectively.

The District works with seven bargaining groups and unrepresented management/supervisory employees as follows:

Employee Group	Organization/Bargaining Unit	Number of FTE Employees	Contract Expiration
Certificated	Oakland Education Association	[2,352.56]	June 30, 2017
Classified	Service Employees International Union	[825.40]	June 30, 2018
Classified	American Federation of State, County and Municipal Employees	[513.86]	June 30, 2017
Classified	California School Employees Association	[8.00]	[June 30, 2016] ⁽¹⁾
Classified	Building and Construction Trades Council	[85.00]	June 30, 2017
Classified	Teamsters	[13.00]	June 30, 2018
Supervisory	United Administrators of Oakland Schools	[309.68]	June 30, 2017

⁽¹⁾ [Currently in full contract negotiations.]

Source: Oakland Unified School District.

The District negotiated its most recent settlement with bargaining groups in May 2015. The settlement sets salary increases for fiscal years 2014-15, 2015-16 and 2016-17 based on a portion of additional LCFF funding received each year, with any increases in retirement and health benefit costs deducted from the total amount available for increase in salaries. A portion of one-time State revenues received are also passed along as a one-time bonus.

Retirement Benefits

The District participates in retirement plans with CalSTRS, which covers all full-time certificated District employees, and the State Public Employees’ Retirement System (“CalPERS”), which covers certain classified employees. Classified school personnel who are employed four or more hours per day may participate in CalPERS.

CalSTRS. Contributions to CalSTRS are fixed in statute. For fiscal year 2013-14, teachers contributed 8% of salary to CalSTRS, while school districts contributed 8.25%. In addition to the teacher and school contributions, the State contributed 4.517% of teacher payroll to CalSTRS (calculated on payroll data from two fiscal years ago). Prior to fiscal year 2014-15 and unlike typical defined benefit programs, however, neither the CalSTRS employer nor the State contribution rate varied annually to make up funding shortfalls or assess credits for actuarial surpluses. The State does pay a surcharge when the teacher and school district contributions are not sufficient to fully fund the basic defined benefit pension (generally consisting of 2% of salary for each year of service at age 60 referred to herein as “pre-enhancement benefits”) within a 30-year period. However, this surcharge does not apply to systemwide unfunded liability resulting from recent benefit enhancements.

As of June 30, 2015, an actuarial valuation (the “2015 CalSTRS Actuarial Valuation”) for the entire CalSTRS defined benefit program showed an estimated unfunded actuarial liability of \$76.2 billion, an increase of approximately \$3.48 billion from the June 30, 2014 valuation. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2015, June 30, 2014 and June 30, 2013, based on the actuarial assumptions, were approximately 68.5%, 68.5% and 66.9%, respectively. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The following are certain of the actuarial assumptions set forth

in the 2015 CalSTRS Actuarial Valuation: measurement of accruing costs by the “Entry Age Normal Actuarial Cost Method,” 7.50% investment rate of return, 4.50% interest on member accounts, 3.75% projected wage growth, and 3.00% projected inflation. The 2015 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPR (as defined herein). See “– Governor’s Pension Reform” below for a discussion of the pension reform measure signed by the Governor in August 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

As indicated above, there was no required contribution from teachers, schools districts or the State to fund the unfunded actuarial liability for the CalSTRS defined benefit program and only the State legislature can change contribution rates. The 2015 CalSTRS Actuarial Valuation noted that, as of June 30, 2015, the contribution rate, inclusive of contributions from the teachers, the school districts and the State, was equivalent to 33.439% over the next 30 years.

As part of the 2014-15 State Budget, the Governor signed Assembly Bill 1469 which implements a new funding strategy for CalSTRS, increasing the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. Such rate would increase by 1.85% beginning in fiscal year 2015-16 until the employer contribution rate is 19.10% of covered payroll as further described below. Teacher contributions will also increase from 8.00% to a total of 10.25% of pay, phased in over the next three years. The State’s total contribution will also increase from approximately 3% in fiscal year 2013-14 to 6.30% of payroll in fiscal year 2016-17, plus the continued payment of 2.5% of payroll annual for a supplemental inflation protection program for a total of 8.80%. In addition, AB 1469 provides the State Teachers Retirement Board with authority to modify the percentages paid by employers and employees for fiscal year 2021-22 and each fiscal year thereafter to eliminate the CalSTRS unfunded liability by June 30, 2046. The State Teachers Retirement Board would also have authority to reduce employer and State contributions if they are no longer necessary.

On February 1, 2017, the State Teachers’ Retirement Board voted to adopt revised actuarial assumptions reflecting members’ increasing life expectancies and current economic trends. The revised assumptions include a decrease from 7.50% to a 7.25% investment rate of return for the June 30, 2016 actuarial valuation, a decrease from 7.25% to a 7.00% investment rate of return for the June 30, 2017 actuarial valuation, a decrease from 3.75% to a 3.50% projected wage growth, and a decrease from 3.00% to a 2.75% price inflation factor. Due to the revised actuarial assumptions, among other factors, CalSTRS projects that the June 30, 2016 actuarial valuation will reflect a decrease in overall funded ratio of its defined benefit program from 68.5% to approximately 64% based on the actuarial value of assets.

Pursuant to Assembly Bill 1469, school district’s contribution rates will increase in accordance with the following schedule:

Effective Date (July 1)	School District Contribution Rate
2014	8.88%
2015	10.73
2016	12.58
2017	14.43
2018	16.28
2019	18.13
2020	19.10

Source: Assembly Bill 1469.

The District’s total general fund employer contributions to CalSTRS for fiscal years 2012-13, 2013-14, 2014-15 and 2015-16 were \$12,402,057, \$12,749,778, \$14,342,738 and \$19,986,974 respectively, and were equal to 100% of the required contributions for each year. The District projects employer contributions from its general fund to CalSTRS for fiscal year 2016-17 of approximately \$31,147,138. With the implementation of AB 1469, the District

anticipates that its contributions to CalSTRS will increase in future fiscal years as compared to prior fiscal years. The increase in 2016-17 is due to the accounting treatment of the state contribution, which is recorded as a pass-through in the District's financials.

The District, nonetheless, is unable to predict all factors or any changes in law that could affect its required contributions to CalSTRS in future fiscal years.

CalSTRS produces a comprehensive annual financial report and actuarial valuations which include financial statements and required supplementary information. Copies of the CalSTRS comprehensive annual financial report and actuarial valuations may be obtained from CalSTRS. The information presented in these reports is not incorporated by reference in this Official Statement.

CalPERS. All qualifying classified employees of K-12 school districts in the State are members in CalPERS, and all of such districts participate in the same plan. As such, all such districts share the same contribution rate in each year. However, unlike school districts' participating in CalSTRS, the school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability. Accordingly, the District cannot provide any assurances that the District's required contributions to CalPERS will not significantly increase in the future above current levels.

According to the CalPERS Schools Pool Actuarial Valuation as of June 30, 2015, the CalPERS Schools plan had a funded ratio of 77.5% on a market value of assets basis. The funded ratio, on a market value basis, as of June 30, 2014, June 30, 2013, June 30, 2012, June 30, 2011 and June 30, 2010 was 86.6%, 80.5%, 75.5%, 78.7% and 69.5%, respectively. According to the actuarial valuation as of June 30, 2014, the latest increase in the funded ratio was mainly due to the investment return for 2013-14 being greater than expected. On April 17 2013, the CalPERS Board of Administration approved a recommendation changing the CalPERS amortization and smoothing policies intended to reduce volatility in employer contribution rates. Beginning with the June 30, 2015 valuation, CalPERS employs an amortization and smoothing policy that will apportion all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a five-year period (as compared to the previous policy of spreading investment returns over a 15-year period with experience gains and losses paid for over a rolling 30-year period). In November 2015, the CalPERS Board of Administration approved a proposal pursuant to which the discount rate would be reduced by a minimum of 0.05 percentage points to a maximum of 0.25 percentage points in years when investment returns outperform the then-current discount rate of 7.5% by at least four percentage points. In December 2016, the CalPERS Board of Administration voted to lower the discount rate from 7.5% to 7.375% for fiscal year 2017-18, 7.25% for fiscal year 2018-19, and 7.0% beginning fiscal year 2019-20. The new discount rates will take effect beginning July 1, 2017 for the State and July 1, 2018 for school districts. The change in the assumed rate of return is expected to result in increases in the District's normal costs and unfunded actuarial liabilities.

In April 2016, CalPERS approved an increase to the contribution rate for school districts from 11.847% during fiscal year 2015-16 to 13.888% during fiscal year 2016-17. In February of 2014, the CalPERS Board of Administration adopted actuarial demographic assumptions that take into account greater life expectancies of public employees. Such assumptions are expected to increase costs for the State and public agency employers (including school districts), which costs will be amortized over 20 years and phased in over three years beginning in fiscal year 2014-15 for the State and amortized over 20 years and phased in over five years beginning in fiscal year 2016-17 for the employers. These new assumptions will apply beginning with the June 30, 2015 valuation for the schools pool, setting employer contribution rates for fiscal year 2016-17. CalPERS estimates that the new demographic assumptions could cost public agency employers up to 9% of payroll for safety employees and up to 5% of payroll for miscellaneous employees at the end of the five year phase-in period. To the extent, however, that future experiences differ from CalPERS' current assumptions, the required employer contributions may vary.

The District's total general fund employer contributions to CalPERS for fiscal years 2012-13, 2013-14, 2014-15 and 2015-16 were \$7,412,661, \$8,042,397, \$8,975,785 and \$10,461,331, respectively, and were equal to 100% of the required contributions for each year. The District projects employer contributions from its general fund to CalPERS for fiscal year 2016-17 of approximately \$11,472,710. With the change in actuarial assumptions described above, the District anticipates that its contributions to CalPERS will increase in future fiscal years as the increased costs are phased in. The implementation of PEPR (see "Governor's Pension Reform" below), however, is expected to help

reduce certain future pension obligations of public employers with respect to employees hired on or after January 1, 2013. The District cannot predict the impact these changes will have on its contributions to CalPERS in future years.

CalPERS produces a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS comprehensive annual financial report and actuarial valuations may be obtained from CalPERS Financial Services Division. The information presented in these reports is not incorporated by reference in this Official Statement.

Governor's Pension Reform. On August 28, 2012, Governor Brown and the State Legislature reached agreement on a new law that reforms pensions for State and local government employees. AB 340, which was signed into law on September 12, 2012, established the California Public Employees' Pension Reform Act of 2012 ("**PEPRA**") which governs pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA, among other things, caps pensionable salaries at the Social Security contribution and wage base, which is \$110,100 for 2012, or 120% of that amount for employees not covered by Social Security, increases the retirement age by two years or more for all new public employees while adjusting the retirement formulas, requires state employees to pay at least half of their pension costs, and also requires the calculation of benefits on regular, recurring pay to stop income spiking. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays and purchases of service credit. PEPRA applies to all State and local public retirement systems, including county and district retirement systems. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law. Although the District anticipates that PEPRA would not increase the District's future pension obligations, the District is unable to determine the extent of any impact PEPRA would have on the District's pension obligations at this time. Additionally, the District cannot predict if PEPRA will be challenged in court and, if so, whether any challenge would be successful.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make. CalSTRS and CalPERS are more fully described in Note 12 to the District's financial statements attached hereto as APPENDIX C – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016."

Other Post-Employment Benefits (OPEBs). The District does not have any post-employment benefit obligations.

GASB 67 and 68. In June 2012, the Governmental Accounting Standards Board approved a pair of related statements, Statement Number 67, Financial Reporting for Pension Plans ("**Statement Number 67**"), which addresses financial reporting for pension plans, and Statement Number 68, Accounting and Financial Reporting for Pensions ("**Statement Number 68**"), which establishes new accounting and financial reporting requirements for governments that provide their employees with pensions. The guidance contained in these statements will change how governments calculate and report the costs and obligations associated with pensions. Statement Number 67 replaces the current requirements of Statement Number 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, for most public employee pension plans, and Statement Number 68 replaces the current requirements of Statement Number 27, Accounting for Pensions by State and Local Governmental Employers, for most government employers. The new statements also replace the requirements of Statement Number 50, Pension Disclosures, for those governments and pension plans. Certain of the major changes include: (i) the inclusion of unfunded pension liabilities on the government's balance sheet (such unfunded liabilities are currently typically included as notes to the government's financial statements); (ii) full pension costs would be shown as expenses regardless of actual contribution levels; (iii) lower actuarial discount rates would be required to be used for most plans for certain purposes of the financial statements, resulting in increased liabilities and pension expenses; and (iv) shorter amortization periods for unfunded liabilities would be required to be used for certain purposes of the financial statements, which generally would increase pension expenses. Statement Number 67 took effect in fiscal years beginning after June 15, 2013, and Statement Number 68 took effect in fiscal years beginning after June 15, 2014.

Risk Management

Property and Liability. For fiscal year 2015-16, the District contracted with Northern California ReLiEF for property and liability insurance coverage. Northern California ReLiEF liability and property insurance coverage maintains a self-insurance retention of \$250,000 per occurrence, with \$10,000,000 and \$250,250,000 limits of excess

coverage, respectively, purchased from various insurance carriers. The District pays an annual contribution of \$1,955,407 to Northern California ReLiEF for its excess property and liability coverage.

Workers' Compensation. The District is permissibly self-insured for workers' compensation, and maintains a \$500,000 per occurrence self-insurance retention. Above that level, the District purchases excess insurance to the statutory maximums for an annual combined premium of \$571,106.

For more information regarding the District's risk management, see Note 11 to the District's financial statements attached hereto as APPENDIX C – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016."

Participation in Joint Powers Authorities and Other Related Party Transactions

Chabot Space & Science Center Joint Powers Authority. The District participates in the Chabot Space & Science Center Joint Powers Authority (the "**Chabot JPA**"). The Chabot JPA was established to provide quality science education to members of the community.

Youth Ventures Joint Powers Authority. The District also participates in the Youth Ventures Joint Powers Authority ("**Youth Ventures**"), a joint powers authority established to promote the education, health, well-being and economic viability of children, youth and families within the County. During the year ended June 30, 2016, the District allowed Youth Ventures to use buildings and classroom space for operation of after school programs in lieu of cash payments.

Northern California Regional Liability Excess Fund. The District is a member of the Northern California Regional Liability Excess Fund ("**NCR**"). NCR is a non-profit member-owned and operated Joint Powers Authority providing risk management services to California public schools. During the year ended June 30, 2016, the District made payments of \$1,968,587 to the NCR for insurance premiums.

For more information regarding the District's participation in joint powers authorities and other related party transactions, see Note 14 to the District's financial statements attached hereto as APPENDIX C – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016."

Retroactive Pay Increase

On June 8, 2016, the District's Board of Education approved a 3% salary increase for unrepresented, confidential and employment contract employees, effective July 1, 2015.

Charter Schools

Charter schools are largely independent schools operating as part of the public school system created pursuant to Part 26.8 (beginning with Section 47600) of Division 4 of Title 2 of the California Education Code (the "**Charter School Law**"). A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and may be approved by an existing local public school district, a county board of education or the State Board of Education. A charter school is generally exempt from the laws governing school districts, except where specifically noted in the law. The Charter School Law acknowledges that among its intended purposes are to (a) provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system, (b) hold schools accountable for meeting measurable pupil outcomes and provide schools a way to shift from a rule-based to a performance-based system of accountability and (c) provide competition within the public school system to stimulate improvements in all public schools.

A school district has certain fiscal oversight and other responsibilities with respect to both dependent and independent charter schools. However, independent charter schools that receive their funding directly from the State are not included in a school district's financial reports and audited financial statements and function like independent agencies, including having control over their staffing and budgets, which are received directly from the State.

Dependent charter schools receive their funding from the school district and would be included in the school district’s financial reports and audited financial statements.

There are currently 37 independent charter schools operating under charter from the District serving grades K through 12, with a combined enrollment of approximately [11,855] in fiscal year 2015-16 and a projected enrollment of approximately [12,841] in fiscal year 2016-17. Total District-granted charter school enrollment for fiscal year 2015-16 was approximately [11,855]. In addition, there are seven charters granted by the ACOE.

Charter schools receive revenues from the State for each student enrolled, and thus may cause a reduction in revenues available for students enrolled in District schools for those students who would otherwise be in District schools. However, certain per-pupil expenditures of the District also decrease based upon the number of students enrolled in charter schools. The District is required to accommodate charter school students originating in the District in facilities comparable to those provided to regular District students.

The following table shows total charter school enrollment for District granted charters for fiscal years 2011-12 through 2015-16 and projected charter school enrollment for fiscal year 2016-17:

Fiscal Year	Number of Charter Schools	Total Charter School Enrollment
2011-12	30	8,766
2012-13	33	9,952
2013-14	32	10,184
2014-15	32	10,849
2015-16	37	[11,855]
2016-17 ⁽¹⁾	[37]	[12,841]

⁽¹⁾ Projected number of charter schools and enrollment for fiscal year 2016-17.

Source: Oakland Unified School District.

The District can make no representation as to whether enrollment at such charter schools may increase at the expense of District enrollment in future years, whether additional charter schools will be established within the territory of the District, or as to the impact these or other charter school developments may have on the District’s A.D.A. or finances in future years.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

On June 6, 1978, California voters approved Proposition 13 (“**Proposition 13**”), which added Article XIII A to the State Constitution (“**Article XIII A**”). Article XIII A limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness and (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A defines full cash value to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment.” This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase

in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

County of Orange v. Orange County Assessment Appeals Board No. 3. Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently “recapture” such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor’s measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new “base year value” for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIII A. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

Beginning in the 1981-82 fiscal year, assessors in the State no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as \$4 per \$100 assessed value. All taxable property is now shown at full market value on the tax rolls. Consequently, the tax rate is expressed as \$1 per \$100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Article XIII B of the California Constitution

An initiative to amend the State Constitution entitled “Limitation of Government Appropriations” was approved on September 6, 1979, thereby adding Article XIII B to the State Constitution (“**Article XIII B**”). Under Article XIII B state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The District’s budgeted appropriations from “proceeds of taxes” (sometimes referred to as the “Gann limit”) for the 2015-16 fiscal year were \$[_____] and the allowable limit was \$[_____]. The estimated appropriations limit for the 2016-17 fiscal year is \$[_____]. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State’s allowable limit.

Article XIII C and Article XIII D of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIII C and XIII D (“**Article XIII C**” and “**Article XIII D**,” respectively), which contain a number of provisions affecting the ability of

local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the California Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Statutory Limitations

On November 4, 1986, State voters approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute (a) requires new or higher general taxes to be approved by two-thirds of the local agency’s governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in *Santa Clara County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court’s decision, such as whether the decision applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

Proposition 98 and Proposition 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “**Accountability Act**”). The Accountability Act changed State funding of public education below the university level, and the operation of the State’s Appropriations Limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (collectively, “K-14 districts”) at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9% or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State’s budgets in a different way than is proposed in the Governor’s Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State’s budget over future years, potentially reducing resources

available for other State programs, especially to the extent the Article XIII B spending limit would restrain the State's ability to fund such other programs by raising taxes.

The Accountability Act also changes how tax revenues in excess of the State Appropriations Limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 districts. Such transfer would be excluded from the Appropriations Limit for K-14 districts and the K-14 districts Appropriations Limits for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which could be transferred to K-14 districts is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, California voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111: (1) liberalized the annual adjustments to the spending limit by measuring the "change in the cost of living" by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State's spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the "excess" tax revenues, determined based on a two-year cycle, would be transferred to K-14 districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts' minimum funding level), and that any such transfer to K-14 districts would not be built into the school districts' base expenditures for calculating their entitlement for State aid in the following year and would not increase the State's appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain "qualified capital outlay projects" and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 districts were guaranteed the greater of (a) 40.9% of general fund revenues (the "first test") or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, K-14 districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, K-14 districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a "credit" to be paid in future years when general fund revenue growth exceeds personal income growth.

Proposition 30

On November 6, 2012, voters approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State's income taxpayers by one to three percent for a period of seven years beginning with the 2012 tax year and ending with the 2019 tax year and (b) increased the sales and use tax by one-quarter percent for a period of four years beginning on January 1, 2013 and ending with the 2016 tax year. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see "– Proposition 98 and Proposition 111" above). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the Education Protection Account), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 tax increases are temporary and expire at the end of the 2016 and 2019 tax years. The District cannot predict the effect the loss of the revenues generated from such temporary tax increases will have on total State revenues and the effect on the Proposition 98 formula for funding schools.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see “DISTRICT FINANCIAL MATTERS — State Funding of Education; State Budget Process.”

Proposition 2

General. Proposition 2, which included certain constitutional amendments to the Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

Rainy Day Fund. The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues (and the 2014-15 State Budget notes that capital gains revenues are expected to account for approximately 9.8% of general fund revenues in fiscal year 2014-15); (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year’s deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year’s deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the “Public School System Stabilization Account”) to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

SB 858. Senate Bill 858 (“**SB 858**”) became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the Public School System Stabilization Account, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an A.D.A. of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code or (b) for school districts with an A.D.A. that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an A.D.A. of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses. The Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. Accordingly, the District does not expect SB 858 to adversely affect its ability to pay the principal of and interest on the Bonds as and when due.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 30, 62, 98, 111 and 218, were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District’s ability to expend revenues.

APPENDIX C

**FINANCIAL STATEMENTS OF THE DISTRICT FOR THE
FISCAL YEAR ENDED JUNE 30, 2016**

APPENDIX D

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

[To come]

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Oakland Unified School District (the “District”) in connection with its issuance of \$_____ aggregate principal amount of Oakland Unified School District General Obligation Refunding Bonds, 2017 Series A, \$_____ aggregate principal amount of Oakland Unified School District General Obligation Refunding Bonds, (Measure B) 2017 Series B, \$_____ aggregate principal amount of Oakland Unified School District General Obligation Refunding Bonds, (Measure J) 2017 Series C and \$_____ aggregate principal amount of Oakland Unified School District General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D (collectively, the “Bonds”). The Bonds are being issued as authorized by a resolution, adopted by the Board of Education of the District on [April 26, 2017] (the “Resolution”) and in accordance with the terms of the Paying Agent Agreement, dated as of May 1, 2017 (the “Paying Agent Agreement”), by and between the District and U.S. Bank National Association, as paying agent (the “Paying Agent”), and acknowledged by the County of Alameda.

The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders (defined below) and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriter (defined below) in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Paying Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean Digital Assurance Certification, LLC, acting solely as provided hereunder and not as a fiduciary, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Event” shall mean any of the events listed in Sections 5(a) or 5(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15(B)(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports or notices pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement relating to the Bonds dated [May __, 2017].

“Participating Underwriter” shall mean Siebert Cisneros Shank & Co., L.L.C. or any other original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports; Interim Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (currently ending June 30) (the "Annual Report Due Date") for each year in which the Bonds are outstanding, commencing with the report for the 2016-17 Fiscal Year (which is due not later than April 1, 2018), provide to the Participating Underwriter and the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the Annual Report Due Date if they are not available by that date in accordance with Section 4(a). If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e). The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP numbers.

(b) Not later than 15 business days prior to the Annual Report Due Date set forth in Section 3(a) above, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the Annual Report Due Date, the District shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided to the MSRB.

(d) If the District's audited financial statements are not available by the time the Annual Report Due Date, then the District shall, or shall cause the Dissemination Agent to, not later than 45 days after the certification by the Alameda County Office of Education of the District's interim financial report for each interim reporting period, provide to the Participating Underwriter and the MSRB a copy of such certified interim financial report.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California, in accordance with generally accepted accounting principles consistently applied in the reporting format of the Standardized Account Code Structure for California school districts. If the District's audited financial statements are not available by the Annual Report Due Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following for the preceding fiscal year (except as noted):

- (1) Adopted budget of the District for the current fiscal year, or a summary thereof, and any interim budget reports approved as of the date of filing of the Annual Report.
- (2) General fund revenues, expenditures and a fund balance table.
- (3) District average daily attendance.
- (4) District outstanding debt (including amortization schedules).
- (5) Information regarding total assessed valuation of taxable properties within the District.

- (6) Information regarding the ten largest property owners based on assessed valuation within the District.
- (7) Information regarding total secured tax charges, collections and delinquencies on taxable properties within the District.
- (8) CalSTRS and CalPERS contributions.
- (9) If and to the extent provided to the District by the County by no later than 5 business days prior to the Annual Report Due Date, information regarding total assessed valuation and parcels by land use and assessed valuation of single family homes. If the information is provided at a date later than the Annual Report Due Date, then the District shall promptly file such information following its receipt via a supplement to the Annual Report.

The Annual Report may consist of one or more documents. Any or all of the items listed above may be included by specific reference to other documents that have been filed with the MSRB, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must also be available from the MSRB. The District shall clearly identify in the Annual Report each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or shall cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten (10) business days after the occurrence of the event:

- (1) Principal or interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes; or
- (9) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subsection (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or shall cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten (10) business days after the occurrence of the event:

- (1) Unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
- (2) Modifications to rights of Bond holders;
- (3) Optional, unscheduled or contingent Bond calls;
- (4) Release, substitution or sale of property securing repayment of the Bonds;
- (5) Non-payment related defaults;
- (6) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
- (7) Appointment of a successor or additional paying agent or the change of name of a paying agent.

(c) The District shall give, or shall cause the Dissemination Agent to give, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a), as provided in Section 3(b).

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten (10) business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Paying Agent Agreement.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate with respect to any Bonds upon the maturity, legal defeasance, prior redemption or acceleration of such Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate, nor for verifying or determining the materiality of any such content. The Dissemination Agent's obligation to deliver the information at the times and with the contents described in this Disclosure Certificate shall be limited to the extent the District has provided such information to the Dissemination Agent as required hereunder, and the Dissemination Agent has no duty to determine whether the District has complied with this Disclosure Certificate. The initial Dissemination Agent shall be Digital Assurance Certification, LLC.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), (b), (d) or (e) or this Section 8(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the Annual Report following such amendment or waiver, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e) and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the applicable series of Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate, provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Alameda. The sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity (except the right of the Dissemination Agent or any Holder or Beneficial Owner to enforce the provisions of this Disclosure Certificate on behalf of the Holders).

Date: _____, 2017

OAKLAND UNIFIED SCHOOL DISTRICT

By _____
Interim Superintendent

EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of District: Oakland Unified School District

Name of Bond Issues: General Obligation Refunding Bonds, 2017 Series A
General Obligation Refunding Bonds, (Measure B) 2017 Series B
General Obligation Refunding Bonds, (Measure J) 2017 Series C
General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D

Date of Issuance: _____, 2017

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

OAKLAND UNIFIED SCHOOL DISTRICT

By _____ [to be signed only if filed]

APPENDIX F
COUNTY OF ALAMEDA
ANNUAL INVESTMENT POLICY AND INVESTMENT REPORT

APPENDIX G

BOOK-ENTRY ONLY SYSTEM

The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose

accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this APPENDIX G concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the Oakland Unified School District (the “District”) in connection with its issuance of \$_____ aggregate principal amount of Oakland Unified School District General Obligation Refunding Bonds, 2017 Series A, \$_____ aggregate principal amount of Oakland Unified School District General Obligation Refunding Bonds, (Measure B) 2017 Series B, \$_____ aggregate principal amount of Oakland Unified School District General Obligation Refunding Bonds, (Measure J) 2017 Series C and \$_____ aggregate principal amount of Oakland Unified School District General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D (collectively, the “Bonds”). The Bonds are being issued as authorized by a resolution, adopted by the Board of Education of the District on [April 26, 2017] (the “Resolution”) and in accordance with the terms of the Paying Agent Agreement, dated as of May 1, 2017 (the “Paying Agent Agreement”), by and between the District and U.S. Bank National Association, as paying agent (the “Paying Agent”), and acknowledged by the County of Alameda.

The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders (defined below) and Beneficial Owners (defined below) of the Bonds and in order to assist the Participating Underwriter (defined below) in complying with the Rule (defined below).

SECTION 2. Definitions. In addition to the definitions set forth in the Paying Agent Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean Digital Assurance Certification, LLC, acting solely as provided hereunder and not as a fiduciary, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Event” shall mean any of the events listed in Sections 5(a) or 5(b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15(B)(b)(1) of the Securities Exchange Act of 1934 or any other entity designated or authorized by the Securities and Exchange Commission to receive reports or notices pursuant to

the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Official Statement” shall mean the Official Statement relating to the Bonds dated [May __, 2017].

“Participating Underwriter” shall mean Siebert Cisneros Shank & Co., L.L.C. or any other original underwriter(s) of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports; Interim Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District’s fiscal year (currently ending June 30) (the “Annual Report Due Date”) for each year in which the Bonds are outstanding, commencing with the report for the 2016-17 Fiscal Year (which is due not later than April 1, 2018), provide to the Participating Underwriter and the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the Annual Report Due Date if they are not available by that date in accordance with Section 4(a). If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e). The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP numbers.

(b) Not later than 15 business days prior to the Annual Report Due Date set forth in Section 3(a) above, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the Annual Report Due Date, the District shall send a notice to the MSRB in substantially the form attached hereto as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided to the MSRB.

(d) If the District’s audited financial statements are not available by the time the Annual Report Due Date, then the District shall, or shall cause the Dissemination Agent to, not later than 45 days after the certification by the Alameda County Office of Education of the District’s interim financial report for each interim reporting period, provide to the Participating Underwriter and the MSRB a copy of such certified interim financial report.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

(a) The audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California, in accordance with generally accepted accounting principles consistently applied in the reporting format of the Standardized Account Code Structure for California school districts. If the District's audited financial statements are not available by the Annual Report Due Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when they become available.

To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following for the preceding fiscal year (except as noted):

- (1) Adopted budget of the District for the current fiscal year, or a summary thereof, and any interim budget reports approved as of the date of filing of the Annual Report.
- (2) General fund revenues, expenditures and a fund balance table.
- (3) District average daily attendance.
- (4) District outstanding debt (including amortization schedules).
- (5) Information regarding total assessed valuation of taxable properties within the District.
- (6) Information regarding the ten largest property owners based on assessed valuation within the District.
- (7) Information regarding total secured tax charges, collections and delinquencies on taxable properties within the District.
- (8) CalSTRS and CalPERS contributions.
- (9) If and to the extent provided to the District by the County by no later than 5 business days prior to the Annual Report Due Date, information regarding total assessed valuation and parcels by land use and assessed valuation of single family homes. If the information is provided at a date later than the Annual Report Due Date, then the District shall promptly file such information following its receipt via a supplement to the Annual Report.

The Annual Report may consist of one or more documents. Any or all of the items listed above may be included by specific reference to other documents that have been filed with the MSRB, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final

official statement, it must also be available from the MSRB. The District shall clearly identify in the Annual Report each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or shall cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten (10) business days after the occurrence of the event:

- (1) Principal or interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes; or
- (9) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subsection (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The District shall give, or shall cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten (10) business days after the occurrence of the event:

- (1) Unless described in Section 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

- (2) Modifications to rights of Bond holders;
- (3) Optional, unscheduled or contingent Bond calls;
- (4) Release, substitution or sale of property securing repayment of the Bonds;
- (5) Non-payment related defaults;
- (6) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
- (7) Appointment of a successor or additional paying agent or the change of name of a paying agent.

(c) The District shall give, or shall cause the Dissemination Agent to give, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a), as provided in Section 3(b).

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten (10) business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Paying Agent Agreement.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate with respect to any Bonds upon the maturity, legal defeasance, prior redemption or acceleration of such Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate, nor for verifying or determining the materiality of any such content. The Dissemination Agent's obligation to deliver the information at the times and with the contents described in this Disclosure Certificate shall be limited to the extent the District has provided such information to the Dissemination Agent as

required hereunder, and the Dissemination Agent has no duty to determine whether the District has complied with this Disclosure Certificate. The initial Dissemination Agent shall be Digital Assurance Certification, LLC.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a), (b), (d) or (e) or this Section 8(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the Annual Report following such amendment or waiver, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e) and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the applicable series of Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this

Disclosure Certificate, provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Alameda. The sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity (except the right of the Dissemination Agent or any Holder or Beneficial Owner to enforce the provisions of this Disclosure Certificate on behalf of the Holders).

Date: _____, 2017

OAKLAND UNIFIED SCHOOL DISTRICT

By _____
Senior Business Officer

EXHIBIT A

FORM OF NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF
FAILURE TO FILE ANNUAL REPORT

Name of District: Oakland Unified School District

Name of Bond Issues: General Obligation Refunding Bonds, 2017 Series A
General Obligation Refunding Bonds, (Measure B) 2017 Series B
General Obligation Refunding Bonds, (Measure J) 2017 Series C
General Obligation Crossover Refunding Bonds, (Measure B)
2017 Series D

Date of Issuance: _____, 2017

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated the Date of Issuance. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

OAKLAND UNIFIED SCHOOL DISTRICT

By _____ [to be signed only if filed]