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Board Cover Memorandum

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Lisa Grant-Dawson, Chief Business Officer

Meeting Date August 25, 2021

Subject Approval of Resolution 2122-0033 authorizing the issuance and sale of general obligation bonds of the Oakland Unified School District in an aggregate principal amount not to exceed \$185,000,000; prescribing the terms of said bonds; approving the forms of and authorizing the execution and delivery of a paying agent agreement, a bond purchase agreement, an official statement, and a continuing disclosure certificate; and authorizing the execution of necessary documents and certificates relating to said bonds.

Ask of the Board Approval of Resolution 2122-0033 authorizing the issuance and sale of general obligation bonds of the Oakland Unified School District in an aggregate principal amount not to exceed \$185,000,000; prescribing the terms of said bonds; approving the forms of and authorizing the execution and delivery of a paying agent agreement, a bond purchase agreement, an official statement, and a continuing disclosure certificate; and authorizing the execution of necessary documents and certificates relating to said bonds.

Background On November 3, 2020, Oakland Unified School District voters approved Measure Y authorizing the District to issue up to \$735 million in general obligation bonds with 77.65% support. The District plans to issue the first series of bonds from the Measure Y this fall as aligned to the District’s [Measure Y Bond Spending Plan](#) which was approved on April 14, 2021. The expected par amount for the Series 2021 bonds is \$185 million.

On August 11, 2021, the board approved Resolution 21-0032 Requesting The Board Of Supervisors Of The County of Alameda to Set the Tax Rate for the Proposed Series 2021 Measure Y Bonds And Authorizing Necessary Actions In Connection Therewith, to ensure this first sale of the Measure Y bonds are on the 2021 Tax Roll.

Resolution 2122-0033 authorizes the issuance of the first series of bonds (Series 2021) under Measure Y. The resolution also lays out a number of parameters for the Series 2021 Bonds including:

- Not-to-exceed par amount of \$185 million.
- Traditional current interest bond structure (no capital appreciation bonds).
- Maximum true interest cost of 5.0%.
- Negotiated pricing process with maximum underwriter’s discount of \$2.30 per bond.

The resolution also includes a few attachments in **DRAFT** form:

- Preliminary Official Statement (“POS”) – Offering document which prospective purchasers of the bonds use to learn about the District and the bonds.
- Continuing Disclosure Certificate (included in appendix of POS) – District covenants to file annual reports and material events notices to keep investor community up-to-date regarding District finances and tax base.
- Bond Purchase Agreement – Agreement that gets executed at pricing between the District and underwriters establishing the terms of the bond sale.
- Paying Agent Agreement – A paying agent distributes the required payments to bondholders. This agreement engages US Bank and specifies their responsibilities.

Recommendation

It is recommended that the Governing Board Approve Resolution 2122-0033 authorizing the issuance and sale of general obligation bonds of the Oakland Unified School District in an aggregate principal amount not to exceed \$185,000,000; prescribing the terms of said bonds; approving the forms of and authorizing the execution and delivery of a paying agent agreement, a bond purchase agreement, an official statement, and a continuing disclosure certificate; and authorizing the execution of necessary documents and certificates relating to said bonds.

Attachment(s)

- District Resolution 2122-0033 – Oakland USD GO Bonds Election 2020, Series 2021 4141-3968-4912 4
- Bond Purchase Agreement – Oakland USD GO Bonds Election of 2020 Series 2021 4130-7266-8976
- Preliminary Official Statement – Oakland USD GO Bonds 2021 4152-2768-7984 3
- Paying Agent Agreement – Oakland USD GO Bonds 2021 4133-6786-7440 4

**BOARD OF EDUCATION OF THE
OAKLAND UNIFIED SCHOOL DISTRICT
COUNTY OF ALAMEDA, STATE OF CALIFORNIA
RESOLUTION NO. 2122-0033**

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF THE OAKLAND UNIFIED SCHOOL DISTRICT IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$185,000,000; PRESCRIBING THE TERMS OF SAID BONDS; APPROVING THE FORMS OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT AGREEMENT, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT, AND A CONTINUING DISCLOSURE CERTIFICATE; AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES RELATING TO SAID BONDS

WHEREAS, an election was duly called and regularly held in the Oakland Unified School District (the “District”), County of Alameda (the “County”), State of California (the “State”), on November 3, 2020 (the “Election of 2020”), pursuant to Section 15100 et seq. of the Education Code of the State (the “Education Code”), at which the following bond measure (“Measure Y”) was submitted to the electors of the District:

“Shall Oakland Unified School District’s measure to issue \$735 million in bonds for: classroom repair and school safety improvements including upgrading classrooms, science labs and technology; improving student safety and security; repairing bathrooms, electrical systems, and plumbing/sewers; and improving energy efficiency/earthquake safety; at legal rates, levying about \$60 per \$100,000 of assessed value, raising an average of \$48.5 million annually for approximately 30 years, with citizens’ oversight, audits, and no money for administrator salaries be adopted?”; and

WHEREAS, passage of Measure Y required a 55% affirmative vote of the votes cast therein, and at least 55% of the votes cast on the proposition were in favor of issuing said bonds; and

WHEREAS, the Board of Education (the “Board of Education”) authorizes and deems it necessary and desirable that the Board of Supervisors of the County (the “Board of Supervisors”) shall consummate the sale of a portion of the bonds, designated the “Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2021A” (the “Tax-Exempt Bonds”) and the “Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2021B (Federally Taxable)” (the “Taxable Bonds” and, together with the Tax-Exempt Bonds, the “Bonds”), with such additional or other series or subseries designations as may be approved as herein provided, in an aggregate principal amount not exceeding \$185,000,000, for purposes of financing projects authorized to be financed under Measure Y; and

WHEREAS, in accordance with Section 15146 of the Education Code, estimates of the costs associated with the issuance of said bonds are attached hereto as Appendix A; and

WHEREAS, in accordance with Section 15146 of the Education Code, the Board of Education has determined that conditions in the municipal marketplace require the increased flexibility an underwriter can provide in structuring and planning the sale of the bonds; and

WHEREAS, the District has received a qualified certification in its most recent interim report and thereby requests the County to sell the Bonds on its behalf as required by Section 15140 of the Education Code; and

WHEREAS, the District shall not sell bonds authorized by the Election of 2020 unless the tax rate levied to pay Measure Y bonds will not exceed \$60 per \$100,000 of taxable property when assessed valuation is projected by the District to increase in accordance with Article XIII A of the State Constitution; and

WHEREAS, the Board of Education recognizes that Senate Bill 222 (Chapter 78, Statutes of 2015), which provides for a statutory lien to secure repayment of general obligation bonds, was passed by the legislature and approved by the Governor of the State (the “Governor”) and became effective January 1, 2016; and

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

WHEREAS, Senate Bill 1029 (“SB1029”) was signed by the Governor on September 12, 2016 and places additional responsibilities on any issuer of public debt, including adopting debt management policies that meet certain criteria; and

WHEREAS, the District represents that it is in compliance with SB1029 pre-issuance requirements, the Bonds will be issued in compliance with the debt policy of the District and the District will comply with all post-issuance requirements of SB1029; and

WHEREAS, Section 5852.1 of the Government Code of the State (the “Government Code”) requires that the Board of Education obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the bonds, (b) the sum of all fees and charges paid to third parties with respect to the bonds, (c) the amount of proceeds of the bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the bonds, and (d) the sum total of all debt service payments on the bonds calculated to the final maturity of the bonds plus the fees and charges paid to third parties not paid with the proceeds of the bonds; and

WHEREAS, in compliance with said Section, the Board of Education has obtained from the Municipal Advisor (defined herein) the required good faith estimates for the Bonds and such estimates are disclosed and set forth in Appendix B attached hereto; and

WHEREAS, the Superintendent of Schools of the County has jurisdiction over the District; and

WHEREAS, the Board of Education further deems it necessary and desirable to authorize the sale of said bonds by a negotiated sale to Siebert Williams Shank & Co., LLC and Stifel, Nicolaus & Company, Incorporated (collectively, the “Underwriters”), pursuant to one or more Bond Purchase Agreements (each, a “Bond Purchase Agreement”), and pursuant to Section 15146 of the Education Code, has found and determined the following reasons therefor: (1) provide more flexibility in the timing of the sale of the Bonds; (2) provide more flexibility in the debt structure; (3) allow the District to work with participants familiar with the District; and (4) increase the opportunity to pre-market said bonds for sale to local residents and other investors; and

WHEREAS, the Board of Education has appointed Isom Advisors, a Division of Urban Futures, Inc., as municipal advisor to the District (the “Municipal Advisor”) and Orrick, Herrington & Sutcliffe LLP as bond and disclosure counsel to the District (“Bond Counsel”); and

WHEREAS, U.S. Bank National Association, San Francisco, California, serves as the paying agent for the District’s bonds under appointment by the Treasurer-Tax Collector of the County (the “County Treasurer”); and

WHEREAS, the District desires that the Auditor-Controller of the County annually establish tax rates on taxable property within the District for repayment of said bonds, pursuant to Sections 29100-29103 of the Government Code, and that the Board of Supervisors annually approve the levy of such tax, and that the County Treasurer annually collect such tax and apply the proceeds thereof to the payment of principal of and interest on the bonds when due, all pursuant to Sections 15250 and 15251 of the Education Code; and

WHEREAS, there have been submitted and are on file with the Secretary of the Board of Education proposed forms of a Bond Purchase Agreement, a Paying Agent Agreement providing for the terms of issuance and repayment of the bonds, an Official Statement, and a Continuing Disclosure Certificate setting forth certain ongoing disclosure obligations of the District;

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

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

Section 2. Authority for Issuance; Designation of Bonds. The Bonds (as defined herein) are authorized to be issued pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and other applicable provisions of law, including applicable provisions of the Education Code. The Bonds shall be sold in one or more series, to be designated the “Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2021A” and the “Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2021B (Federally Taxable),” with such additional or other series or subseries designations as may be approved as herein provided. The Bonds may be issued as provided in Section 3 hereof.

The District hereby authorizes the issuance of, and the Board of Supervisors is hereby requested, pursuant to Section 15140 et seq. of the Education Code, to sell by negotiated sale to the Underwriters, the Bonds, in conformity with the provisions of this Section 2.

The Board of Supervisors is hereby requested to provide by resolution (the “County Resolution”) for the terms of the sale of the Bonds in accordance with the particular terms and manner set forth herein and, with respect to such necessary or desirable terms as are not specified herein, as the Board of Supervisors shall otherwise see fit to determine. With respect to such necessary or desirable terms as are not finally determined by the County Resolution, the Board of Supervisors is hereby requested to provide for such terms to be finally determined and set forth in the Bond Purchase Agreement or in the Paying Agent Agreement, hereinafter approved.

Section 3. Terms of Bonds. The Bonds shall be issued in a principal amount not to exceed \$185,000,000 in the form of current interest bonds.

(a) Date of Bonds. The Bonds shall be dated as of the date of their delivery, or such other date as shall be set forth in the Bond Purchase Agreement or the Paying Agent Agreement.

(b) Denominations. The Bonds shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof.

(c) Maturity. (i) The Bonds shall mature on the date, in each of the years, in the principal amounts and in the aggregate principal amount as shall be set forth in the Paying Agent Agreement. No Bond shall mature prior to December 1, 2021, and no Bond shall mature later than the date which is 30 years from the initial date the Bonds were delivered. No Bond shall have principal maturing on more than one principal maturity date. Any Bond may mature in the same year as any other Bond.

(d) Interest Payment. (i) The Bonds shall bear interest at an interest rate in accordance with the limitations set forth in Section 5 hereof, computed on the basis of a 360-day year of twelve (12) 30-day months, first payable on February 1, 2022, and semiannually thereafter on February 1 and August 1 in each year (or on such other initial and semiannual interest payment dates as shall be set forth in the Bond Purchase Agreement).

(e) Obligation. The Board of Supervisors and officers of the County are obligated by statute to provide for the levy and collection of property taxes in each year sufficient to pay all principal and interest coming due on the Bonds in such year, and to pay from such taxes all amounts due on the Bonds. The District hereby requests the

Board of Supervisors to annually levy a tax upon all taxable property in the District sufficient to redeem the Bonds, and to pay the principal, redemption premium, if any, and interest thereon as and when the same become due.

Section 4. Redemption and Defeasance Provisions. The Bonds may be subject to redemption prior to their respective stated maturity dates at the option of the District as set forth in the Bond Purchase Agreement, the Paying Agent Agreement and in the Bonds. The Bonds may also be subject to mandatory sinking fund redemption, as specified in the Bond Purchase Agreement, Paying Agent Agreement and in the Bonds. The Bonds shall also be subject to defeasance in the manner provided in the Paying Agent Agreement.

Section 5. Bond Purchase Agreement; Sale of Bonds. The form of instrument entitled “Bond Purchase Agreement,” in substantially the form on file with the Secretary of the Board of Education, is hereby approved. The Superintendent, the Chief Financial Officer, the Chief Business Officer, or the Controller of the District, or such other officer of the District designated by the Superintendent, the Chief Financial Officer, the Chief Business Officer or the Controller of the District (each, an “Authorized District Representative”) is hereby authorized and directed on behalf of the District to execute and approve one or more instruments in substantially said form providing for the sale by the Board of Supervisors, on behalf of the District, and the purchase by the Underwriters of the Bonds at a purchase price to be set forth therein; provided, that (i) said purchase price shall not be less than 100% of the principal amount of the Bonds (taking into account the purchase price and principal amount of any Bonds sold on the same date pursuant to any other Bond Purchase Agreement); (ii) the true interest cost for the Bonds shall not be in excess of 5.0% per annum (taking into account the true interest cost of any Bonds sold on the same date pursuant to any other Bond Purchase Agreement); (iii) the maximum interest rate on the Bonds shall not be in excess of the maximum prescribed by the Education Code (8.0%); (iv) the Underwriters’ discount shall not exceed 0.23% of the aggregate principal amount of the Bonds sold thereunder (excluding any costs of issuance the Underwriters agree to pay pursuant to the respective Bond Purchase Agreement); and (v) the Bonds shall otherwise conform to the limitations specified herein; and provided further, that such execution and approval shall constitute conclusive evidence of the approval by the Board of Education and the District of any changes or revisions therein from the form of Bond Purchase Agreement submitted herewith. The Authorized District Representative is hereby authorized and directed to execute and deliver one or more Bond Purchase Agreements relative to one or more series of Bonds, as necessary; provided that, any such Bond Purchase Agreement so executed and delivered shall conform to the limitations provided in this Section 5.

The County is hereby requested to cause one or more Bond Purchase Agreements to be executed and approved on behalf of the County, subject to such changes or revisions therein as may be acceptable to the Authorized District Representative executing the same.

Section 6. Investment of Funds. The proceeds of sale of the Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury to the credit of the building fund of the District. Any premium and accrued interest received by the District shall be deposited upon receipt in the interest and sinking fund of the District within the County treasury.

All funds held by the County Treasurer hereunder shall be invested by the County Treasurer in the County Investment Pool; provided that, in the sole discretion of the District, funds deposited in the building fund of the District may be invested in the Local Agency Investment Fund administered by the State Treasurer, any investment authorized pursuant to Sections 53601 and 53635 of the Government Code, or in the sole discretion of the District, in investment agreements, including guaranteed investment contracts, float contracts or other investment products (hereinafter collectively referred to as “Investment Agreements”); provided that such agreements comply with the requirements of Section 148 of the Internal Revenue Code of 1986 (the “Code”), and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds, if any. The County Treasurer shall assume no responsibility in the reporting, reconciling or monitoring of the investment of proceeds related to the Bonds.

To the extent permitted by law, the Authorized District Representative may request the County Treasurer, subject to their fiduciary responsibilities, to invest funds held in the interest and sinking fund of the District and in the building fund of the District in specific investments, so as to effectively coordinate the investments to the construction program of the District and the debt service payments on the Bonds. Pursuant to Section 5922 of the Government Code, the Board of Education hereby finds and determines that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Bonds and funds held to pay the Bonds.

Section 7. Tax Covenants.

(a) The Bonds. The Bonds shall be issued as Taxable Bonds and Tax-Exempt Bonds under Section 103 of the Code.

(b) General. The District 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 Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District hereby covenants that it will execute and deliver and comply with the requirements of the Tax Certificate of the District with respect to the tax-exempt bonds (the "Tax Certificate"), to be executed and delivered by the District on the date of issuance of the Tax-Exempt Bonds. The provisions of this subsection (b) shall survive payment in full or defeasance of the Tax-Exempt Bonds.

(c) Yield Restriction. 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 County Treasurer on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the County Treasurer in writing, and the District shall make its best efforts to ensure that the County Treasurer shall take such action as may be necessary in accordance with such instructions.

(d) Reliance on Opinion of Bond Counsel. Notwithstanding any provision of this Section, if the District shall provide to the County Treasurer an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds (an "Opinion of Bond Counsel") that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Bonds, the County Treasurer may conclusively rely on such Opinion of Bond 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.

Section 8. 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 Underwriters to comply with the requirements of Securities and Exchange Commission Rule 15c2-12 (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 9. Official Statement. The form of instrument entitled "Official Statement," in substantially the form on file with the Secretary of the Board of Education (the "Official Statement"), 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, additions and corrections thereto as the Authorized District Representative deems necessary, and the Underwriters are hereby authorized to distribute copies of such Official Statement in preliminary form to persons who may be interested in purchasing the Bonds. The Authorized District Representative is hereby authorized to certify on behalf of the District

that the preliminary form of the Official Statement was deemed final as of its date, within the meaning of the Rule (except for the omission of certain final pricing, rating and related information as permitted by the 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 Underwriters copies thereof, and the Underwriters are hereby authorized and directed to deliver copies of such Official Statement in final form to subsequent purchasers of the Bonds.

Section 10. 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 authorized and directed to execute and deliver one or more instruments in substantially said form with such changes thereto as may be acceptable to the Authorized District Representative, in accordance with this Resolution, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 11. Bond Insurance. The Authorized District Representative is hereby authorized to solicit proposals from municipal bond insurers, and, if such officer determines it is in the best interest of the District, to arrange for the issuance of a policy of municipal bond insurance for one or more maturities of the Bonds and to execute and deliver an insurance commitment and all other documents necessary in connection therewith.

Section 12. Pledge of Tax Revenues. The District hereby pledges all revenues from the property taxes collected from the levy by the Board of Supervisors for the payment of the Bonds and the outstanding bonds of the District heretofore or hereafter issued pursuant to voter-approved measures of the District, including any refunding bonds thereof (for the purpose of this pledge, hereinafter collectively referred to as the “District Bonds”) 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 District Bonds. This pledge shall be valid and binding from the date hereof for the benefit of the owners of the District Bonds and successors thereto. The property taxes and amounts held in the interest and sinking fund of the District 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 of the District to secure the payment of the District 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 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 District 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 13. Confirmed Appointment of Bond Counsel, Municipal Advisor and Underwriters. The firm of Orrick, Herrington & Sutcliffe LLP is hereby confirmed as Bond Counsel to the District in connection with the Bonds. The firm of Isom Advisors, a Division of Urban Futures Inc., is hereby confirmed Municipal Advisor to the District in connection with the Bonds. The firms of Siebert Williams Shank & Co., LLC and Stifel, Nicolaus & Company, Incorporated, are hereby confirmed Underwriters to the District in connection with the Bonds.

Section 14. Approval of Actions. The President, Clerk and Secretary of the Board of Education, and the Superintendent, the Chief Business Officer, the Chief Financial Officer, and the Controller of the District, and any other officer of the District to whom authority is delegated by one of the named officers for the purposes of the Bonds, are hereby authorized and directed to execute and deliver any and all agreements, certificates, letters, and representations, including paying agent agreements, depository agreements, investment agreements for proceeds of the Bonds, cost of issuance custodian agreements, fiscal agent agreements, bond insurance policies, signature certificates, no-litigation certificates, certificates concerning the contents of one or more official statements relating to the Bonds, representation letters to The Depository Trust Company, the Tax Certificate and any other certificates or agreements proposed to be executed and delivered in connection with the sale of the Bonds, investment of the proceeds or

compliance with the Code, as applicable, and to enter into any agreements, which any of them deem necessary or desirable to accomplish the transactions authorized herein.

Section 15. Notice to California Debt and Investment Advisory Commission. Orrick, Herrington & Sutcliffe LLP, bond counsel to the District, on behalf of the Board of Education, is hereby authorized and directed to cause notices of the proposed sale and final sale of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to Section 8855(g) of the Government Code and to specify that the issuance of the Bonds will be made in compliance with the District's adopted debt policy.

Section 16. Electronic Signatures; DocuSign. The Board of Education hereby approves the execution and delivery of any and all agreements, documents, certificates and instruments referred to herein with electronic signatures under the California Uniform Electronic Transactions Act and digital signatures under Section 16.5 of the Government Code using DocuSign.

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 Bonds, the acquisition of escrow securities, and the other transactions authorized and contemplated herein, are hereby approved, confirmed and ratified.

Section 18. Filing with Board of Supervisors. The Secretary of the Board of Education is hereby authorized and directed to file a certified copy of this Resolution upon the adoption hereof with the Clerk of the Board of Supervisors.

Section 19. Effective Date. This Resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this day, August 25, 2021, by the following vote:

PREFERENTIAL AYE:

PREFERENTIAL NOE:

PREFERENTIAL ABSTENTION:

PREFERENTIAL RECUSE:

AYES:

NOES:

ABSTAINED:

RECUSE:

ABSENT:

Shanthi Gonzales
President, Board of Education
Oakland Unified School District

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

CERTIFICATION

We hereby certify that the foregoing 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 August 25, 2021, 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:

ABSTAINED:

RECUSE:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 1000 Broadway, Suite 300, Oakland, California, a location freely accessible to members of the public, and was posted on the District's website at least 72 hours before said meeting in accordance with Executive Order N-29-20, signed by the Governor of the State of California on March 17, 2020, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

We 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.

OAKLAND UNIFIED SCHOOL DISTRICT

Shanthi Gonzales
President, Board of Education

Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

BOND DEBT SERVICE

Oakland Unified School District Measure Y - Series 2021

<i>Period Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
02/01/2022		2,076,111.11	2,076,111.11	
08/01/2022	7,000,000	3,700,000.00	10,700,000.00	12,776,111.11
02/01/2023		3,560,000.00	3,560,000.00	
08/01/2023	7,500,000	3,560,000.00	11,060,000.00	14,620,000.00
02/01/2024		3,410,000.00	3,410,000.00	
08/01/2024		3,410,000.00	3,410,000.00	6,820,000.00
02/01/2025		3,410,000.00	3,410,000.00	
08/01/2025		3,410,000.00	3,410,000.00	6,820,000.00
02/01/2026		3,410,000.00	3,410,000.00	
08/01/2026		3,410,000.00	3,410,000.00	6,820,000.00
02/01/2027		3,410,000.00	3,410,000.00	
08/01/2027		3,410,000.00	3,410,000.00	6,820,000.00
02/01/2028		3,410,000.00	3,410,000.00	
08/01/2028		3,410,000.00	3,410,000.00	6,820,000.00
02/01/2029		3,410,000.00	3,410,000.00	
08/01/2029	1,000,000	3,410,000.00	4,410,000.00	7,820,000.00
02/01/2030		3,390,000.00	3,390,000.00	
08/01/2030	2,000,000	3,390,000.00	5,390,000.00	8,780,000.00
02/01/2031		3,350,000.00	3,350,000.00	
08/01/2031	2,000,000	3,350,000.00	5,350,000.00	8,700,000.00
02/01/2032		3,310,000.00	3,310,000.00	
08/01/2032	2,500,000	3,310,000.00	5,810,000.00	9,120,000.00
02/01/2033		3,260,000.00	3,260,000.00	
08/01/2033	3,250,000	3,260,000.00	6,510,000.00	9,770,000.00
02/01/2034		3,195,000.00	3,195,000.00	
08/01/2034	4,250,000	3,195,000.00	7,445,000.00	10,640,000.00
02/01/2035		3,110,000.00	3,110,000.00	
08/01/2035	6,500,000	3,110,000.00	9,610,000.00	12,720,000.00
02/01/2036		2,980,000.00	2,980,000.00	
08/01/2036	8,000,000	2,980,000.00	10,980,000.00	13,960,000.00
02/01/2037		2,820,000.00	2,820,000.00	
08/01/2037	9,000,000	2,820,000.00	11,820,000.00	14,640,000.00
02/01/2038		2,640,000.00	2,640,000.00	
08/01/2038	10,000,000	2,640,000.00	12,640,000.00	15,280,000.00
02/01/2039		2,440,000.00	2,440,000.00	
08/01/2039	12,000,000	2,440,000.00	14,440,000.00	16,880,000.00
02/01/2040		2,200,000.00	2,200,000.00	
08/01/2040	13,000,000	2,200,000.00	15,200,000.00	17,400,000.00
02/01/2041		1,940,000.00	1,940,000.00	
08/01/2041	13,500,000	1,940,000.00	15,440,000.00	17,380,000.00
02/01/2042		1,670,000.00	1,670,000.00	
08/01/2042	15,000,000	1,670,000.00	16,670,000.00	18,340,000.00
02/01/2043		1,370,000.00	1,370,000.00	
08/01/2043	16,000,000	1,370,000.00	17,370,000.00	18,740,000.00
02/01/2044		1,050,000.00	1,050,000.00	
08/01/2044	16,500,000	1,050,000.00	17,550,000.00	18,600,000.00
02/01/2045		720,000.00	720,000.00	
08/01/2045	17,500,000	720,000.00	18,220,000.00	18,940,000.00
02/01/2046		370,000.00	370,000.00	
08/01/2046	18,500,000	370,000.00	18,870,000.00	19,240,000.00
	185,000,000	133,446,111.11	318,446,111.11	318,446,111.11

BOND PURCHASE AGREEMENT

**[\$Par Amount]
OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
2021 GENERAL OBLIGATION REFUNDING BONDS
(FEDERALLY TAXABLE)**

[Sale Date]

Board of Education
Oakland Unified School District
1000 Broadway, Suite 300
Oakland, California 94607

Ladies and Gentlemen:

The undersigned, Siebert Williams Shank & Co., LLC, on its own behalf and as representative (the “Representative”) of Stifel Nicolaus & Company, Incorporated (together, the “Underwriters”) hereby offers to enter into this Bond Purchase Agreement (the “Purchase Contract”) with the Oakland Unified School District (the “District”), acting through its Superintendent or another Authorized District Representative. The offer made hereby is subject to acceptance by the District by execution and delivery of this Purchase Contract to the Underwriters at or prior to 11:59 p.m., California time, on the date hereof, but it shall be subject to withdrawal by the Representative upon written notice delivered to the District at any time prior to the District’s acceptance of this Purchase Contract. The Representative represents that it has been duly authorized by the other Underwriter to act hereunder on its behalf and has full authority to take such action as it may deem advisable in respect of all matters pertaining to this Purchase Contract and that the Representative has been duly authorized to execute this Purchase Contract. Any action taken under this Purchase Contract by the Representative will be binding upon all the Underwriters. Upon acceptance of this offer by the District in accordance with the terms hereof, this Purchase Contract will be binding upon the District and the Underwriters. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Paying Agent Agreement and District Resolution (as defined herein).

1. Purchase and Sale. Upon the terms and conditions and upon the representations, covenants and agreements hereinafter set forth, the Underwriters hereby jointly and severally agree to purchase from the District, for reoffering to the public, and the District hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the \$[Par Amount] aggregate principal amount of the Oakland Unified School District 2021 General Obligation Refunding Bonds (Federally Taxable) (the “Refunding Bonds”), at the purchase price of \$[Purchase Price], which has been computed as the aggregate principal amount of the Refunding Bonds (\$[Par Amount]), [plus/less] [net] original issue [premium/discount] thereon (\$[Premium/Discount]), less Underwriters’ discount (\$[UW Discount]). [Update if bond insurance confirmed.] The Underwriters’ discount does not exceed 0.23% of the aggregate principal amount

of the Refunding Bonds. The present value of the debt service savings with respect to the Prior Bonds (as defined in the Paying Agent Agreement) is at least 6.0% of the aggregate principal amount of the Refunding Bonds.

The District acknowledges and agrees that (i) the purchase and sale of the Refunding Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the District and the Underwriters, (ii) in connection therewith and with the discussion, undertakings and procedures leading up to the consummation of such transaction, each Underwriter is and has been acting solely as a principal and not as an agent or a fiduciary of, or municipal advisor to, the District, (iii) the Underwriters have not assumed (individually or collectively) an advisory or fiduciary responsibility in favor of the District with respect to (a) the offering of the Refunding Bonds or the process leading thereto (whether or not the Underwriters have advised or are currently advising the District on other matters) or (b) any other obligation to the District except the obligations expressly set forth in this Purchase Contract and (iv) the District has consulted with its own legal, financial and other professional advisors to the extent it has deemed appropriate in connection with the offering of the Refunding Bonds. The District acknowledges that it has previously received from the Underwriters a letter regarding Municipal Securities Rulemaking Board ("MSRB") Rule G-17 Disclosures, and that it has provided the Underwriters acknowledgement of such letters.

[Payment of the principal of and interest on the Refunding Bonds shall be insured by [Bond Insurer] ("[Bond Insurer]"), which shall issue its municipal bond insurance policy (the "Insurance Policy") guaranteeing such payment.]

2. The Refunding Bonds. The Refunding Bonds shall be issued 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, in accordance with Resolution No. [_____] of the Board of Education of the District, adopted on August 25, 2021, (the "District Resolution"), and pursuant to the terms of that certain Paying Agent Agreement, dated as of October 1, 2021 (the "Paying Agent Agreement"), to be entered into between the District and U.S. Bank National Association, as paying agent (the "Paying Agent") with respect to the Refunding Bonds. The Refunding Bonds shall conform in all respects to the terms and provisions set forth in the District Resolution, the Paying Agent Agreement and in Appendix A to this Purchase Contract.

The Refunding Bonds shall be dated the date of delivery, and shall mature on August 1 in each of the years, in the principal amounts, and pay interest at the rates shown in Appendix A. Interest on the Refunding Bonds shall be payable commencing on February 1, 2022, and thereafter on August 1 and February 1 in each year until maturity.

[The Refunding Bonds shall be subject to optional and mandatory sinking fund redemption on the terms and at the times shown in Appendix A.]

The Refunding Bonds shall be issued in full book-entry form and otherwise be as described in the preliminary Official Statement of the District with respect thereto, dated [POS Date] (the "Preliminary Official Statement").

One fully registered certificate for each maturity of the Refunding Bonds will be prepared and delivered as described in Section 9 hereof, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be made available to the Underwriters for inspection at such place as may be mutually agreed to by the Underwriters and the District, not less than one business day prior to the Closing Date, as defined in Section 9 hereof. The Underwriters shall order CUSIP identification numbers and the District shall cause such CUSIP identification numbers to be printed on the Refunding Bonds.

3. Offering. The Representative, on behalf of the Underwriters, hereby certifies that each Underwriter has made a bona fide public offering of all the Refunding Bonds as of the date hereof at the prices or yields shown in the table attached to Appendix A hereto. On or prior to the Closing Date, the Underwriters shall provide the District with information regarding the prices or yields at which a representative portion (at least 10%) of each maturity of the Refunding Bonds were sold to the public, in such form as the District may reasonably request, for purposes of determining the yield on the Refunding Bonds. Subsequent to such initial public offering, the Underwriters reserve the right to change such initial public offering prices or yields as they deem necessary in connection with the marketing of the Refunding Bonds; provided that the Underwriters shall not change the interest rates on the Refunding Bonds set forth in Appendix A. The Refunding Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

The District hereby ratifies, approves and confirms the distribution of this Purchase Contract, the District Resolution, the Paying Agent Agreement, the Continuing Disclosure Certificate (as defined herein) and the Preliminary Official Statement of the District with respect to the Refunding Bonds, in connection with the public offering and sale of the Refunding Bonds by the Underwriters.

The Representative, on behalf of the Underwriters, hereby represents, that each Underwriter has received and reviewed the Preliminary Official Statement, and hereby agrees that it will provide, consistent with the requirements of MSRB Rule G-32, for the delivery of a copy of the final Official Statement describing the Refunding Bonds, dated the date hereof (the “Official Statement”), to each customer who purchases any Refunding Bonds during the underwriting period (as such term is defined in MSRB Rule G-11), and to deliver a copy of the Official Statement to the MSRB on or before the Closing Date (as defined herein), and otherwise to comply with all applicable statutes and regulations in connection with the offering and sale of the Refunding Bonds, including, without limitation, MSRB Rule G-32 and 17 CFR Section 240.15c2-12, promulgated by the Securities and Exchange Commission (“Rule 15c2-12”).

Delivery of the Official Statement to the Underwriters shall be construed as a representation of the District that the District has reviewed and approved such Official Statement and authorizes the distribution thereof in electronic or paper form.

The Representative, on behalf of the Underwriters, hereby agrees that prior to the time the Official Statement is available, the Underwriters will send to any potential purchaser of the Refunding Bonds, upon request, 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) including via email or a link to an electronic copy posted on a website, not later than the first business day following the date upon which each such request is received.

The District will deliver a copy of the Official Statement by electronic means to the Underwriters within seven business days from the date hereof, but no later than three business days prior to the Closing Date, signed by an Authorized District Representative, substantially in the form of the Preliminary Official Statement with such changes thereto as shall be approved by the Representative, which approval shall not be unreasonably withheld.

4. Representations, Warranties and Agreements of the District. The District represents, warrants and agrees that, as of the date hereof and as of the Closing Date:

(a) The District is a school district duly organized and validly existing under the Constitution and general laws of the State of California, with the power to authorize the issuance of the Refunding Bonds and to sell the Refunding Bonds pursuant to the laws of the State of California.

(b) The District is duly authorized and has full legal right, power and authority to issue, sell and deliver the Refunding Bonds pursuant to the District Resolution, the Paying Agent Agreement, and the provisions of the laws of the State of California, and the Refunding Bonds, when issued, authenticated and delivered in accordance with the District Documents (as defined below) and sold to the Underwriters as provided herein, will be the legal, valid and binding obligation of the District enforceable in accordance with their terms.

(c) (i) The District has full legal right, power and authority to enter into this Purchase Contract, to adopt the District Resolution, to execute and deliver the Paying Agent Agreement, the Escrow Agreement, dated as of October 1, 2021 (the "Escrow Agreement"), by and between the District and U.S. Bank National Association as escrow agent (the Escrow Agent"), the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Certificate, and to observe and perform the District's covenants and agreements contained herein and therein and of the Paying Agent Agreement and the Continuing Disclosure Certificate to be observed and performed by the District; (ii) the execution and delivery or adoption of, and the performance by the District of the obligations contained in this Purchase Contract, the Paying Agent Agreement, the Preliminary Official Statement, the Official Statement and the Continuing Disclosure Certificate (collectively, the "District Documents") have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iii) each of the District Documents constitutes a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms; and (iv) the District has duly authorized the consummation by it of all transactions contemplated by the District Documents.

(d) The District has duly adopted the District Resolution in accordance with the laws of the State of California; the District Resolution is in full force and effect and has not been amended, modified or rescinded, and all representations of the District set forth in the District Resolution are true and correct; the District has duly authorized and approved the execution and delivery of, and the observance and performance by the District of its covenants and agreements contained in the Refunding Bonds, the Paying Agent Agreement and this Purchase Contract; and the District has complied, and will at the Closing be in compliance in all respects, with its

obligations in connection with the issuance of the Refunding Bonds contained in this Purchase Contract, the District Resolution, the Paying Agent Agreement and the Refunding Bonds.

(e) The District represents to the Underwriters that the Preliminary Official Statement has been “deemed final” by the District as of its date within the meaning of paragraph (b)(1) of Rule 15c2-12, except for the omission of some or all of such information the omission of which is permitted under Rule 15c2-12.

(f) The Preliminary Official Statement as of its date did not and as of the date hereof does not, and the Official Statement as of its date and as of the Closing Date will not, and if supplemented or amended, as of the date of any such supplement or amendment, will not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; excluding in each case any information contained therein relating to DTC or its book-entry only system; CUSIP numbers of the Refunding Bonds; information contained therein describing the investment policy of the County of Alameda (the “County”), its current portfolio holdings, and valuation procedures (as they relate to funds of the District held by the Treasurer-Tax Collector of the County (the “Treasurer-Tax Collector”)); and information provided by the Underwriters regarding the prices or yields at which the Refunding Bonds were re-offered to the public, as to all of which the District expresses no view.

(g) The District agrees that, for a period of 25 days after the end of the “underwriting period” (as defined in Rule 15c2-12), if any event of which it has actual knowledge occurs which might cause the information in the Official Statement as then in existence to contain any untrue or misleading statement of a material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, the District shall promptly notify the Representative in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the reasonable opinion of the Representative, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue or misleading statement of a material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, and if the Representative shall have so advised the District, the District shall forthwith cooperate with the Representative in the prompt preparation and furnishing to the Underwriters, 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 Representative, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue or misleading statement of a material fact or omit to state any fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading. The District shall promptly advise the Underwriters of the commencement of any action, suit, proceeding, inquiry or investigation seeking to prohibit, restrain or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Refunding Bonds. Unless the Representative otherwise advises the District that the end of the underwriting period shall be another specified date, the District agrees that the end of the underwriting period shall be the Closing Date.

(h) The District will undertake, pursuant to the District Resolution, Paying Agent Agreement and a Continuing Disclosure Certificate, dated the Closing Date (the “Continuing Disclosure Certificate”) to provide certain annual financial information and notices of the occurrence of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Except as disclosed in the Official Statement, in the preceding five years, the District has not failed to comply in any material respects with any previous undertakings pursuant to Rule 15c2-12.

(i) The District has, and has had, no municipal advisory relationship with the Underwriters with respect to the Refunding Bonds, nor with any investment firm controlling, controlled by or under common control with the Underwriters.

(j) Between the date hereof and the Closing Date, without prior written notice to the Representative, the District will not have issued, nor will the County have issued in the name and on behalf of the District, any bonds, notes or other obligations for borrowed money except for such borrowings as may be described in or contemplated by the Official Statement.

(k) The District hereby agrees to take any and all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes, payment of the Refunding Bonds, and the deposit and investment of Refunding Bond proceeds. In particular, the District hereby agrees to provide to the Treasurer-Tax Collector a copy of the District Resolution, a copy of Appendix A hereto, and the full debt service schedule for the Refunding Bonds.

(l) 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 Refunding 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 Refunding 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 Underwriters 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.

(m) To the best knowledge of the District after diligent inquiry, the issuance of the Refunding Bonds, and the execution, delivery and performance of the District Resolution, the District Documents and the Refunding 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 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 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 and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the District under any of the foregoing.

(n) No action, suit, proceeding, hearing or investigation is pending or, to the best knowledge of the District after diligent inquiry, 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 or of the titles of the officials of the District to such offices; or (ii) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of any of the Refunding Bonds, or the application of the proceeds of the sale of the Refunding Bonds, or the collection or levy of taxes contemplated by the District Resolution and available to pay the principal of and interest on the Refunding Bonds, or in any way contesting or affecting the validity or enforceability of the Refunding Bonds, the District Resolution, the Paying Agent Agreement or this Purchase Contract or contesting the powers of the District or its authority with respect to the Refunding Bonds, the District Resolution, the Paying Agent Agreement or this Purchase Contract or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (iii) in which a final adverse decision could (A) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the District Resolution, the Paying Agent Agreement or this Purchase Contract, (B) declare this Purchase Contract to be invalid or unenforceable in whole or in material part, or (C) adversely affect the exemption of interest paid on the Refunding Bonds from California personal income taxation.

(o) Any certificates signed by any officer of the District and delivered to the Underwriters shall be deemed a representation and warranty by the District to the Underwriters, but not by the person in his/her individual capacity signing the same, as to the statements made therein.

(p) The financial statements of the District contained in the Preliminary Official Statement and Official Statement fairly present the financial position and results of operations of the District as of the dates and for the periods therein set forth.

(q) The District hereby represents that it has not entered into any contract or agreement that would limit or restrict the District's ability to enter into this Purchase Contract for the sale of the Refunding Bonds to the Underwriters.

(r) 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.

(s) The District has the legal authority to apply the proceeds of the Refunding Bonds for the purposes contemplated by the Preliminary Official Statement and the Official Statement, including for the payment or reimbursement of incidental expenses in connection with the marketing, issuance and delivery of the Refunding Bonds to the extent described in Section 11 of this Purchase Contract and in compliance with applicable law.

5. [Reserved].

6. Representations and Agreements of the Underwriters. Each of the Underwriters represents to and agrees with the District that, as of the date hereof and as of the date of the Closing:

(a) Such Underwriter is duly authorized to enter into this Purchase Contract and to take any action under this Purchase Contract required to be taken by it, and the undersigned

officer of the Representative is duly authorized to sign this Purchase Contract and to act hereunder on behalf of the Underwriters.

(b) Such Underwriter is in compliance with MSRB Rule G-37 with respect to the District and is not prohibited thereby from acting as underwriter with respect to securities of the District.

(c) Such Underwriter has, and has had, no municipal advisory relationship, within the meaning of Section 15B(e)(4) of the Securities Exchange Act of 1934, as amended, with the District with respect to the Refunding Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such municipal advisory relationship.

(d) Such Underwriter has reasonably determined that the District's undertaking pursuant to Sections 4(h) and 7(a)(11) hereof and in the Continuing Disclosure Certificate to provide continuing disclosure with respect to the Refunding Bonds, assuming the District's compliance therewith, is sufficient to effect compliance with Rule 15c2-12.

7. Conditions to Closing. The Underwriters have entered into this Purchase Contract in reliance upon (i) the representations, warranties, and agreements of the District contained herein; (ii) the accuracy of the representations, warranties, and agreements to be contained in the documents and instruments to be delivered at the Closing; and (iii) the performance by the District and its obligations hereunder, as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Refunding Bonds shall be conditioned upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the District of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative, unless waived in writing by the Representative on behalf of the Underwriters:

(a) At or before Closing, and contemporaneously with the acceptance of delivery of the Refunding Bonds, the District will provide to the Underwriters:

(1) a certificate, signed by an Authorized District Representative, confirming to the Underwriters that the Preliminary Official Statement as of its date and as of the date hereof did not, and the Official Statement as of its date and at the time of Closing did not and does not, to the best of the knowledge of said official, after diligent inquiry, 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 that there has been no material adverse change in the financial condition or affairs of the District which would make it unreasonable for the purchaser of the Refunding Bonds to rely upon the Official Statement in connection with the resale of the Refunding Bonds; excluding in each case: any information contained therein relating to DTC or its book-entry only system; CUSIP numbers of the Refunding Bonds; information contained therein describing the investment policy of the County, its current portfolio holdings, and valuation procedures (as they relate to funds of the District held by

the Treasurer-Tax Collector); and information provided by the Underwriters regarding the prices or yields at which the Refunding Bonds were re-offered to the public, as to all of which the District expresses no view.

(2) a certificate, signed by an official of the County, confirming to the Underwriters that the Preliminary Official Statement as of its date and as of the date hereof did not, and the Official Statement as of its date and at the time of Closing did not and does not, to the best of the knowledge of said official, after diligent inquiry, solely with respect to the information contained therein describing the County's investment policy, current portfolio holdings, and valuation procedures (as they relate to funds of the District held by the Treasurer-Tax Collector), 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.

(3) a certificate or certificates, signed by an Authorized District Representative, confirming to the Underwriters that, as of the Closing Date: (i) all of the representations, warranties and agreements of the District contained in this Purchase Contract are true and correct; (ii) that the District Resolution is in full force and effect and has not been amended, modified or rescinded; (iii) the official(s) signing this Purchase Agreement, the Paying Agent Agreement, the Escrow Agreement, the Official Statement, and the Continuing Disclosure Certificate on behalf of the District is (are) authorized to do so; (iv) 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; (v) no litigation is pending (with service of process having been accomplished) or, to the knowledge of the undersigned, after diligent inquiry, threatened (either in state or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Refunding Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Refunding Bonds, the Official Statement, the Continuing Disclosure Certificate, the Paying Agent Agreement, or this Purchase Agreement, or (C) in any way contesting the existence or powers of the District or the entitlement of the officers of the District who have signed the Refunding Bonds and the Official Statement and the various certificates and agreements of the District relating to the issuance of the Refunding Bonds, to their respective offices; (vi) based upon the information provided to such official in the course of their participation in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement, they have no reason to believe that the Preliminary Official Statement (except for the information permitted to be omitted pursuant to Rule 15c2-12) as of the date of the Preliminary Official Statement and as of the date hereof or the Official Statement as of its date and as of the Closing Date contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (vii) each of the conditions listed in Section 7 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 (viii) the Refunding Bonds being delivered on the Closing Date to

the Underwriters under this Purchase Agreement substantially conform in all material respects to the descriptions thereof contained in the District Resolution, the Paying Agent Agreement, the Official Statement and this Purchase Agreement;

(4) the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel with respect to the issuance of the Refunding Bonds (“Bond Counsel”), addressed to the District, dated the Closing Date, approving the validity of the Refunding Bonds, substantially in the form set forth as Appendix D to the Official Statement, along with a reliance letter from Bond Counsel addressed to the Underwriters to the effect that the Underwriters can rely upon such opinion.

(5) a supplemental opinion of Bond Counsel, as disclosure counsel to the District (“Disclosure Counsel”) addressed to the Representative, dated the Closing Date, acceptable in form and substance to the Representative, substantially in the form set forth as Appendix B herein.

(6) an opinion of Curls Bartling P.C., counsel for the Underwriters (“Underwriters’ Counsel”), dated the Closing Date and addressed to the Underwriters, satisfactory in form and substance to the Representative.

(7) [the receipt of the District or its agent confirming payment by the Underwriters of the Purchase Price of the Refunding Bonds (less \$[Insurance Premium], which shall be wired directly to [Bond Insurer] as premium for the Insurance Policy).]

(8) the duly executed Continuing Disclosure Certificate of the District, in substantially the form attached as Appendix E to the Preliminary Official Statement.

(9) a certified copy of the adopted District Resolution.

(10) [reserved].

(11) an executed copy of the Paying Agent Agreement.

(12) an executed copy of this Purchase Contract.

(13) an executed copy of the Official Statement.

(14) an executed copy of the Escrow Agreement.

(15) a verification report of Causey Demgen & Moore P.C., as verification agent, addressed to the Underwriters, in form and substance acceptable to Bond Counsel and Underwriters’ Counsel.

(16) the letter of [Rating Agency] to the effect that such rating agency has rated the Refunding Bonds “[]” and that such rating has not been revoked or downgraded.

(17) A certificate of the appropriate Authorized District Representative evidencing the District's determination that the Preliminary Official Statement is "deemed final" in accordance with Rule 15c2-12.

(18) [executed copies of the bond insurance commitment letters and the Insurance Policy relating to the Refunding Bonds.]

(19) such additional opinions, certificates, and documents as Bond Counsel or the Underwriters may reasonably request to evidence the truth and correctness, as of the Closing Date, of the representations of the parties contained herein, and of the District contained in the Official Statement, and the due performance or satisfaction by the parties at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(b) At or before Closing, and contemporaneously with the acceptance of delivery of the Refunding Bonds and the payment of the Purchase Price thereof, the Underwriters will provide to the District:

(1) the receipt of the Underwriters, in form satisfactory to the District and signed by an authorized officer of the Representative, confirming delivery of the Refunding Bonds to the Underwriters and the satisfaction or waiver of all conditions and terms of this Purchase Contract by the District, and confirming to the District that as of the Closing Date all of the representations of the Underwriters contained in this Purchase Contract are true, complete and correct in all material respects.

(2) the certification of the Underwriters, in form satisfactory to Bond Counsel, regarding the prices at which the Refunding Bonds have been reoffered to the public, as described in Section 3 hereof.

8. Termination. (a) In the event of the District's failure to deliver the Refunding Bonds at the Closing, or inability of the District to satisfy the conditions to the obligations of the Underwriters contained herein (unless waived by the Underwriters), or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be terminated by the Underwriters at or prior to the Closing.

(b) *By Underwriters.*

(1) *Excused.* The Underwriters may terminate or delay their performance under this Purchase Contract, without any liability of the Underwriters therefor, by notification to the District if, on or prior to the Closing Date, any of the following shall have had a material adverse effect on the marketability or market price of the Refunding Bonds or on the ability to enforce contracts for the sale of any portion of the Refunding Bonds at any contemplated offering prices by the Underwriters, in the reasonable opinion of the Underwriters, upon consultation with the District:

(A) There shall 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;

(B) 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;

(C) Legislation shall have been enacted by the Congress of the United States, or passed by and still pending before either House of the Congress, or recommended or endorsed to the Congress for passage by the President of the United States, or favorably reported for passage to and still pending before either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States, or the United States Tax Court, or a ruling or regulation shall have been issued by the U.S. Treasury, or legislation shall have been enacted by the State of California which renders interest on the Refunding Bonds not exempt from State of California personal income taxes, which in the reasonable opinion of the Representative materially adversely affects the marketability or market price of the Refunding Bonds;

(D) 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 Refunding Bonds to be registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the District Resolution or the Paying Agent Agreement to be qualified under the Trust Indenture Act of 1939, as amended;

(E) The New York Stock Exchange or other national securities exchange, or any governmental authority or Executive Order, shall impose and there shall be in effect, as to the Refunding Bonds or obligations of the general character of the Refunding Bonds, any material restrictions not now in force affecting the market for securities (including the imposition of any limitation on interest rates), 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;

(F) Congress shall have made a formal declaration of war, or the President of the United States shall have ordered a new major engagement in, or escalation of, military hostilities, a declared national emergency or there shall have occurred any other calamity or crisis (including without limitation a pandemic or epidemic), or the escalation of any such event that existed prior to the date hereof or any change that interrupts or causes disorder to the operation of the financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified above, in the judgment of the Representative, makes it impracticable or inadvisable to proceed with the offering, or the delivery, of the Refunding Bonds on the terms and in the manner contemplated in the Preliminary Official Statement or the Official Statement;

(G) There shall have occurred or any notice shall have been given of any intended downgrade, suspension, withdrawal or negative change in credit watch status by any national credit agency currently rating the Refunding Bonds;

(H) Any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading;

(I) There shall have occurred any materially adverse change in the affairs or financial condition of the District; or

(J) Any fact or event shall exist or have existed that, in the Representative's judgment, requires or has required an amendment of, or supplement to, the Official Statement.

(2) *Unexcused.* In the event the Underwriters shall fail (other than for a reason permitted by this Purchase Contract) to pay for the Refunding Bonds upon tender of the Refunding Bonds at the Closing, the Underwriters shall have no right in or to the Refunding Bonds.

9. Closing. At or before 9:00 a.m., California time, on [Closing Date], or at such other date and time as shall have been mutually agreed upon by the District and the Representative, the District will deliver or cause to be delivered to the Underwriters the Refunding Bonds in book-entry form duly executed by the District, together with the other documents described in Section 7(a) hereof; and the Underwriters will accept such delivery and pay the Purchase Price of the Refunding Bonds as set forth in Section 1 hereof in immediately available funds by federal funds wires, in an aggregate amount equal to the Purchase Price, plus accrued interest, if any, on the Refunding Bonds from the date thereof to the date of such payment, and shall deliver to the District the other documents described in Section 7(b) hereof, as well as any other documents or certificates Bond Counsel shall reasonably require.

Payment for the delivery of the Refunding Bonds as described herein shall be made to the Paying Agent on behalf of the District in San Francisco, California or at such other place as shall have been mutually agreed upon by the District and the Representative. The Refunding Bonds will be delivered through the facilities of DTC in New York, New York, or at such other place as shall have been mutually agreed upon by the District and the Representative. All other documents to be delivered in connection with the delivery of the Refunding Bonds shall be delivered at the offices of Orrick, Herrington & Sutcliffe LLP, San Francisco, California. Such payment and delivery is herein called the "Closing" and the date thereof the "Closing Date."

10. [Reserved].

11. Expenses.

(a) *Costs of Issuance.* The District shall pay or cause to be paid the costs and expenses incident to the performance of its obligations hereunder from the proceeds of the Refunding Bonds (or from any other source of available funds of the District), which costs and expenses include, but are not limited to: (i) the cost of the preparation and reproduction of the District Resolution, the Escrow Agreement and the Paying Agent Agreement; (ii) the fees and disbursements of the District's municipal advisor with respect to the Refunding Bonds; (iii) the fees and disbursements of Bond Counsel and Disclosure Counsel; (iv) the costs of the preparation, printing and delivery of the Refunding Bonds; (v) the costs of the preparation, printing and delivery of the Preliminary Official Statement, the Official Statement, investor presentation and any amendment or supplement thereto in the quantity requested by the Underwriters in accordance herewith; (vi) initial rating fee of [Rating Agency]; (vii) fees and expenses of the Paying Agent and Escrow Agent for the Refunding Bonds; (viii) fees of the Verification Agent; (ix) expenses for travel, lodging and meals relating to meetings connected to the authorization, sale, issuance and distribution of the Refunding Bonds including, without limitation, rating agency visits. The District acknowledges that it has had an opportunity, in consultation with its advisors if and as it may deem appropriate, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Refunding Bonds.

(b) *Underwriters' Expenses.* The Underwriters shall pay all other costs and expenses incurred by the Underwriters as a result of or in connection with the purchase of the Refunding Bonds and their public offering and distribution of the Refunding Bonds, including, but not limited to: (i) clearinghouse fees; (ii) DTC fees; (iii) CUSIP fees; (iv) fees required to be paid to the California Debt and Investment Advisory Commission ("CDIAC"); and (v) fees of counsel to the Underwriters, including costs or fees of qualifying the Refunding Bonds for offer and sale in various states chosen by the Underwriters and the costs or fees of preparing Blue Sky or legal investment memoranda to be used in connection therewith; provided, however, that the District shall reimburse the Underwriters for all of the foregoing expenses in the expense component of the underwriters' discount.

12. Indemnification.

(a) The District agrees to indemnify and hold harmless the Underwriters 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 Underwriters, and their directors, officers, attorneys, agents and employees, against any and all losses, claims, damages liabilities or expenses (or actions in respect thereof) ("Claim"), that arise out of or are based upon (i) a claim in connection with the public offering of the Refunding Bonds to the effect that the Refunding Bonds or any related security are required to be registered under the Securities Act of 1933, as amended, or any Paying Agent Agreement is required to be qualified under the Trust Indenture Act of 1939, 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 Underwriters for which indemnity may be sought against the District, as provided above, the Underwriters shall promptly notify the District in writing setting forth the particulars of such Claim; 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 Underwriters other than under paragraph (a) above. The District shall assume the defense thereof, including the retention of counsel acceptable to the Underwriters and the payment of all expenses and shall have the right to negotiate and consent to settlement. The Underwriters 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 Underwriters unless the engagement of such counsel has been specifically authorized by the District or the District shall not have engaged counsel reasonably acceptable to the Underwriters to have charge of the defense of such action or proceeding or the Underwriters 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 Underwriters), 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 Underwriters and the indemnified parties from all liability arising out of such action.

13. Notices. Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the introductory paragraph hereof) may be given to the District by delivering the same in writing to the District at the address given below, and may be given to the Underwriters by delivering the same in writing to the address of the Representative set forth below, or such other address as the District or the Representative may designate by notice to the other party.

To the District: Oakland Unified School District
1000 Broadway, Suite 300
Oakland, California 94607
Attention: Superintendent

To the Representative: Siebert Williams Shank & Co., LLC
Lake Merritt Plaza
1999 Harrison Street, Suite 2720
Oakland, CA 94612
Attention: Gary Hall, Head of Infrastructure and
Public Finance
(510) 645-2248

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

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

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

17. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance hereof by an Authorized District Representative, and shall be valid and enforceable at the time of such acceptance.

[Remainder of page intentionally left blank]

18. Counterparts. This Purchase Contract, for the purchase and sale of the Oakland Unified School District 2021 General Obligation Refunding Bonds (Federally Taxable), may be executed in several counterparts, which together shall constitute one and the same instrument.

Respectfully submitted,

SIEBERT WILLIAMS SHANK & CO., LLC,
on its own behalf and as representative of Stifel
Nicolaus & Company, Incorporated

By: _____
Authorized Representative

Accepted: [Sale Date]
Time: _____ p.m. (Pacific Time)

OAKLAND UNIFIED SCHOOL DISTRICT

By: _____
Chief Business Officer

APPENDIX A

\$[PAR AMOUNT]
OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
2021 GENERAL OBLIGATION REFUNDING BONDS
(FEDERALLY TAXABLE)

TERMS

Interest Rates:

See attached Pricing Report from Underwriters as Schedule A.

Principal Payments:

See attached Pricing Report from Underwriters as Schedule A.

Terms of Redemption:

Optional Redemption. The Refunding Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Refunding Bonds maturing on and 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 accrued interest thereon to the date fixed for redemption.

[Mandatory Sinking Fund Redemption of Refunding Bonds. The \$_____ Term Refunding 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 Term Refunding Bond optionally redeemed prior to the mandatory sinking fund redemption date, if any.]

SCHEDULE A

Bond Pricing

**\$(PAR AMOUNT)
OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
2021 GENERAL OBLIGATION REFUNDING BONDS
(FEDERALLY TAXABLE)**

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP</u>
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APPENDIX B

PROPOSED FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[To come]

PRELIMINARY OFFICIAL STATEMENT DATED [SEPTEMBER __], 2021**NEW ISSUES – BOOK-ENTRY ONLY****RATING: See “MISCELLANEOUS – Rating.”**

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 Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes. 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)**

**§[2021A PAR]*
General Obligation Bonds (Election of 2020),
Series 2021A**

**§[2021B PAR]*
General Obligation Bonds (Election of 2020),
Series 2021B (Federally Taxable)**

**§[REFUNDING PAR]
2021 General Obligation Refunding Bonds
(Federally Taxable)**

Dated: Date of Delivery**Due: As shown on the inside front cover herein.**

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 General Obligation Bonds (Election of 2020), Series 2021A (the “**Series 2021A Bonds**”), and the Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2021B (Federally Taxable) (the “**Series 2021B Bonds**”) and, together with the Series 2021A Bonds, the “**Series 2021 Bonds**”) are being issued by the Oakland Unified School District (the “**District**”) and sold by the County of Alameda (the “**County**”) on behalf of the District (i) to finance specific construction and modernization projects approved by the voters, and (ii) to pay costs of issuance of the Series 2021 Bonds.

The Oakland Unified School District 2021 General Obligation Refunding Bonds (Federally Taxable) (the “**Refunding Bonds**”) and, together with the Series 2021 Bonds, the “**Bonds**”) are being issued by the District to (i) refund a portion of the District’s outstanding (a) General Obligation Bonds (Election of 2012), Series 2015A (the “**Series 2015A Bonds**”) and (b) 2015 General Obligation Refunding Bonds (the “**2015 Refunding Bonds**”) and, together with the Series 2015A Bonds, the “**Prior Bonds**”) and (ii) pay costs of issuance of the Refunding Bonds. The outstanding Prior Bonds to be refunded and defeased are collectively referred to herein as the “**Refunded Bonds**.” As used herein, the “**Tax-Exempt Bonds**” are the Series 2021A Bonds, and the “**Taxable Bonds**” are the Series 2021B Bonds and the Refunding Bonds.”

The Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the State of California (the “**State**”) Constitution and other State law. The Board of Supervisors of the County is empowered and is 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 Bonds, all as more fully described herein. See “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” and “**RISK FACTORS**.”

The Bonds will be issued as current interest bonds. Interest on the Bonds is payable on each February 1 and August 1 to maturity, commencing [February 1, 2022]. Principal of the Bonds is payable on August 1 in each of the years and in the amounts set forth on the inside front cover hereof.

The Bonds will be issued in denominations of \$5,000 principal amount, or any integral multiple thereof as shown on the inside front cover hereof.

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. See “**THE BONDS – Form and Registration**.” Payments of 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 to DTC Participants, who will remit such payments to the Beneficial Owners of the Bonds. See “**THE BONDS – Payment of Principal and Interest**.”

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

**See Inside Front Cover for
Maturity Schedules**

* Preliminary, subject to change.

The Bonds will be offered when, as and if issued by the District and received by the Underwriters, 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, as Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriters by Curls Bartling P.C., Oakland, California. Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, 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 October __, 2021.

[Siebert Logo]

[Stifel Logo]

Dated: _____, 2021.

MATURITY SCHEDULES

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

**[\$[2021A PAR]*
General Obligation Bonds (Election of 2020), Series 2021A**

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield†</u>	<u>CUSIP No.‡ (672325)</u>
-------------------------------------	-----------------------------	----------------------	---------------	--------------------------------

\$ _____ % Term Bonds due August 1, 20__ Yield† _____% CUSIP No.‡ 672325 _____

**[\$[2021B PAR]*
General Obligation Bonds (Election of 2020), Series 2021B (Federally Taxable)**

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield†</u>	<u>CUSIP No.‡ (672325)</u>
-------------------------------------	-----------------------------	----------------------	---------------	--------------------------------

* Preliminary, subject to change.

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

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\$[REFUNDING PAR]*
2021 General Obligation Refunding Bonds (Federally Taxable)

<u>Maturity Date</u> <u>(August 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield†</u>	<u>CUSIP No.‡</u> <u>(672325)</u>
---	-----------------------------------	----------------------	---------------	--------------------------------------

\$ _____ % Term Bonds due August 1, 20__ Yield† _____% CUSIP No.‡ 672325 _____

* Preliminary, subject to change.

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

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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 Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do 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 UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS 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 UNDERWRITERS.

COUNTY OF ALAMEDA, CALIFORNIA

Board of Supervisors

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

Administration

Henry C. Levy, *Treasurer-Tax Collector*
Melissa Wilk, *Auditor-Controller*

OAKLAND UNIFIED SCHOOL DISTRICT

Board of Education

Shanthi Gonzales, *President (District 6)*
Benjamin "Sam" Davis, *Vice President (District 1)*
Aimee Eng, *Member (District 2)*
Mike Hutchinson, *Member (District 5)*
Clifford Thompson, *Member (District 7)*
VanCedric Williams, *Member (District 3)*
Gary Yee, *Member (District 4)*

Administration

Dr. Kyla Johnson-Trammell, *Superintendent*
Curtiss Sarikey, *Chief of Staff*
Lisa Grant-Dawson, *Chief Business Officer*
Ryannhon Nguyen, *Controller*
Troy Christmas, *Senior Director, Strategic Projects – Operations*
Tadashi Nakadegawa, *Deputy Chief, Facilities Management*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Municipal Advisor

Isom Advisors, a Division of Urban Futures, Inc.
Walnut Creek, California

Paying Agent and Escrow Agent

U.S. Bank National Association
San Francisco, California

Verification Agent

Causey Demgen & Moore, P.C.
Denver, Colorado

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

**§[2021A PAR]*
General Obligation Bonds (Election of 2020),
Series 2021A**

**§[2021B PAR]*
General Obligation Bonds (Election of 2020),
Series 2021B (Federally Taxable)**

**§[REFUNDING PAR]*
2021 General Obligation Bonds Refunding
(Federally Taxable)**

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) §[2021A PAR]* aggregate principal amount of Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2021A (the “**Series 2021A Bonds**”), (ii) §[2021B PAR]* aggregate principal amount of Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2021B (Federally Taxable) (the “**Series 2021B Bonds**” and, together with the Series 2021A Bonds, the “**Series 2021 Bonds**”), and (iii) §[REFUNDING PAR] aggregate principal amount of Oakland Unified School District 2021 General Obligation Refunding Bonds (Federally Taxable) (the “**Refunding Bonds**” and, together with the Series 2021 Bonds, the “**Bonds**”), as described more fully herein. As used herein, the “**Tax-Exempt Bonds**” are the Series 2021A Bonds, and the “**Taxable Bonds**” are the Series 2021B Bonds and the Refunding Bonds.

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 resolutions of the Board of Education of the District (the “**Board of Education**”) and the Board of Supervisors of the County of Alameda (the “**County**”) with respect to the Bonds, 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 Business 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 San Francisco. The District’s boundaries also include small portions of the neighboring City of Emeryville. The District encompasses approximately 53.8 square miles, including a diverse economy of industry, services, health care, retail, and other commercial activity. As of January 1, 2021, the City has a population of approximately 435,514, and the County has a population of approximately 1,656,591. The District was unified in 1952, combining then-existing high school and elementary school districts.

[The District currently operates forty-nine elementary schools serving grades K-5, fourteen middle schools serving grades 6-8, five elementary/middle schools serving grades K-8, seven comprehensive senior high schools serving grades 9-12, three middle/high schools serving grades 6-12, and seven alternate high school programs. Forty-five charter schools currently operate within the District’s boundaries.] The District has projected enrollment for fiscal year 2021-22 of approximately 35,034 students in grades K-12, not including the students attending the charter schools. As of June 30, 2021, the District has budgeted to employ approximately 4,970.0 full-time equivalent (“FTE”) employees, including 2,750.0 FTE certificated (teaching) employees, 1,720.0 FTE classified (non-teaching) employees and 500.0 management, supervisory and confidential employees. According to the adopted budget for fiscal year 2021-22, the District’s budgeted fiscal year 2021-22 general fund expenditures are approximately \$684.0 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 by Trustee Area to four-year terms in staggered years. The Superintendent acts as the chief executive officer of the District. Dr. Kyla Johnson-Trammell has served as Superintendent since May 2017. For additional information regarding the 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.”

In fiscal year 2002-03, the District received an emergency loan from the State of California (the “State”). As long as the emergency loan made by the State to the District remains outstanding, a trustee appointed by the State Superintendent of Public Instruction (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. AB 1840 (defined below) modified the State Trustee position including retitling the position to “Fiscal Oversight Trustee.” For additional information regarding the recent history of the District’s finances and governance and the powers of the Fiscal Oversight Trustee, see “RISK FACTORS” and APPENDIX B – “INFORMATION RELATING TO THE DISTRICT’S OPERATIONS AND BUDGET – THE DISTRICT – Fiscal Oversight.”

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, 2020.”

THE BONDS

Authority for Issuance

Series 2021 Bonds. The Series 2021 Bonds are being issued by the District and sold by the County on behalf of the District pursuant to the Constitution and laws of the State, including Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the “Government Code”) and Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the Education Code of the State (the “Education Code”) and other applicable provisions of law. The Bonds are authorized to be issued by a resolution adopted by the Board of Supervisors of the County on September 21, 2021 (the “County Resolution”), at the request of the District by its resolution, adopted by the Board of Education of the District on August 25, 2021 (the “Series 2021 District Resolution”). The Bonds are issued pursuant to a paying agent agreement, dated as of October 1, 2021 (the “Series 2021 Paying Agent Agreement”), by and between the District and U.S. Bank National Association, as paying agent (the “Paying Agent”), and acknowledged by the Treasurer-Tax Collector of the County of Alameda (the “County Treasurer”).

Refunding Bonds. The Refunding 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 Government Code, applicable provisions of the Education Code and other applicable provisions of law. The Refunding Bonds are authorized by a resolution adopted by the Board of Education on August 25, 2021 (the “**Refunding District Resolution**” and, together with the Series 2021 District Resolution, the “**District Resolutions**”), and are being issued pursuant to a paying agent agreement, dated as of October 1, 2021 (the “**Refunding Paying Agent Agreement**” and, together with the Series 2021 Paying Agent Agreement, the “**Paying Agent Agreements**”), by and between the District and the Paying Agent, and acknowledged by the County Treasurer.

Purpose of Issuance

Series 2021 Bonds. The District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$735,000,000 to finance specific school facility construction, repair and improvement projects pursuant to an election held on November 3, 2020 (the “**2020 Authorization**”). The measure required approval by at least 55% of the votes cast by eligible voters within the District and received an affirmative vote of approximately 77.7%. The Series 2021 Bonds will represent the first and second series of authorized bonds to be issued under the 2020 Authorization and will be issued to finance authorized projects. There will be \$[Remaining Authorization]* remaining unissued amount of the 2020 Authorization following the issuance of the Series 2021 Bonds.

Refunding Bonds. Proceeds of the Refunding Bonds will be applied (i) to defease and refund a portion of the District’s outstanding (a) General Obligation Bonds (Election of 2012), Series 2015A (the “**Series 2015A Bonds**”) and (b) 2015 General Obligation Refunding Bonds (the “**2015 Refunding Bonds**” and, together with the Series 2015A Bonds, the “**Prior Bonds**”) and (ii) pay costs of issuance of the Refunding Bonds. The outstanding Prior Bonds to be refunded and defeased are collectively referred to herein as the “**Refunded Bonds.**” See “PLAN OF REFUNDING.”

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 each series of 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 its 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 will be dated the date of their delivery, and bear interest at the rates set forth on the inside front cover page of this Official Statement, payable on February 1 and August 1 of each year (each, an “**Interest Payment Date**”), commencing on [February 1, 2022], computed using a year of 360 days consisting of twelve 30-day months. Each Bond authenticated and registered on any date prior to the close of business on [January 15, 2022] will bear interest from the date of their delivery. Bonds 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 that Interest Payment Date will bear interest from that Interest Payment Date. Any other Bond will 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 then in default on outstanding Bonds, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

* Preliminary, subject to change.

Payment of interest on any Bond on each Interest Payment Date (or on the following business day, if the Interest Payment Date does not fall on a business day) will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the Record Date, such interest to be paid by check or draft mailed to such Owner at such Owner's address as it appears on such registration books or at such other address as the Owner may have filed with the Paying Agent for that purpose on or before the Record Date. The Owner of an aggregate principal amount of \$1,000,000 or more of Bonds may request in writing to the Paying Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Paying Agent as of the applicable Record Date.

Principal of the Bonds is payable on August 1 of each year, on the dates set forth in the maturity schedules on the inside cover page hereof, upon surrender thereof at such office of the Paying Agent as the Paying Agent shall designate. The interest, principal and premium, if any, on the Bonds will be payable in lawful money of the United States of America 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 accrued interest received, upon issuance of the Bonds.

So long as all outstanding Bonds are held in book-entry form and registered in the name of a securities depository or its nominee, all payments of principal of, premium, if any, and interest on the Bonds and all notices with respect to such Bonds will be made and given, respectively, to such securities depository or its nominee and not to Beneficial Owners. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer.

Redemption *

Optional Redemption of Series 2021A Bonds. The Series 2021A Bonds maturing on or before August 1, 20__, are not subject to optional redemption prior to their respective stated maturity dates. The Series 2021A 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 Series 2021A Bonds to be redeemed, without premium, together with interest accrued thereon to the date fixed for redemption.

Optional Redemption of Series 2021B Bonds. The Series 2021B Bonds are not subject to optional redemption prior to maturity.

Optional Redemption of the Refunding Bonds. The Refunding Bonds maturing on or before August 1, 20__, are not subject to optional 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 accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption of Series 2021A Bonds. The \$ _____ Term Series 2021A 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:

* Preliminary, subject to change.

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

† Maturity.

Mandatory Sinking Fund Redemption of Series 2021B Bonds. The Series 2021B Bonds are not subject to mandatory sinking fund redemption prior to maturity.

Mandatory Sinking Fund Redemption of the Refunding Bonds. The \$_____ Term Refunding 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 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.

If any Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Selection of Bonds for Redemption. If less than all of a series of the Bonds are called for redemption, the Bonds will 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 will be determined by lot. For purposes of such selection, each Bond will 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 given by the Paying Agent. 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 thereof 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 E – “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 any 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 provided for in the respective Paying Agent Agreement, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in such Paying Agent Agreement, the Bonds designated for redemption will become due and payable on the specified redemption date 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 such Bonds so called for redemption after such redemption date will look for the payment of such Bonds and the redemption premium thereon, if any, only to moneys on deposit for the purpose 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 delivered in accordance with the respective Paying Agent Agreement may be conditioned on any fact or circumstance stated therein, and if such condition will not have been satisfied on or prior to the redemption date stated in such notice, said notice will be of no force and effect on and as of the stated redemption date, the redemption will be cancelled, and the District will not be required to redeem the Bonds that were the subject of the notice. The Paying Agent will 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 Bond of notice of such cancellation will not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice will 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 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 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 Bonds (including all principal, interest and redemption premium) at or before their respective maturity dates.

If at any time the District pays or causes to be paid or there shall otherwise be 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 and such obligation and all agreements and covenants of the District and of the County to such Owners under the respective Paying Agent Agreement and the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District will remain liable for payment of all principal, interest and redemption premium, if any, represented by the 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 below shall apply in all events.

Unclaimed Moneys

Any money held in any fund created pursuant to the Paying Agent Agreements, 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) will 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 (the “**General Fund**”) as provided and permitted by law.

Application of Series 2021 Bond Proceeds

The proceeds from the sale of the Series 2021 Bonds, exclusive of any premium and accrued interest received, if any, will be deposited in the County treasury to the credit of the building fund of the District (the “**Building Fund**”). Any premium or accrued interest received will be deposited in the Interest and Sinking Fund in the County treasury. Earnings on the investment of moneys in either fund will be retained in that fund and used only for the purposes to which that fund may lawfully be applied. Moneys in the Building Fund may only be applied for the purposes for which the Series 2021 Bonds were approved. Moneys in the Interest and Sinking Fund may only be applied to make payments of interest, principal, and premium, if any, on bonds of the District.

A portion of the proceeds of the Series 2021 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 Series 2021 Bonds. All funds held by the County Treasurer under the Series 2021 District Resolution, the County Resolution and the Series 2021 Paying Agent Agreement will be invested in the County Treasurer’s investment pool, the State Treasurer’s 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.”

Plan of Refunding

The Refunding Bonds will be issued to (i) refund and defease, on an advance basis, a portion of the outstanding Prior Bonds on August 1, 2025 (the “**Redemption Date**”), and (ii) pay costs of issuance of the Refunding Bonds. A portion of the proceeds from the Refunding Bonds will be deposited into the 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 October 1, 2021 (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 Refunded Bonds to the Redemption Date at the redemption price. See “ESCROW VERIFICATION.”

A portion of the proceeds of the Refunding 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 Refunding Bonds and the refunding of the Refunded Bonds. Any proceeds of sale of the Refunding Bonds not needed to fund the Escrow Fund or to pay costs of issuance of the Refunding 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 Refunding 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 Refunding Bonds to the Redemption Date.

The Refunded Bonds to be refunded are as follows*:

**OAKLAND UNIFIED SCHOOL DISTRICT
(Alameda County, California)
General Obligation Bonds (Election of 2012), Series 2015A
Redemption Date: August 1, 2025
Redemption Price: 100%**

Maturity Date (August 1)*	Refunded Principal Amount	Interest Rate	CUSIP† No. (672325)
2026	\$ 6,300,000	5.000%	XK8
2027	6,625,000	5.000	XL6
2028	6,965,000	5.000	XM4
2029	7,320,000	5.000	XN2
2030	7,700,000	5.000	XP7
2031	8,090,000	5.000	XQ5
2032	8,505,000	5.000	XR3
2033	8,945,000	5.000	XS1
2034	9,400,000	5.000	XU6
2035	9,885,000	5.000	XV4
2040‡	57,570,000	5.000	XT9

‡ Term Bonds

**OAKLAND UNIFIED SCHOOL DISTRICT
(Alameda County, California)
2015 General Obligation Refunding Bonds
Redemption Date: August 1, 2025
Redemption Price: 100%**

Maturity Date (August 1)*	Refunded Principal Amount	Interest Rate	CUSIP† No. (672325)
2026	\$26,375,000	5.000%	YJ0
2027	7,330,000	5.000	YK7
2028	7,715,000	5.000	YN1
2029	8,180,000	5.000	YM3
2030	8,675,000	5.000	YL5

* Preliminary, subject to change.

† CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assumes responsibility for the accuracy of such numbers.

The following Series 2015A Bonds are currently outstanding but shall not be refunded by the Refunding Bonds*:

**OAKLAND UNIFIED SCHOOL DISTRICT
(Alameda County, California)
General Obligation Bonds (Election of 2012), Series 2015A**

Maturity Date (August 1)*	Refunded Principal Amount	Interest Rate	CUSIP† No. (672325)
2022	\$5,160,000	5.000%	XF9
2023	5,425,000	5.000	XG7
2024	5,700,000	5.000	XH5
2025	5,995,000	5.000	XJ1

The following 2015 Refunding Bonds are currently outstanding but shall not be refunded by the Refunding Bonds*:

**OAKLAND UNIFIED SCHOOL DISTRICT
(Alameda County, California)
2015 General Obligation Refunding Bonds**

Maturity Date (August 1)*	Refunded Principal Amount	Interest Rate	CUSIP† No. (672325)
2022	\$11,710,000	5.000%	YE1
2023	13,290,000	5.000	YF8
2024	14,720,000	5.000	YG6
2025	17,945,000	5.000	YH4

* Preliminary, subject to change.

† CUSIP numbers are provided for convenience of reference only. None of the District, the Underwriters or their agents or counsel assumes responsibility for the accuracy of such numbers.

ESTIMATED SOURCES AND USES OF FUNDS

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

	Series 2021A Bonds	Series 2021B Bonds	Refunding Bonds	Total
Sources of Funds				
Par Amount				
[Net] Original Issue [Premium/Discount]				
Total Sources of Funds:				
Uses of Funds				
Deposit to Building Fund				
Deposit to Interest and Sinking Fund				
Deposit to Escrow Fund				
Costs of Issuance ⁽¹⁾				
Underwriters' Discount				
Total Uses of Funds:				

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

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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>Period Ending</u>	<u>Series 2021A Bonds</u>		<u>Series 2021B Bonds</u>		<u>Refunding Bonds</u>		<u>Total Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
2/1/2022							
8/1/2022							
2/1/2023							
8/1/2023							
2/1/2024							
8/1/2024							
2/1/2025							
8/1/2025							
2/1/2026							
8/1/2026							
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2/1/2028							
8/1/2028							
2/1/2029							
8/1/2029							
2/1/2030							
8/1/2030							
2/1/2031							
8/1/2031							
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2/1/2050							
8/1/2050							
Total	_____	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____	_____

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 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:

Period Ending (August 1)	Outstanding Bonds⁽¹⁾⁽²⁾	Series 2021A Bonds	Series 2021B Bonds	Refunding Bonds	Total Annual Debt Service
2022	\$94,662,272				
2023	92,318,852				
2024	93,869,002				
2025	93,373,578				
2026	88,707,278				
2027	76,985,878				
2028	77,866,113				
2029	78,834,623				
2030	80,073,103				
2031	71,810,675				
2032	60,613,214				
2033	60,467,940				
2034	58,742,012				
2035	42,832,050				
2036	43,048,550				
2037	43,729,300				
2038	44,379,850				
2039	35,066,700				
2040	35,386,700				
2041	4,403,250				
2042	-				
2043	-				
2044	-				
2045	-				
2046	-				
2047	-				
2048	-				
2049	-				
2050	-				
Total	\$1,277,170,940				

⁽¹⁾ Debt service on the District’s Taxable General Obligation Bonds (Election of 2006, Series 2009B) (Build America Bonds) and the District’s Taxable General Obligation Bonds (Election of 2006, Series 2012B) (Qualified School Construction Bonds) reflects debt service net of subsidy and based on current sequestration rates.

⁽²⁾ Includes debt service on the Refunded Bonds to be refunded.

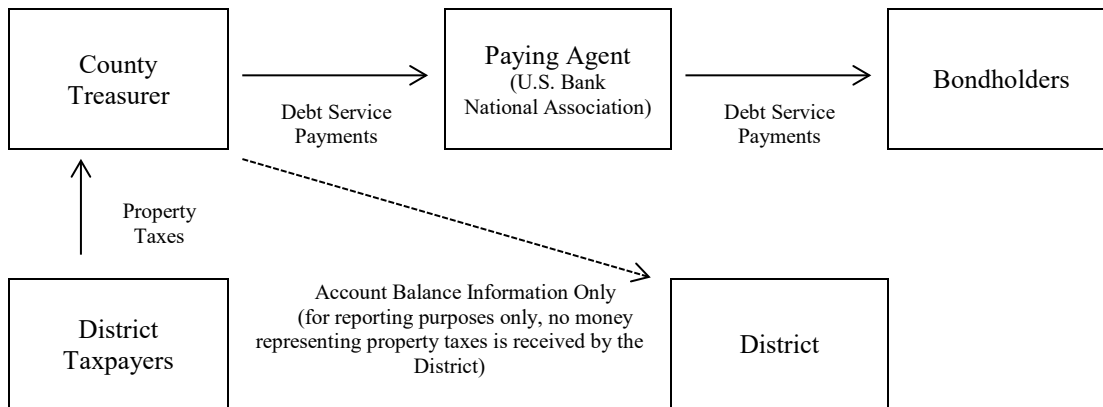
SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

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 Bonds. 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 for school districts authorized pursuant to Section 53601 *et seq.* or Section 53635 *et seq.* of the California 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.



Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the Government Code (which became effective on January 1, 2016), all general obligation bonds issued by local agencies, including refunding bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the Bonds are executed and delivered. Section 53515 further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

Pledge of Tax Revenues

Pursuant to the District Resolutions, the District pledges all revenues from the property taxes collected from

the levy by the Board of Supervisors for the payment of the Bonds and the outstanding bonds of the District issued pursuant to voter-approved measures of the District, including any refunding bonds thereof (for the purpose of this pledge, hereinafter collectively referred to as the “**District Bonds**”) 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 District Bonds. This pledge shall be valid and binding from the date of the District Resolutions for the benefit of the owners of the District Bonds and successors thereto. The District Resolutions provide that property taxes and amounts held in the Interest and Sinking Fund of the District shall be immediately subject to this pledge, and the pledge constitutes a lien and security interest which immediately attaches to the property taxes and amounts held in the Interest and Sinking Fund of the District to secure the payment of the District Bonds and is 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 District Resolutions provide that this 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 District 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. It should not be inferred that the principal of or interest on the Bonds is payable from the District’s General Fund or from State revenues.

Assessed Valuation of Property Within the District

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” below.

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 of Secured and Unsecured Property
Fiscal Years 2007-08 through 2021-22**

<u>Fiscal Year</u>	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% Change</u>
2007-08	\$36,532,402,606	\$38,365,380	\$2,217,827,560	\$38,788,595,546	-
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
2017-18	51,172,486,419	19,326,302	2,671,638,336	53,863,451,057	7.13
2018-19	54,758,322,398	16,660,059	2,781,400,956	57,556,383,413	6.86
2019-20	59,247,570,880	16,678,982	2,919,350,643	62,183,600,505	8.04
2020-21	65,438,862,473	16,367,268	3,210,617,613	68,665,847,354	10.42
2021-22					

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 property 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. 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 November 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. According to representatives of the Alameda County assessor's office, Alameda County has in the past, pursuant to Article XIII A of the State Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single-family residential properties when the value of the property has declined below the current assessed value as calculated by Alameda County.

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.

Risk of Decline in Property Values; Earthquake Risk. Property values could be reduced by factors beyond the District's control, including an earthquake, or a depressed real estate market due to general economic conditions in the County, the region, and the State.

The District is located in a seismically active region. Active earthquake faults underlie both the District and the surrounding Bay Area. Three major earthquake faults that comprise the San Andreas fault system extend through the Bay Area, including the San Andreas fault, the Hayward fault, and the Calaveras fault. On August 24, 2014, an earthquake occurred in Napa, California. The tremor's epicenter was located approximately 3.7 miles northwest of American Canyon near the West Napa Fault and registered 6.0 on the Richter scale of earthquake intensity. The Napa earthquake caused fires, damaged buildings and roads, and injured approximately 200 people. The Napa earthquake was the largest earthquake in the Bay Area since the 1989 Loma Prieta earthquake on the San Andreas Fault, which was centered about 60 miles south of Oakland and registered 6.9 on the Richter scale of earthquake intensity. The Loma Prieta earthquake caused fires and collapses of, and structural damage to, buildings, highways and bridges in the Bay Area.

In August 2016, the 2014 Working Group on California Earthquake Probabilities (a collaborative effort of the United States Geological Survey, the California Geological Society and the Southern California Earthquake Center) issued a revised report that states there is a 72% chance that one or more earthquakes of magnitude 6.7 or larger will occur in the Bay Area before the year 2043. Such earthquakes may be very destructive. Property within the District could sustain extensive damage in a major earthquake, and a major earthquake could adversely affect the area's economic activity.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, drought, toxic dumping, acts of terrorism, etc., or 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). Lower assessed values could 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 bonds in the future might also cause the tax rate to increase.

Drought. In recent years the State has experienced severe drought conditions. In January 2014, the Governor declared a Statewide Drought State of Emergency due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The State Water Resources Control Board (the "State Water Board") subsequently issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures.

On March 5, 2021, the Secretary of the United States Department of Agriculture designated 50 of 58 counties in California, including the County, as primary natural disaster areas due to drought. On April 21, 2021, the Governor issued a drought emergency proclamation (the "April Drought Proclamation") which applied to two counties within the State – Mendocino and Sonoma counties. On May 10, 2021, the Governor declared a Statewide Drought State of Emergency due to the State facing serious water shortfalls, and ordered State and local agency implementation of certain provisions to adequately respond to drought conditions, significantly expanding the April Drought Proclamation to 41 counties within the State, including the County.

It is not possible for the District to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the boundaries of the District or the extent to which drought conditions may impact District facilities or the assessed value of taxable property within the District.

Risk of Wildfire. In recent years, portions of the State, including the County and adjacent counties, have experienced wildfires that have burned millions of acres and destroyed thousands of homes and structures. Property damage due to wildfire could result in a significant decrease in the assessed value of property in the District. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

In October 1991, a firestorm on the hillsides of northern Oakland and southeastern Berkeley burned 1,520 acres and destroyed over two thousand single-family homes and hundreds of apartment and condominium units. The economic loss from the fire was estimated at \$1.5 billion.

Risk of Sea Level Changes and Flooding. In May 2009, the California Climate Change Center released a final paper, for informational purposes only, which was funded by the California Energy Commission, the California Environmental Protection Agency, the Metropolitan Transportation Commission, the California Department of Transportation and the California Ocean Protection Council and titled “The Impacts of Sea-Level Rise on the California Coast.” The paper posits that increases in sea level will be a significant consequence of climate change over the next century. The paper evaluated the population, infrastructure, and property at risk from projected sea-level rise if no actions are taken to protect the coast. The paper concluded that significant property in the State is at risk of flooding as a result of a 1.4 meter sea level rise. The paper further estimates that the replacement value of this property totals nearly \$100 billion (in year 2000 dollars). The District may be particularly vulnerable to impacts associated with sea level rise due to development on its coastline. A wide range of critical infrastructure, such as roads, airports, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and wetlands is also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise protection costs.

The District is unable to predict whether sea level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the financial condition of the District and the local economy.

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. The District’s gross bonding capacity (also commonly referred to as the “bonding limit” or “debt limit”) is approximately \$[.] billion and its net bonding capacity is approximately \$[.] million, prior to the issuance of the 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 Jurisdiction. The following table describes the percentage and value of the total assessed valuation of property within the District’s boundaries for fiscal year 2021-22.

**Oakland Unified School District
(County of Alameda, California)
2021-22 Assessed Valuation by Jurisdiction**

<u>Jurisdiction:</u>	<u>Assessed Valuation in District</u>	<u>% of District</u>	<u>Assessed Valuation of Jurisdiction</u>	<u>% of Jurisdiction in District</u>
City of Emeryville				
City of Oakland				
Total District				
Alameda County				

⁽¹⁾ Due to rounding.

Source: California Municipal Statistics, Inc.

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Assessed Valuation by Land Use. The following table shows a distribution of taxable property located in the District on the fiscal year 2021-22 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)
2021-22 Local Secured Assessed Valuation and Parcels by Land Use**

	2021-22 <u>Assessed Valuation⁽¹⁾</u>	<u>% of Total</u>	<u>No. of Parcels</u>	<u>% of Total</u>	<u>No. of Taxable Parcels</u>	<u>% of Total</u>
<u>Non-Residential:</u>						
Commercial/Office						
Vacant Commercial						
Industrial						
Vacant Industrial						
Recreational						
Government/Social/Institutional						
Subtotal Non-Residential						
<u>Residential:</u>						
Single Family Residence						
Condominium/Townhouse						
Mobile Home						
2-4 Residential Units						
5+ Residential Units/Apartments						
Residential-Miscellaneous Uses						
Vacant Residential						
Subtotal Residential						
Total						

⁽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 shows the assessed valuation of single-family homes in the District for fiscal year 2021-22, including the median and mean assessed valuation per parcel.

**Oakland Unified School District
(County of Alameda, California)
Per Parcel 2021-22 Assessed Valuation of Single-Family Homes**

Single-Family Residential	No. of Parcels	2021-22 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation		
2021-22 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$49,999						
\$50,000 - \$99,999						
\$100,000 - \$149,999						
\$150,000 - \$199,999						
\$200,000 - \$249,999						
\$250,000 - \$299,999						
\$300,000 - \$349,999						
\$350,000 - \$399,999						
\$400,000 - \$449,999						
\$450,000 - \$499,999						
\$500,000 - \$549,999						
\$550,000 - \$599,999						
\$600,000 - \$649,999						
\$650,000 - \$699,999						
\$700,000 - \$749,999						
\$750,000 - \$799,999						
\$800,000 - \$849,999						
\$850,000 - \$899,999						
\$900,000 - \$949,999						
\$950,000 - \$999,999						
\$1,000,000 and greater						
Total						

⁽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 2021-22 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 2021-22 Local Secured Taxpayers**

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total ⁽¹⁾
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				

⁽¹⁾ 2021-22 local secured assessed valuation, excluding tax-exempt property: \$[Secured AV].
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 property 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). TRA 17-001 comprises approximately [__.]% of the total fiscal year 2021-22 assessed value of the District.

**Oakland Unified School District
(County of Alameda, California)
Typical Tax Rates per \$100 of Assessed Valuation
(TRA 17-001)**

	2017-18	2018-19	2019-20	2020-21	2021-22
General	\$1.0000	\$1.0000			
Alameda County Bonds	0.0000	0.0112			
Oakland Unified School District Bonds	0.1015	0.1176			
Peralta Community College District Bonds	0.0310	0.0269			
Bay Area Rapid Transit District Bonds	0.0084	0.0070			
East Bay Municipal Utility District Bonds	0.0011	0.0000			
East Bay Regional Park District Bonds	0.0021	0.0057			
City of Oakland	0.2045	0.1982			
Total	\$1.3486	\$1.3666			

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 formula 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 \$23 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.

Annual bills for property taxes on the unsecured roll are generally issued in July, are due in a single payment within 30 days, 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. The following table shows a recent history of secured property tax collections and delinquencies in the District for its general obligation bond debt service levy.

Property tax delinquencies may be impacted by economic and other factors beyond the District’s control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the COVID-19 or other pandemic or natural or manmade disaster, such as earthquake, drought, flood, fire,

toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression, stemming from the effects of COVID-19 or otherwise, could impact the ability or willingness of property owners within the District to pay property taxes in the future. For more information on the impact of the COVID-19 pandemic, see “RISK FACTORS – Risks Related to COVID-19.” If delinquencies increase substantially as a result of the unprecedented events of the COVID-19 pandemic or other events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

The County does not anticipate an impact to the cash flow for any of the school districts within the County, including cash flow for any bond payments. The District cannot predict the extent of delinquencies and delayed tax collections, or the resulting impact on the District’s financial condition or operations. The County has adopted the Teeter Plan (defined herein), but does not apply the Teeter Plan to school district general obligation bond tax levies, according to which the County distributes to the District the amount actually collected rather than the amount levied on the secured and supplemental tax rolls. See “– *Teeter Plan – Not Applicable*” below. There can be no assurances that the County will always have sufficient funds available to distribute the full amount of the District’s share of property tax collections to the District. However, State law requires the County to levy *ad valorem* property taxes sufficient to pay the Bonds when due.

On May 6, 2020, the Governor signed Executive Order N-61-20, suspending provisions of the State Revenue and Taxation Code requiring collection of interest, penalties, and costs through May 6, 2021, for certain property taxes that are not subject to impounds and were not delinquent prior to March 4, 2020, upon satisfaction of certain conditions set forth in such order. The District is unable to predict the effect such order had on the actual collections of property taxes in fiscal year 2020-21.

The following table shows a recent history of secured property tax collections and delinquencies in the District for its general obligation bond debt service and parcel tax levy.

**Oakland Unified School District
(County of Alameda, California)
Tax Collections and Delinquencies for Fiscal Years 2011-12 through 2020-21**

Fiscal Year	Secured Tax Charge ⁽¹⁾	Amount Delinquent (June 30)	Percent Delinquent
2011-12	\$66,438,365.38	\$2,206,564.05	-
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	87,406,965.12	1,750,932.72	2.00
2016-17	53,718,566.34	971,871.47	1.81
2017-18	51,545,635.05	767,339.55	1.49
2018-19	63,844,647.68	956,079.54	1.50
2019-20	68,791,404.80	1,218,989.06	1.77
2020-21			

⁽¹⁾ District’s general obligation bond and parcel tax levies.

Source: California Municipal Statistics, Inc.

Teeter Plan – Not Applicable. While the Board of Supervisors of the County has approved implementation of the Teeter Plan, the County does not apply the Teeter Plan to school district general obligation bond tax levies. Consequently, for taxes levied in the County to pay debt service on the Bonds, the District will receive actual collections (including penalties and interest) for that purpose, rather than the amount levied. However, the Teeter Plan does apply to the District’s share of the 1% Countywide property tax levy.

For counties that have approved its implementation, the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”) authorized by Sections 4701-4717 of the State Revenue & Taxation Code guarantees distribution of all *ad valorem* taxes levied to the taxing entities within a county, with the

county retaining all penalties and interest affixed upon delinquent properties and redemptions of subsequent collections. The purpose of utilizing the Teeter Plan is to simplify the tax-levying and tax-apportioning process and to provide increased flexibility to counties in the use of available cash resources.

The county cash position is protected by a special fund, known as the "Tax Loss Reserve Fund," which accumulates moneys from interest and penalty collections. In each fiscal year, the Tax Loss Reserve Fund is required to be funded to the amount of delinquent taxes plus 1% of that year's tax levy. Amounts exceeding the amount required to be maintained in the tax loss reserve fund may be credited to the county's general fund. Amounts required to be maintained in the tax loss reserve fund may be drawn on to the extent of the amount of uncollected taxes credited to each agency in advance of receipt.

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 procedures with respect to any tax levying agency or assessment levying agency in the county if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls in that agency.

Direct and Overlapping Debt

Set forth below is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. for debt issued as of September 1, 2021. 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. Column two 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 column three, 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**

2021-22 Assessed Valuation: \$

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 9/1/21</u>
Alameda County		
Bay Area Rapid Transit District		
East Bay Regional Park District		
Chabot-Las Positas Community College District		
Peralta Community College District		
Oakland Unified School District		
City of Oakland		
City of Oakland 1915 Act Bonds		
City of Emeryville 1915 Act Bonds		
City of Piedmont 1915 Act Bonds		
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

Alameda County General Fund Obligations
Alameda-Contra Costa Transit District Certificates of Participation
Peralta Community College District Pension Obligation Bonds
Oakland Unified School District Lease Revenue Bonds
City of Emeryville General Fund Obligations
City of Oakland General Fund Obligations
City of Oakland Pension Obligation Bonds
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT

OVERLAPPING TAX INCREMENT DEBT (Successor Agency):

COMBINED TOTAL DEBT

Ratios to 2021-22 Assessed Valuation:

Direct Debt	%
Total Direct and Overlapping Tax and Assessment Debt.....	%
Combined Direct Debt	%
Combined Total Debt	%

Ratios to Redevelopment Incremental Valuation:

Total Overlapping Tax Increment Debt.....	%
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⁽¹⁾ Excludes the Bonds, but includes the Refunded Bonds to be refunded.

⁽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.

Source: California Municipal Statistics, Inc.

RISK FACTORS

The factors discussed below (among others) should be considered in evaluating the probability of payment 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 Related to COVID-19

The outbreak of the novel strain of coronavirus called COVID-19, which has been designated a global pandemic by the World Health Organization, is impacting local and global economies, as governments, businesses, and citizens react to, plan for, and try to prevent or slow further transmission of the virus. Financial markets, including the stock market in the United States and globally, have experienced significant volatility that has been attributed to coronavirus concerns. The United States Centers for Disease Control and Prevention and the California Department of Public Health have been providing regular updates and guidelines to the public and to State and local governments. On March 4, 2020, as part of the State's response to address the outbreak, the Governor declared a state of emergency. On March 13, 2020, then President Donald Trump declared a national emergency, freeing up funding for federal assistance to state and local governments. Many school districts across the State have temporarily closed some or all school campuses in response to local and state directives or guidance, including the District.

On March 27, 2020, the U.S. House of Representatives approved and then President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "**CARES Act**"). The CARES Act appropriates \$30 billion to education, of which \$3 billion is allocated to state governors to be used at their discretion to address the emergency, \$13.5 billion is allocated for K-12 education, and \$14.25 billion is allocated for postsecondary institutions. The District is authorized to receive \$[.] million in funds under the CARES Act, which funds were received by [DATE], 50% of which will be directed to pay qualifying students for costs relating to their technology, housing, and loss of income due to COVID-19, and 50% of which will be used by the District for expenses incurred in transitioning to online instruction.

On December 27, 2020, the United States Congress approved and then President Trump signed into law the Consolidated Appropriations Act, 2021 ("**HR 133**"), which includes a \$900 billion COVID-19 relief package. HR 133 provides \$81.9 billion to education, specifically \$4.1 billion allocated to state governors to be used at their discretion to address the emergency, of which \$2.75 billion is reserved for private K-12 education, \$54.3 billion for K-12 education, \$22.7 billion for postsecondary institutions, and \$819 million for outlying areas and Bureau of Indian Affairs schools. School districts will be able to use their share of the \$54.3 billion K-12 education allocation under HR 133, which will be based on the proportion of Title I funding received for the most recent fiscal year, for purposes authorized by federal law and other specified uses. The District is authorized to receive \$[.] million in funds under HR 133, which funds are expected to be received presently.

On March 10, 2021, the United States Congress approved the American Rescue Plan Act of 2021 ("**HR 1319**"), a \$1.9 trillion COVID-19 relief package which is expected to be signed into law by President Biden. HR 1319 provides \$168 billion to education, specifically \$126 billion for K-12 schools, the allocation of which will be based on the proportion of Title I funding received for the most recent fiscal year, \$40 billion to support higher education institutions, and \$2.75 billion allocated to state governors to be used for private K-12 education. [The District cannot predict the amount of funding it may receive from HR 1319 or the timing of receipt of such funds.]

This situation, and the guidance from federal, State, and local officials in response to the outbreak, is rapidly developing, and the District cannot predict what future impacts the outbreak may have on its operations and budget. The District cannot predict costs associated with a potential infectious disease outbreak such as operational costs to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease, or costs to hire substitute certificated or classified employees. The District also cannot predict what impact the COVID-19 outbreak, or responses by federal, State or local governments thereto, might have on the amount of funding the District receives

from the State, or on the District's average daily attendance, which is a factor in determining the District's State apportionment.

On August 28, 2020, the Governor released a revised system of guidelines for reopening – Blueprint for a Safer Economy (“**Blueprint**”). Blueprint assigns each of the State's 58 counties into four color-coded tiers - purple, red, orange and yellow – in descending order of severity, based on the number of new daily cases of COVID-19 and the percentage of positive tests. Counties must remain in a tier for at least three weeks before advancing to the next one. To move forward, a county must meet the next tier's criteria for two consecutive weeks. If a county's case rate and positivity rate fall into different tiers, the county remains in the stricter tier. Schools can reopen for limited in-person instruction once their county has been in the red tier (daily new cases of 4-7 per 100,000 people and 5-8% positive tests) for at least two weeks. Implementation of the Blueprint as part of a phased reopening will depend on local conditions, including the level of COVID-19 infections and hospitalization rates for a minimum of 14 days, testing resources of the District and County, and preparedness of the County's healthcare system. Counties in the red tier can reopen schools if they remain in the red tier for at least 14 days. As of the date hereof, the County was assigned to the orange tier. In addition to the four-tier classification system, on December 3, 2020, the Governor announced Regional Stay at Home Orders for four regions in the State. Under the Regional Stay at Home Orders, a county must enforce even stricter rules if hospital intensive care unit capacity drops below 15%. Southern California was subject to the Regional Stay at Home Order until January 25, 2021. Counties returned to their appropriate color-coded tiers under the Blueprint until the State officially reopened on June 15, 2021.

On March 5, 2021, the Governor signed into law Assembly Bill 86 (“**AB 86**”), providing \$6.6 billion in State funding relating to COVID-19 relief, including \$2 billion in incentives to expedite reopening schools and \$4.6 billion to address the COVID-19 pandemic's impact on learning. The majority of such funding will be apportioned through the Local Control Funding Formula (as defined herein). AB 86 provides, in part, in-person instruction grants to incentivize schools to offer in-person instruction. The \$2 billion in incentives are to be utilized by school districts to reopen schools for in-person instruction for its most high-needs students. The \$4.6 billion of funding may be utilized by school districts, between summer 2021 and September 30, 2022, if they have returned for in-person instruction, and such funds may be applied toward costs of extending instructional time, accelerated learning through tutoring, community learning hubs, and social/emotional support. School districts that submitted safety plans by March 15, 2021, can operate under the terms negotiated. After March 15, 2021, school districts must adhere to stricter State public health safety guidelines. After April 15, 2021, school districts located in counties in the red tier must offer in-person instruction to students in kindergarten through grade 6. AB 86 also requires county departments of public health to make COVID-19 vaccinations available to employees at schools offering in-person instruction. The District will receive approximately \$[.] million in funds under AB 86, which funds were received on [DATE].

California fully reopened the economy on June 15, 2021. Businesses and activities can return to normal, except for certain “mega events” (5,000 people indoors or 10,000 outdoors). Capacity limits and social distancing requirements end in most cases. The District cannot provide any assurance that under certain circumstances, additional State measures may be put back into place or updated California Department of Public Health Orders may be issued due to variants, a significant increase in the number of COVID-19 cases, updated guidance by the Centers for Disease Control and Prevention, or other factors.

[School Re-opening for In-Person Instruction. The District closed for in-person instruction in March 2020. Commencing March 30, 2021, the District began reopening classrooms for in-person instruction to students who wished to return to campus for an onsite/online hybrid instructional model. By April 19, 2021, the District had reopened all classrooms for in-person instruction to students who wished to return to campus for an onsite/online hybrid instructional model. The onsite portion of the hybrid model provides students with up to four days of onsite instruction for a portion of each of those days. For the remainder of each school day/week, students in the hybrid model will work independently via distance learning on lessons provided by their teachers. Students receiving special education services will receive the services outlined in their individualized education plan in both the onsite/online hybrid and the online only instructional models. The District plans to operate the 2021-22 school year in-person.]

[District Offers Free COVID-19 Vaccine Clinics. As of [DATE], the District collaborated with the County to host vaccination clinics at certain district high schools, in an effort to reach students as young as 12 years old who are now eligible for the vaccine. All school-based clinics are open to students, staff, families and community members. Students who attend the school hosting the clinic need a signed parent consent form to get a vaccine; other

students will be required to have a parent present. Vaccines have also been offered to District employees who want one. The District requires that school employees receive regular COVID-19 tests, and offers the tests to students.]

The District cannot predict the extent or duration of the outbreak, or what impact the outbreak and any resulting economic situation, or governmental responses thereto, might have on the District's financial condition or operations, disruption of the regional and local economy with corresponding decreases in tax revenues (including property tax revenue, sales tax revenue and other revenues), potential declines in property values, potential increases in property tax delinquencies, and decreases in new home sales and real estate development. The economic consequences and the declines in the U.S. and global stock markets resulting from the spread of COVID-19, and responses thereto by local, State, and the federal governments, could have a material impact on the investments in the State pension trusts, which could materially increase the unfunded actuarial accrued liability of the CalSTRS Defined Benefit Program and CalPERS Schools Pool, which, in turn, could result in material changes to the District's required contribution rates in future fiscal years. See APPENDIX B – "INFORMATION RELATING TO THE DISTRICT – FINANCIAL AND OPERATING INFORMATION – DISTRICT FINANCIAL MATTERS – Retirement Benefits." Notwithstanding the impacts the coronavirus may have on the global and national economy, the economy in the State and the District, or on the District's revenues, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, and are not payable from the general fund of the District. Although the Bonds are payable solely from *ad valorem* property taxes and not from the general fund of the District, the District cannot predict what future impacts the outbreak may have on its operations and budget.

The District is currently receiving guidance on the coronavirus from County health officials and the County Superintendent of Schools, which is monitoring the coronavirus situation in accordance with coronavirus guidelines for schools published by the Centers for Disease Control and Prevention.

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. Also, in the case of an earthquake that materially disrupts the economy of the Bay Area, large scale defaults on property taxes could cause delays or defaults on the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Tax Changes and Delinquencies – *Teeter Plan – Not Applicable.*" 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.

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 Value of Property Within the District."

District Financial Risks

Neither the principal of, nor interest on, the Bonds is payable from the District's General Fund or from State revenues. The Bonds are paid by the County solely from *ad valorem* property taxes levied by the County – moneys over which the District exerts no control. Nevertheless, 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 below.

[Reserve for Economic Uncertainty. The District is required to maintain a reserve for economic uncertainty equal to 2.0% of annual General Fund expenditures and other financing uses (the "**Minimum Reserve**"). As a result of the District's major review of budget assumptions in fiscal year 2018-19, the Board of Education adopted a budget resolution (the "**District Budget Resolution**") which requires the District to maintain a minimum reserve of 2.5% in fiscal year 2018-19 and 3.0% in fiscal years 2019-20 and 2020-21. Due to increased costs of compensation, pension, health, and welfare benefits which outpaced the increase in revenue, as well as a marginal decrease in enrollment, the District's adopted budget for fiscal year 2019-20 implemented approximately \$14 million in budgetary cuts in order to achieve the targeted minimum reserve in fiscal year 2019-20, with the result that the District met the Minimum Reserve requirement set forth in the District Budget Resolution for such fiscal year.

On August 8, 2018, the District adopted a resolution implementing additional budget reductions for fiscal year 2019-20 to improve its financial position and commitment to fiscal solvency. Based on an improved budget outlook and increased LCFF (as defined herein) revenue from the State Governor's 2019-20 Proposed Budget, the budget reduction target was adjusted to \$21.75 million (inclusive of approximately \$1.4 million of projected revenue enhancements), and the District committed to such budget reductions and revenue enhancements in order to maintain a 3% minimum reserve, based on the District Budget Resolution. While the District was contemplating applying new budgetary assumptions, the District submitted its first interim budget report, which included assumptions regarding certain investments in salary compensation and reductions of expenditures of \$15 million beginning in fiscal year 2019-20, and an additional \$28 million beginning in fiscal year 2020-21. The District's second interim budget report included the \$21.75 million budget reduction target. Based on the assumptions included in each interim report, the District recommended a positive certification on its first and second interim budget reports for fiscal year 2018-19, however, the Alameda County Office of Education ("**ACOE**") revised such certifications from positive to qualified based on some of the underlying assumptions and inconsistency in prior-year forecasts.

On June 26, 2019, the District adopted its budget for fiscal year 2019-20, and the multiyear projections included in such budget indicated that the District would not meet the Minimum Reserve requirement in fiscal year 2021-22, with significant net decreases to the general fund balance in fiscal years 2020-21 and 2021-22. As a result, the Board of Education adopted a resolution which required the District to commit to budgetary expenditure reductions and/or revenue enhancements of approximately \$10.0 million in fiscal year 2020-21 and \$10.5 million in fiscal year 2021-22, to be adjusted as necessary as the multi-year assumptions and projections are updated. [More details on meeting the expenditure reductions and/or revenue enhancements to be provided.]

On June 24, 2020, the District adopted its budget for fiscal year 2020-21, and the multiyear projections included in such budget indicated that the District would not meet the Minimum Reserve requirement in fiscal years 2021-22 and 2022-23, unless budgetary expenditure reductions of \$16.5 million were implemented. As a result, the Board of Education adopted a resolution which required the District to commit to budgetary expenditure reductions and/or revenue enhancements of approximately \$15.5 million in fiscal year 2020-21 and a reduction in the Minimum Reserve requirement in fiscal year 2020-21 by \$1.4 million, to be adjusted as necessary as the multiyear assumptions and projections are updated. The District developed the 2020-21 Budget Reduction Options and Bridge Plan (the "**2020-21 Budget Reduction Plan**"), which was approved by the Board of Education of the District on April 28, 2021. The 2020-21 Budget Reduction Plan supported the development of the District's 2021-22 budget, as well as necessary reductions for the 2022-23 school year. [More details on meeting the expenditure reductions and/or revenue enhancements to be provided.]

On June 30, 2021, the District adopted its budget for fiscal year 2021-22, and the multiyear projections included in such budget indicated that the District would not meet the Minimum Reserve requirement in fiscal year 2021-22, unless budgetary expenditure reductions of \$16.0 million were implemented. Such budgetary expenditure reductions were detailed in the 2020-21 Budget Reduction Plan, which was developed in part to address budgetary challenges facing the District in fiscal years 2021-22 and 2022-23. [More details on meeting the expenditure reductions and/or revenue enhancements to be provided.]

The District's financial and budgetary practices have been subject to increased oversight by the Financial Crisis Management Assistance Team ("FCMAT"), as well as the ACOE, in part due to the passage of Assembly Bill 1840 (which became effective on September 17, 2018) ("AB 1840"). See "– FCMAT Oversight and Reports." [ACOE released a grand jury report on June 21, 2019 which detailed allegations of poor management and oversight as well as a problematic administrative culture.]

Dependence on State Funds. Due to District dependence on the State for a substantial portion of its operating funds, 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."

Budgetary Risks. The District self-certified its first and second interim budget reports for fiscal year 2020-21 as qualified, indicating that the District would not be able to meet its financial obligations for the two subsequent fiscal years. The District self-certified its third interim budget report for fiscal year 2020-21 as qualified. See APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – District Budget Process and County Review."

Labor Agreements. The Oakland Education Association (the "OEA") and the District reached a tentative collective bargaining agreement on March 1, 2019 (the "OEA Agreement") which was approved by the Board of Education on April 24, 2019. The OEA Agreement provides for a one-time salary payment (bonus) equal to 3.0% of annual base salary as of December 31, 2018, and ongoing salary increases including a 3.0% wage increase effective January 1, 2019, a 2.0% wage increase effective January 1, 2020, a 3.5% wage increase effective January 1, 2021, and a 2.5% wage increase effective June 30, 2021. As a result of the OEA Agreement, the District projects a total ongoing increase in employee compensation costs of \$3.7 million in fiscal year 2018-19, \$15.3 million in fiscal year 2019-20, \$17.6 million in fiscal year 2020-21 and \$24.0 million in fiscal year 2021-22.

The Service Employees International Union and the District reached a tentative collective bargaining agreement in June 2019 (the "SEIU Agreement") which was approved by the Board of Education on July 2, 2019. The SEIU Agreement provides for a one-time salary payment (bonus) equal to 3.0% of annual base salary as of December 31, 2018, and ongoing salary increases including a 3.0% wage increase effective January 1, 2019, and a 2.0% wage increase effective January 1, 2020, with negotiations to reopen in 2021. As a result of the SEIU Agreement, the District projects a total increase in employee compensation costs of \$726,719 in fiscal year 2018-19, \$3.4 million in fiscal year 2019-20, and \$3.0 million in fiscal year 2020-21.

The Building and Construction Trades Council and Teamsters labor organizations reached tentative agreements with the District in August 2019. The remaining labor organizations commenced negotiations with the District in November 2019.] See APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – Employees and Labor Relations."

Healthcare Costs – HBGB. In 2015, as part of contract negotiations and in an attempt to contain healthcare costs, the District established the Health Benefits Governing Board ("HBGB") pursuant to the Health and Welfare Agreement (the "HBGB Agreement") by and among the District and each of the labor unions operating within the District at the time. Pursuant to the HBGB Agreement, the District was required to set aside revenue into a Health and Welfare Fund that would be used for the District's contribution to employee health and welfare benefits beginning on July 1, 2015 and in future years. Any unspent revenue for the Health and Welfare Fund pursuant to the formula must remain as a fund reserve set aside to mitigate future increases in health and welfare benefit costs. The formula by which the District determines the amounts it is required to deposit in the Health and Welfare Fund is

complicated and there has been disagreement among the District, ACOE and FCMAT about the exact deposit amounts. Additionally, due to budgetary pressures and the complex accounting procedures the HBGB Agreement requires, the District has not funded the Health and Welfare Fund and did not begin accounting for the unspent Health and Welfare Fund reserves until the 2018-19 school year. The District, its auditors, ACOE and FCMAT have also disagreed about whether the amounts the District was required to make pursuant to the HBGB Agreement but has not yet made must be recorded as a current year liability in its financial statements. If the District does recognize the amounts owed as a current liability, \$9 million would be owed and the District's assets would decrease commensurately. The District has proposed a plan by which it would make deposits in the Health and Welfare Fund of \$2.25 million over four years to eliminate the \$9 million liability, and is also in the process of negotiating to rework the formula by which deposit amounts are determined. The \$2.25 million payments have not yet been incorporated into the District's multiyear budget projections. The District is in the process of discussing with its labor organizations the proposed structural changes which would impact the formula used to determine the District's annual contribution to the Health and Welfare Fund. The current HBGB Agreement remains in effect until the District or any signatory union submits a request to renegotiate. The District estimates it will need to deposit \$3.5 million per year until a new formula is agreed upon. The District cannot predict what effect a new formula will have on its finances, or whether the HBGB Agreement will be extended upon its expiration.]

Audit Reports; Qualified Opinion

The District's auditor has expressed a qualified opinion on the District's financial statements for fiscal years 2012-13 through 2019-20 because the financial statements did not include the ASB funds (as described below), 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, the District's auditor opined that the District's financial statements for fiscal years 2012-13 through 2019-20 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 the respective date of each report, 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.

Associated student body funds ("**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. 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 in future fiscal years.

The financial information presented in Appendix C represents the audited financial statements of the District for fiscal year ended June 30, 2020. The financial information presented in Appendix B is generally derived from such audited information except where audited information is unavailable. For further discussion, see APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET."

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." See also "– District Financial Considerations" below.

[**Audit Liabilities.** The District's finances are audited annually. The external auditors identified 15 findings for fiscal year 2019-20, none of which carry a material financial liability although there were \$275,000 in audit adjustments in the fiscal year 2019-20 audit. The external auditors identified 13 findings in fiscal year 2018-19, none of the findings resulted in financial liabilities, although there were \$4 million in audit adjustments in the fiscal year 2018-19 audit. See APPENDIX B – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – Audit Findings."]

FCMAT Oversight and Reports

In April 2017, the District and FCMAT entered into an agreement to conduct a fiscal health risk analysis and determine the risk rating of the District. On August 15, 2017, FCMAT delivered its fiscal health risk analysis (the “**Fiscal Health Risk Analysis**”) which recommended that the District take immediate action to avoid further erosion of the District’s reserves and a possible fiscal emergency. In the Fiscal Health Risk Analysis, FCMAT identified several signs of fiscal distress for the District, including deficit spending, substantial reductions in fund balance, inadequate reserve levels, approval of a bargaining agreement beyond cost-of-living adjustments, large increases in contributions to restricted programs (especially in special education), lack of oversight allowing for positions to be created before verification of funding and approval, breakdown in leadership with excessive turnover, and the inability to hold administrators accountable who had been allowed to overspend budgets and override policy. FCMAT reviewed twenty fiscal indicators in its analysis, noting that districts that respond “No” to seven or more fiscal indicators may have cause for concern and could require some level of fiscal intervention. Based on FCMAT’s analysis, the District responded “No” to eight of the twenty fiscal indicators.

[On January 22, 2018, the ACOE and FCMAT entered into an agreement to provide the District with on-site technical assistance in two phases. During Phase I, FCMAT’s assistance included reviewing the District’s fiscal year 2017-18 General Fund budget and developing consensus among the District, ACOE, and WestEd (a consultant of the District) regarding budget assumptions. Using those validated budget assumptions, FCMAT reviewed the fiscal year 2017-18 General Fund cash forecast to determine whether the District had sufficient cash resources through June 2018 to meet its obligations. On May 31, 2018, FCMAT delivered its management letter regarding Phase I (the “**Phase I Letter**”), concluding that the District would end the then-current fiscal year with a positive cash position in the General Fund of approximately \$17.4 million. FCMAT noted, however, that the ending cash balance was approximately \$6.2 million less than the then-current fiscal year’s beginning cash balance, and \$22.5 million less than the beginning cash balance in fiscal year 2016-17. FCMAT reported that the District’s cash was on a declining trajectory (a 56.5% decrease in the prior two years at the time of the analysis) and indicated that the pattern was not sustainable. Moreover, FCMAT estimated that revenues in fiscal year 2017-18 would decline by approximately \$2.9 million and expenditures would decline by only approximately \$520,000 from fiscal year 2016-17 levels. The analysis concluded that the District was in financial distress, and that without significant corrective action the District’s fund balance and longer-term cash balance would continue to decline.

The Phase I Letter points to several factors that caused concern or hindered FCMAT’s ability to conduct an open and honest assessment of the District’s financial condition. Specifically, in providing reasoning for excluding proposed expenditure reductions of \$9 million from its calculations, FCMAT cited a history of deficit spending and indicated that the District’s recent actions called into question the political will of the District and its Board of Education to implement such expenditure reductions. Additionally, FCMAT noted that the District has previously sustained the minimally required state reserve levels through improper interfund borrowing, which positively impacted General Fund cash flow and fund balance. FCMAT observed that such interfund borrowing should be audited, quantified and repaid, and the District should establish a multiyear plan to reverse such borrowing and restore cash balances to other funds.

During Phase II, FCMAT helped to create a General Fund multi-year financial projection for fiscal years 2017-18, 2018-19, and 2019-20. On July 2, 2018, FCMAT delivered its management letter regarding Phase II (the “**Phase II Letter**”) in which it found that the District had fallen into a pattern of deficit spending, a pattern described by FCMAT as a structural deficit. FCMAT indicated that the District’s spending pattern eliminated its unrestricted fund balance, leaving the District in a troubling condition for its financial future. FCMAT observed that the unrestricted fund had a negative balance of approximately \$15.6 million in fiscal year 2017-18 which would escalate to approximately \$76.3 million in fiscal year 2019-20, and that the problems with the unrestricted fund were being masked by activities in the restricted fund. The Phase II Letter concludes with eighteen recommendations for the District, including developing short- and long-term financial plans based on reasonable economic assumptions, and implementing those plans with a commitment to attaining financial solvency, monitoring and projecting student enrollment and A.D.A. at each reporting period, updating revenue budgets throughout the fiscal year, being conservative when budgeting amounts for local revenue and updating the budget throughout the fiscal year to account for year-to-date receipts, and making a plan to use restricted dollars in the fiscal year in which they are received. See “Budgeted General Fund Summary for Fiscal Year 2018-19” table in APPENDIX B – “INFORMATION

RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – Accounting Practices.”

On March 1, 2019, FCMAT delivered a letter to the Director of the State Department of Finance, the Chair of the State Assembly Committee on Budget and its Committee Members, and the Chair of the State Senate Committee on Budget and Fiscal Review and its Committee Members regarding the District, in accordance with FCMAT's responsibilities under AB 1840 (the “**AB 1840 Letter**”).

The AB 1840 Letter contained FCMAT's conclusions that the District would have projected operating deficits of approximately \$9 million in fiscal year 2018-19 and approximately \$6.4 million in fiscal year 2019-20. FCMAT also noted that, when taking into account the cost of additional intervention by ACOE, the projected operating deficits of the District would be approximately \$10.4 million in fiscal year 2018-19 and approximately \$7.6 million in fiscal year 2019-20. FCMAT's conclusion, however, was subject to the caveat that there were several factors that would influence its budget projections that were unknown at the time of the analysis. Specifically, FCMAT did not include in its calculations any cost increases that would result from any bargaining unit settlement; FCMAT delivered the AB 1840 Letter the day after the District reached a tentative agreement with members of the OEA and stated that it and ACOE would need additional time to analyze the impact of the settlement on the deficit calculation. Additionally, settlements between the District and the other labor organizations representing District employees may have had an impact on District finances.

On April 24, 2019, FCMAT delivered an updated letter to the Director of the State Department of Finance, the Chair of the State Assembly Committee on Budget and its Committee Members, and the Chair of the State Senate Committee on Budget and Fiscal Review and its Committee Members regarding the District, in accordance with FCMAT's responsibilities under AB 1840 (the “**Second AB 1840 Letter**”).

The Second AB 1840 Letter contained FCMAT's conclusions that, under the scenario including the cost of potential labor settlements for all employee units, the District would have projected operating surpluses of approximately \$4.6 million in fiscal year 2018-19 and approximately \$0.5 million in fiscal year 2019-20. FCMAT also noted that, when taking into account the cost of additional intervention by ACOE, the projected operating surplus of the District would be approximately \$3.1 million in fiscal year 2018-19 and a projected operating deficit of approximately \$0.5 million in fiscal year 2019-20. However, FCMAT's conclusions did not take into account several factors that would influence its budget projections because such factors were unknown at the time of the analysis. Specifically, FCMAT's calculations did not account for (i) the District Budget Resolution, which requires budget reductions totaling \$21.75 million, or (ii) budgetary savings resulting from significant reductions in FTE positions. The elimination of over 250 FTE positions has necessitated a redesign of the organizational structure of the District. The redesign is currently ongoing. FCMAT also noted that an estimated \$1 million or more in accrued vacation balances will be paid due to positions being eliminated in fiscal year 2018-19; at the time, the District had not fully calculated this liability, which would partially offset planned savings. Finally, FCMAT remarked that the final outcome of other bargaining unit negotiations is unknown and may have a significant impact. See “ – Labor Agreements” below and APPENDIX B – “INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – Employees and Labor Relations.”

On March 2, 2020, FCMAT delivered an updated letter to the Director of the State Department of Finance, the Chair of the State Assembly Committee on Budget and its Committee Members, and the Chair of the State Senate Committee on Budget and Fiscal Review and its Committee Members regarding the District, in accordance with FCMAT's responsibilities under AB 1840 (the “**Third AB 1840 Letter**”). [Detail to come on Third AB 1840 Letter]

On March 1, 2021, FCMAT delivered an updated letter to the Director of the State Department of Finance, the Chair of the State Assembly Committee on Budget and its Committee Members, and the Chair of the State Senate Committee on Budget and Fiscal Review and its Committee Members regarding the District, in accordance with FCMAT's responsibilities under AB 1840 (the “**Fourth AB 1840 Letter**” and, together with the AB 1840 Letter, the Second AB 1840 Letter and the Third AB 1840 Letter, the “**AB 1840 Letters**”). [Detail to come on Fourth AB 1840 Letter]

In the course of its oversight, FCMAT reviewed the District's use of bond proceeds from prior bond issuances to pay rent for the District's temporary administrative office. FCMAT has questioned whether there is a

capital project to which these costs can be capitalized. A similar question has been raised by ACOE in a recent grand jury report, the District's auditor in its fiscal year 2017-18 performance audit of its bond program, and the District's bond oversight committee. The District intends to use proceeds of the Taxable Bonds for payment of rent at the District's temporary administrative office until the completion of the new administrative site.]

For further information on FCMAT's review of and conclusions regarding the District's financial condition, investors are directed to read the full version of the Financial Health Risk Analysis, the Phase I Letter, the Phase II Letter, and the AB 1840 Letters, each of which is publicly available on FCMAT's website at the following address: <http://www.fcmat.org/takenote/>. The information referred to is prepared by FCMAT and not by the District, and the District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

[The District has implemented its 2018-2020 Fiscal Vitality Plan (the "**Fiscal Vitality Plan**") to provide recommendations responsive to the Fiscal Health Risk Analysis. A draft of the Fiscal Vitality Plan was released to the public for comment and input and requires ongoing engagement with the District's Board of Education, staff and community. The Fiscal Vitality Plan sets forth 23 recommendations for actions to rectify the District's poor fiscal health. These recommendations consist of: (i) stabilizing measures, such as midyear adjustments for the fiscal year 2017-18 budget and changes to monitoring and forecasting; (ii) recovery measures, such as fiscal year 2018-19 budget development that eliminates deficit spending and reorganizes the District's central office, establishment of internal controls relating to the budget and position control, implementation of a new system to manage finance and human resource information, and revenue maximization; and (iii) vitality measures, such as defining roles and responsibilities for District oversight, and finalizing and implementing the Quality Schools Action Plan and Facilities Master Plan.]

Federal Subsidy Payments on Direct Subsidy Bonds and Tax Credit Bonds

[As a result of payroll tax penalties owed by the District in fiscal year 2018-19, the Internal Revenue Service (the "**IRS**") intercepted federal subsidy payments of approximately \$1.2 million to be paid to the District in connection with its Taxable General Obligation Bonds (Election of 2006, Series 2009B) (Build America Bonds). The District has since reimbursed the Interest and Sinking Fund for the amount of the intercepted subsidy. The District is in the process of submitting a request to the IRS seeking waiver of the full amount of the penalties and a rebate of amounts paid to date.

The District cannot predict whether and to what extent federal subsidy payments for direct subsidy bonds or tax credit bonds may be intercepted, or the extent to which sequestration may effect the District's receipt of federal subsidy payments in the future.]

Cybersecurity

The District relies on a large and complex technology infrastructure to conduct its operations. The District and its departments routinely face cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks on computers and other sensitive digital networks and systems. No assurances can be given that the security and operational control measures of the District will be successful in guarding against any and each cyber threat and attack. The results of any attack on the computer and information technology systems could have a material adverse impact on the operations of the District and damage the digital networks and systems. The District cannot predict the outcome of any such attack, nor the effect on the operations and finances of the District.

Enforceability of Covenant Not to Declare Bankruptcy

The District has outstanding a series of State School Apportionment Lease Revenue Bonds, and State law provides that for so long as any of such 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.” 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.

Possible Limitations on Remedies

General. Following is a discussion of certain considerations in the event that the District should become a debtor in a bankruptcy proceeding. It is not an exhaustive discussion of the potential application of bankruptcy law to the District.

State law contains a number of safeguards to protect the financial solvency of school districts. If the safeguards are not successful in preventing the District from becoming insolvent, the State Superintendent of Public Instruction (the “**State Superintendent**”), operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the “**Bankruptcy Code**”) on behalf of the District for the adjustment of its debts, assuming that the District meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. Under current State law, the District is not itself authorized to file a bankruptcy proceeding, and it is not subject to an involuntary bankruptcy proceeding.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the parties to the proceedings may be prohibited from taking any action to collect any amount from the District or the County (including *ad valorem* tax revenues) or to enforce any obligation of the District, without the bankruptcy court’s permission. In such a proceeding, 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, including the obligation of the County and the District to raise taxes if necessary to pay the Bonds, if the bankruptcy court determines that the plan is fair and equitable and otherwise complies with the Bankruptcy Code. 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. 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.

Limitations on Plans of Adjustments. Chapter 9 of the Bankruptcy Code provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in the state, in the exercise of its political or governmental powers, including expenditures for such exercise. In addition, Chapter 9 provides that a bankruptcy court may not interfere with the political or governmental powers of the debtor, unless the debtor consents to that action or the plan so provides. State law provides that *ad valorem* taxes may be levied to pay the principal of and interest on the Bonds and other voted general obligation bonds of the District in an unlimited amount, and that proceeds of such a levy must be used for the payment of principal of and interest on the District’s general obligation bonds, including the Bonds, and for no other purpose. Under State law, the District’s share of the 1% limited tax imposed by the County is the only *ad valorem* tax revenue that may be raised and expended to pay liabilities and expenses of the District other than its voter-approved debt, such as its general obligation bonds. If the State law restriction on the levy and expenditure of *ad valorem* taxes is respected in a bankruptcy case, then *ad valorem* tax revenue in excess of the District’s share of the 1% limited County tax could not be used by the District for any purpose under its plan other than to make payments on the Bonds and its other voted general obligation bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to State law, all general obligation bonds issued by local agencies, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the *ad valorem* taxes. State law provides that the lien automatically arises, without the need for any action or authorization by the local agency or its governing board, and is valid and binding from the time the bonds are executed and delivered. As a result, the lien on debt service taxes will continue to be valid with respect to post-petition receipts of debt service taxes, should the District become the subject of bankruptcy proceedings. However, the automatic stay provisions of the Bankruptcy Code would apply, preventing bondholders from enforcing their rights to payment from such taxes, so payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed.

Special Revenues. 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* tax revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. “Special revenues” are defined to include, among others, 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. The District has specifically pledged the *ad valorem* taxes for payment of the Bonds. The Bonds and the District’s other general obligation bonds were approved at elections held on propositions that described the projects for which such bonds may be issued. As noted above, State law prohibits the use of the proceeds of the District’s debt service tax for any purpose other than payment of its general obligation bonds, and the bond proceeds may 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 payment of general obligation bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

The Bankruptcy Code provides that there is no stay of application of pledged special revenues to payment of indebtedness secured by such revenues. The United States Court of Appeals for the First Circuit, in a case arising out of the insolvency proceedings of Puerto Rico, recently held that this provision permitted voluntary payments of debt service by the issuer of bonds backed by special revenues, but did not permit the bondholders to compel the issuer to make payments of debt service from special revenues. If this decision is followed by other courts, the holders of the Bonds may be prohibited from taking any action to require the District or the County to make payments on the Bonds without the bankruptcy court’s permission. This could result in substantial delays in payments on the Bonds.

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 District goes into bankruptcy and the District or the County has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the District or the County, 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. A similar risk would exist if the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy).

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.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to

or Affecting Creditor's Rights. The proposed form of opinion of Bond Counsel, attached hereto as Appendix D, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights.

TAX MATTERS

Tax-Exempt Bonds

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 Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Code, and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal alternative minimum tax. 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 Tax-Exempt Bonds is less than the amount to be paid at maturity of such Tax-Exempt Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Tax-Exempt 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 Tax-Exempt Bonds which is excluded from gross income for federal income tax purposes and State of California tax purposes. For this purpose, the issue price of a particular maturity of the Tax-Exempt Bonds is the first price at which a substantial amount of such maturity of the Tax-Exempt 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 Tax-Exempt Bonds accrues daily over the term to maturity of such Tax-Exempt 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 Tax-Exempt Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Tax-Exempt Bonds. Beneficial Owners of the Tax-Exempt Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Tax-Exempt Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Tax-Exempt Bonds in the original offering to the public at the first price at which a substantial amount of such Tax-Exempt Bonds is sold to the public.

Tax-Exempt 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 Tax-Exempt Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Tax-Exempt 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 Tax-Exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt 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 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 Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt 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 Tax-Exempt 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 accrual or receipt of amounts treated as interest on, the Tax-Exempt 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 Tax-Exempt 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. 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 Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt 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 Tax-Exempt Bonds for federal income tax purposes. It is not binding on the 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 Tax-Exempt Bonds ends with the issuance of the Tax-Exempt 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 Tax-Exempt Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and their 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 Tax-Exempt 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 Tax-Exempt Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Taxable Bonds

In the opinion of 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 Taxable Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Taxable Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix D hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to holders of the Taxable Bonds that acquire their Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section

1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Taxable Bonds pursuant to this offering for the issue price that is applicable to such Taxable Bonds (i.e., the price at which a substantial amount of the Taxable Bonds are sold to the public) and who will hold their Taxable Bonds as “capital assets” within the meaning of Section 1221 of the Code.

As used herein, “U.S. Holder” means a beneficial owner of a Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, “Non-U.S. Holder” generally means a beneficial owner of a Taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder’s method of accounting for U.S. federal income tax purposes.

Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Taxable Bond.

Sale or Other Taxable Disposition of the Taxable Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition of a Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder’s adjusted U.S. federal income tax basis in the Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Taxable Bond, decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder’s holding period for the Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Taxable Bonds. If the District defeases any Taxable Bond, the Taxable Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder’s adjusted U.S. federal income tax basis in the Taxable Bond.

Information Reporting and Backup Withholding. Payments on the Taxable Bonds generally will be subject to U.S. information reporting and possibly to “backup withholding.” Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding at the current rate of 24% with respect to “reportable payments,” which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder’s failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders,” payments of principal of, and interest on, any Taxable Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation described in Section 881(c)(3)(C) of the Code, and (2) a bank which acquires such Taxable Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Taxable Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

Disposition of the Taxable Bonds. Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the District or a deemed retirement due to defeasance of the Taxable Bond) or other disposition of a Taxable Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading “Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders,” under current U.S. Treasury Regulations, payments of principal and interest on any Taxable Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Taxable Bond or a financial institution holding the Taxable Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act (“FATCA”) – U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the

same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Taxable Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain “passthru” payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term “foreign passthru payments.” Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

OTHER LEGAL MATTERS

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe, LLP, Bond Counsel. Bond Counsel expects to deliver an opinion with respect the Bonds at the time of issuance of the Bonds substantially in the form 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 California Financial Code, the Bonds are legal investments 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 2020-21 fiscal year (which is due no later than April 1, 2022) 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 Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “**Rule**”).

[During the five-year period preceding the date of this Official Statement, the District failed to timely file notices of rating changes. Such information has since been filed, and the District believes it is currently in compliance with its continuing disclosure obligations. The District has retained a dissemination agent to assist with complying with its continuing disclosure obligations under the Rule.]

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 Underwriters at the time of the original delivery of the Bonds.]

The District is routinely subject to lawsuits and claims. See, e.g., "RISK FACTORS – District Financial Considerations – *Labor Agreements*." The District is currently the subject of a lawsuit relating to an alleged Title IX violation. The District cannot predict the impact, if any, which any ongoing claims or lawsuits relating to alleged Title IX violations may have on the District's finances. The District is also engaged in a lawsuit with the California Charter Schools Association ("CCSA"). CCSA seeks to compel the District to modify its practices in responding to charter school requests for school facilities. The District cannot predict the outcome of such lawsuit, nor its effect on the operations and finances of the District.]

ESCROW VERIFICATION

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriters 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., as Verification Agent. Such computations will be based solely on assumptions and information supplied by the District and the Underwriters. The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any effort 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

Rating

[Moody's Investors Service] has assigned its underlying 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 Underwriters 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. Isom Advisors, a Division of Urban Futures, Inc. 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.

Underwriting

Series 2021 Bonds. The Series 2021 Bonds are being purchased by Siebert Williams Shank & Co., LLC, as representative (the "**Representative**") on behalf of itself and Stifel, Nicolaus & Company, Incorporated ("**Stifel**" and, together with the Representative, the "**Underwriters**"), pursuant to the terms of a bond purchase agreement, dated

_____, 2021 (the “**Series 2021 Purchase Contract**”) by and among the District, the County and the Representative. The Underwriters have agreed to purchase the Series 2021 Bonds at a price of \$_____ (which represents the aggregate principal amount of the Series 2021 Bonds, plus \$_____ [net] original issue premium and less \$_____ Underwriters’ discount). Pursuant to the Series 2021 Purchase Contract, the Underwriters will purchase all of the Series 2021 Bonds if any are purchased, the obligation of the Underwriters to purchase the Series 2021 Bonds being subject to certain terms and conditions to be satisfied by the District.

Refunding Bonds. The Refunding Bonds are being purchased by the Representative on behalf of itself and Stifel, pursuant to the terms of a bond purchase agreement, dated _____, 2021 (the “**Refunding Purchase Contract**”) by and between the District and the Representative. The Underwriters have agreed to purchase the Refunding Bonds at a price of \$_____ (which represents the aggregate principal amount of the Refunding Bonds, [plus/less] \$_____ [net] original issue [premium/discount] and less \$_____ Underwriters’ discount). Pursuant to the Refunding Purchase Contract, the Underwriters will purchase all of the Refunding Bonds if any are purchased, the obligation of the Underwriters to purchase the Refunding Bonds being subject to certain terms and conditions to be satisfied by the District.

The Underwriters 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 Underwriters.

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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: _____
Chief Business Officer

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 are not available.

As of January 1, 2021, the City has a population of approximately 435,514, and the County has a population of approximately 1,656,591. 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 in 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 to destinations in the County as well as San Francisco, Contra Costa, San Mateo and Santa Clara counties. 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 of California (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.

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 a major professional sports team, the Oakland Athletics, that play at a stadium 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.

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 approximately 8.9%, over this 10-year period.

City of Oakland, County of Alameda and State of California Population 2011 - 2020

Calendar Year	City of Oakland	County of Alameda	State of California
2012	399,930	1,545,917	37,924,661
2013	409,180	1,569,989	38,269,864
2014	414,065	1,590,729	38,556,731
2015	419,490	1,613,319	38,865,532
2016	424,717	1,631,230	39,103,587
2017	427,493	1,644,303	39,352,398
2018	428,750	1,651,760	39,519,535
2019	429,932	1,659,608	39,605,361
2020	432,327	1,663,114	39,648,938
2021	435,514	1,656,591	39,466,855

Source: California Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2021, with 2021 Census Benchmark for 2011-2021.

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 2016 – 2020⁽¹⁾

Industry	2016	2017	2018	2019	2020
Farm	500	600	600	700	700
Mining, Logging & Construction	43,000	45,900	49,000	49,600	46,600
Manufacturing	75,000	79,900	84,700	85,000	83,000
Trade, Transportation & Utilities	137,900	138,300	139,700	138,800	128,900
Information	18,200	18,800	20,000	20,500	19,900
Financial Activities	30,300	28,700	28,000	28,400	27,300
Professional & Business Services	128,700	130,400	134,000	136,600	128,800
Educational & Health Services	117,600	122,200	123,600	126,000	120,900
Leisure & Hospitality	70,900	74,100	76,400	78,000	52,900
Other Services	26,200	27,200	27,500	27,500	22,400
Government	123,500	124,200	123,900	124,100	118,400

⁽¹⁾ Employment is reported by place of work; it does not include persons involved in labor-management disputes. Figures are rounded to the nearest hundred. Columns may not add to totals due to rounding.

Source: California Employment Development Department.

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 2012 through 2021. The California Employment Development Department reported unemployment rates for 2021 at 8.0% for the State, 6.5% for the County and 7.6% for the City (not seasonally adjusted).

City of Oakland, County of Alameda and State of California Civilian Labor Force, Employment and Unemployment Annual Average 2012 – 2021

	Labor Force	Civilian Employment	Unemployment	Unemployment Rate (%)
City of Oakland				
2012	207,000	184,600	22,400	10.8%
2013	206,400	187,800	18,600	9
2014	207,000	191,900	15,100	7.3
2015	208,900	196,500	12,300	5.9
2016	210,000	199,800	10,300	4.9
2017	212,200	20,3300	8,900	4.2
2018	214,300	206,700	7,500	3.5
2019	215,500	208,100	7,400	3.4
2020	211,700	189,400	22,300	10.5
2021	207,400	191,600	15,800	7.6
County of Alameda				
2012	796,500	726,100	70,300	8.8%
2013	799,800	741,200	58,600	7.3
2014	806,300	758,800	47,500	5.9
2015	819,000	779,900	39,100	4.8
2016	831,800	796,000	35,800	4.3
2017	838,700	807,700	31,000	3.7
2018	841,500	815,700	25,800	3.1
2019	841,100	815,900	25,200	3.0
2020	813,800	742,400	71,400	8.8
2021	803,500	750,900	52,600	6.5
State of California				
2012	18,484,900	16,541,000	1,943,800	10.5%
2013	18,565,400	16,887,900	1,677,500	9
2014	18,676,700	17,264,500	1,412,200	7.6
2015	18,824,100	17,647,400	1,176,700	6.3
2016	19,012,000	17,965,400	1,046,600	5.5
2017	19,173,800	18,246,800	927,000	4.8
2018	19,263,900	18,442,400	821,500	4.3
2019	19,353,700	18,550,500	803,200	4.2
2020	18,821,200	16,913,100	1,908,100	10.1
2021	19,003,600	17,481,000	1,522,700	8.0

Source: State of California Employment Development Department – Unemployment Rates (Labor Force).

Major Employers

The following tables set forth the top ten major private employers in the City and the principal employers in the County.

City of Oakland Major Private Employers

Employer	Number of Employees
Kaiser Foundation Health Plan, Hospitals, and Kaiser Permanente Medical Group	12,500
County of Alameda	8,000
Oakland Unified School District	5,000
City of Oakland	4,500
San Francisco BART District	4,000
State of California	3,500
Children's Hospital & Research Center	2,500
Southwest Airlines Co.	2,500
Alameda County Medical Center	2,000
Sutter Bay Hospitals and Foundation	2,000

Source: City of Oakland Comprehensive Annual Financial Report for the year ended June 30, 2020.

County of Alameda Principal Employers

Employer	Number of Employees
Kaiser Permanente medical Group Inc.	34,819
Tesla	10,000
Safeway Inc.	9,796
County of Alameda	9,588
Sutter Health	9,377
John Muir Health	6,012
Chevron Corp.	5,186
PG&E Corp.	5,100
Wells Fargo Bank	4,589
Workday	4,565

Source: County of Alameda Comprehensive Annual Financial Report for the year ended June 30, 2020.

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
2016 – 2020**

	2016	2017	2018	2019	2020
City of Oakland					
Units in Single-Family Structures	125	118	117	313	124
Units in All Multi-Family Structures	1,818	3,943	3,619	1,626	886
Total Units	1,943	4,061	3,736	1,939	990
County of Alameda					
Units in Single-Family Structures	2,111	2,175	1,831	1,871	1152
Units in All Multi-Family Structures	3,166	6,889	6,147	4,145	2610
Total Units	5,277	9,064	7,978	6,016	3762

Sources: Construction Industry Research Board (CIRB) and California Homebuilding Foundation (CHF) for 2016-20.

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 Building Permit Valuations
2016 – 2020⁽¹⁾**

	2016	2017	2018	2019	2020
City of Oakland	\$ 386,600,476	\$ 601,181,895	\$ 414,962,721	\$ 508,467,142	\$144,673,996
County of Alameda	1,270,755,210	1,587,834,270	1,727,902,192	1,794,925,381	998,193,989

⁽¹⁾ 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.

Sources: CIRB and CHF.

Median Housing Price

The median price of a single-family home in the City increased from \$220,000 in 2011 to \$[] in 2020. The median price of a single-family home in the County increased from \$337,000 in 2011 to \$[] in 2020.

City of Oakland and County of Alameda Median Housing Prices 2011 – 2020⁽¹⁾

Year	City of Oakland	County of Alameda
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
2017	635,000	750,000
2018	700,000	826,000
2019	725,000	822,000
2020	796,500	860,000

⁽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 Metropolitan Statistical Area (which is larger than the District, and which contains the District) increased by 86.6% from 2010 to 2019. Per capita personal income in the area grew by 71.3% in that same time period. The following table summarizes personal income for the San Francisco – Oakland – Hayward Metropolitan Statistical Area, which encompasses the District, for the calendar years 2010 through 2019.

Personal Income and Per Capita Income San Francisco – Oakland – Hayward Metropolitan Statistical Area 2010 – 2019⁽¹⁾

Year	Personal Income (\$ in Thousands)	Annual Percent Change	Per Capita Income	Annual Percent Change
2010	\$266,002,196	4.0%	\$61,240	3.0%
2011	288,057,649	8.3	65,531	7.0
2012	313,789,675	8.9	70,428	7.5
2013	322,045,787	2.6	71,255	1.2
2014	350,086,443	8.7	76,355	7.2
2015	384,100,296	9.7	82,639	8.2
2016	408,941,255	6.5	87,228	5.6
2017	439,032,236	7.4	93,165	6.8
2018	473,747,078	7.9	100,236	7.6
2019	496,466,826	4.8	104,921	4.7

⁽¹⁾ Most recent data available as of the date of this Official Statement.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Per Capita Personal Income by Metropolitan Area, 2010-2019.

Retail Sales

The following tables set forth a history of taxable sales for the City and County for calendar years 2012 through 2020.

City of Oakland and County of Alameda Taxable Sales 2012 – 2020⁽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				
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	8,080	3,159,286	12,264	4,455,627
2016	8,054	3,135,414	12,391	4,459,606
2017	8,029	3,313,744	12,399	4,762,251
2018	8,368	3,436,505	13,500	4,939,330
2019	8,669	3,434,995	14,256	4,957,551
2020	8,557	2,635,586	14,260	3,850,497
County of Alameda				
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	27,339	18,702,806	44,548	29,770,157
2016	27,517	19,386,688	45,165	30,958,480
2017	27,431	20,786,502	45,232	32,702,082
2018	27,816	22,857,349	47,402	35,073,302
2019	28,375	21,921,742	49,197	35,116,163
2020	28,831	19,931,258	50,461	32,176,001

⁽¹⁾ Most recent data available as of the date of this Official Statement.

Source: California State Board of Equalization, Taxable Sales in California for 2012 through 2020.

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 unlimited 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 City of Emeryville. The District encompasses approximately 53.8 square miles, including a diverse economy of industry, services, health care, retail and other commercial activity. As of January 1, 2021, the City has a population of approximately 435,514, and the County has a population of approximately 1,656,591. The District was unified in 1952, combining then-existing high school and elementary school districts.

[The District currently operates forty-nine elementary schools serving grades K-5, fourteen middle schools serving grades 6-8, five elementary/middle schools serving grades K-8, seven comprehensive senior high schools serving grades 9-12, three middle/high schools serving grades 6-12, and seven alternate high school programs. Forty-five charter schools currently operate within the District's boundaries.] The District has projected enrollment for fiscal year 2021-22 of approximately 35,034 students in grades K-12, not including the students attending the charter schools. As of June 30, 2021, the District has budgeted to employ approximately 4,970.0 full-time equivalent ("FTE") employees, including 2,750.0 FTE certificated (teaching) employees, 1,720.0 FTE classified (non-teaching) employees and 500.0 management, supervisory and confidential employees. According to the adopted budget for fiscal year 2021-22, the District's budgeted fiscal year 2021-22 general fund expenditures are approximately \$684.0 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 (the "Board of Education"). The Board of Education consists of seven members who are elected by Trustee Area 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
Shanthi Gonzales	President	District 6	January 2023
Benjamin "Sam" Davis	Vice President	District 1	January 2025
Aimee Eng	Director	District 2	January 2023
Mike Hutchinson	Director	District 5	January 2025
Clifford Thompson	Director	District 7	January 2025
VanCedric Williams	Director	District 3	January 2025
Gary Yee	Director	District 4	January 2023

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 Superintendent and certain other key administrative personnel is set forth below.

Dr. Kyla Johnson-Trammell, Superintendent. On May 10, 2017, the Board of Education announced that Dr. Johnson-Trammell was selected to serve as Superintendent of the District and she began serving in the role in July 2017. Prior to being appointed Superintendent, Dr. Johnson-Trammell served as the District's Interim Deputy Superintendent, Academic and Social Emotional Learning from February 2017 to July 2017. Prior to her role as Interim Deputy Superintendent, Dr. Johnson-Trammell served the District in a variety of roles, including as Network Superintendent of Elementary Schools, Associate Superintendent of Leadership, Curriculum and Instruction, and Administrator on Special Assignment. Prior to those roles, she served the District as Principal of an elementary school, Assistant Principal of a middle school, and as an elementary school teacher. Dr. Johnson-Trammell has a bachelor's degree in communications from the University of Pennsylvania as well as a Master's degree in Educational Leadership and a Doctor of Education degree in Educational Leadership from the University of California, Berkeley.

Curtiss Sarikey, Chief of Staff. Mr. Sarikey joined the District as Chief of Staff in November 2017, bringing over 30 years of human services and education experience. Prior to joining the District, he served as Senior Director at the Stuart Foundation, leading in the areas of educator leadership, labor management collaboration, and State-level policy on continuous improvement and capacity building. Prior to that, Mr. Sarikey served as the Deputy Chief of Community Schools and Student Services at the District. Mr. Sarikey has also served as adjunct faculty for University of San Francisco School Counseling Program, teaching courses in family engagement and school improvement. He previously worked for 10 years with San Francisco Unified School District as a school social worker and supervisor, five years as Executive Director of Big Brothers Big Sisters of the East Bay, Inc., and five years with the United States Navy as head of Oakland Naval Medical Center's Family Advocacy Program. He has consulted with cities and school districts across the country in areas of collective impact, community schools and social emotional learning. Mr. Sarikey earned a Bachelor's degree from the State University of New York at Geneseo and a Master's of Social Welfare degree from the University of California, Berkeley. He is also a Licensed Clinical Social Worker (LCSW) and has education pupil services and administrative credentials from San Francisco State University and Sonoma State University.

Lisa Grant-Dawson, Chief Business Officer. [Bio to come].

Josh Daniels, General Counsel. Josh Daniels joined the District in August 2019. Prior to this, he worked as a Director for the California Collaborative for Educational Excellence, where he oversaw Statewide training and outreach efforts to school districts, charter schools, and county offices of education. Prior to that Mr. Daniels worked as an attorney for the California School Boards Association and for the law firm of Olson Hagel & Fishburn, advising school districts in California in both positions. Josh was twice elected to the Berkeley School Board, in 2010 and 2014, and served as Board President twice. He holds a Juris Doctorate and a Masters in Public Policy from the University of California, Berkeley, as well as a Master's degree in mathematics from Wesleyan University.

Fiscal Oversight

In connection with the emergency financial assistance provided to the District by the State in fiscal year 2002-03, the State Superintendent of Public Instruction (the "**State Superintendent**") appointed a trustee for the District (the "**Fiscal Oversight Trustee**"). The Fiscal Oversight Trustee serves at the pleasure of, and reports directly to, the County Superintendent of Schools, 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 County Superintendent of Schools has determined that the District's future compliance with the Recovery Plan (as defined below) is probable. During their tenure, the Fiscal Oversight Trustee is empowered to stay or rescind any action of the Board of Education that, in the judgment of the Fiscal Oversight Trustee, may affect the District's financial condition.

Assembly Bill 1840 (which became effective on September 17, 2018) (“**AB 1840**”) required the District to take certain actions by March 1, 2019, for fiscal year 2018-19, regarding its financial plans and construction plans, in collaboration with and with the concurrence of the Alameda County Superintendent of Schools and the Fiscal Crisis and Management Assistance Team. AB 1840 provides that, in fiscal years 2019-20 through 2021–22, the Budget Act of the State for those fiscal years shall include certain appropriations for the District, with the disbursement of moneys from those appropriations contingent upon the completion of activities specified in the prior year Budget Act to improve the District’s fiscal solvency. In connection with AB 1840, Chris Learned was appointed the Fiscal Oversight Trustee for the District on July 1, 2017, by the State Superintendent. Prior to his appointment as Fiscal Oversight Trustee, Mr. Learned had over 40 years of experience in California K-12 business and operations. In 2015, Mr. Learned retired as Associate Superintendent of Business Services for Acalanes Union High School District after 18 years of service. Mr. Learned has a Bachelor’s degree in business administration and a Master’s degree in business administration.

Mr. Learned has informed the District that he 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; School Closures

[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. In addition, in 2017 the Superintendent outlined three Districtwide priorities: Fiscal Vitality, Quality Community Schools and Organizational Wellness.

The District has also developed the Board-approved Community of Schools Citywide Plan (the “**Citywide Plan**”) that maps out a sustainable District footprint based on several data points related to enrollment projections, city demographic projections, and geographic data relating to where students live and attend schools. The data show that the District’s projected student population would be served more efficiently with up to 24 fewer buildings or campuses than are currently being utilized. Simultaneously, the District is evaluating revenue generation opportunities with its available surplus property. Accordingly, the Board of Education has appointed a 7-11 Committee which is involved in making recommendations to the Board of Education about whether vacant properties should be considered surplus properties and to provide recommendations about the potential uses for any surplus property, including the use of surplus property to generate revenue. In April 2019, the Board of Education appointed 11 members to the 7-11 Committee and directed the 7-11 Committee to start meeting in August 2019. In May 2019, the Board of Education approved a contract for facilitators of the 7-11 Committee; and in June 2019 the Board of Education passed a resolution providing direction to the 7-11 Committee to focus on five currently vacant properties and consider such properties for surplus as part of the 7-11 Committee’s initial phase of review. Additional vacated properties will be considered by the 7-11 Committee in future phases, and may result in recommendations that such properties be considered surplus as well as potential use of such properties.

The Citywide Plan is expected to be implemented over five years, with cohorts of new consolidations, mergers, closures and redesigned schools identified annually in each selection year, a planning phase and subsequent implementation. Cohort I merged two elementary schools and two middle schools, closed one middle school, and expanded a successful high school program, resulting in a net of three fewer schools. Cohort II selection was voted on by the Board of Education in September 2019 and entered its planning phase in fiscal year 2019-20 and included two more mergers (which resulted in a net of two fewer schools). The District began the selection year for Cohort III during fiscal year 2019-20.]

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" below) 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" below). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District projects receipt of approximately 58.1% 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 \$349.6 million in fiscal year 2021-22. Such amount includes both the State funding provided under the LCFF (defined herein) as well as other State revenues (see "– Allocation of State Funding to School District; Local Control Funding Formula" 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.

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 State 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 revenues from 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.

In connection with the State Budget Act for fiscal year 2013-14, the State and local educational agencies ("LEA") therein implemented a new funding formula for school finance system called the Local Control Funding Formula (the "**Local Control Funding Formula**" or "**LCFF**"). Funding from the LCFF replaced the revenue limit funding system and most categorical programs. See "– Allocation of State Funding to School Districts; Local Control Funding Formula" below 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 2021-22 State budget on July 12, 2021.

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 State 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."

Although the State Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State's response to fiscal difficulties in some years has had a significant impact on the Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. 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 State 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. Senate Bill 751 (2017) (“**SB 751**”) altered the reserve requirements imposed by SB 858. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2.”

AB 1469. As part of the 2014-15 State Budget, the Governor signed Assembly Bill (“**AB 1469**”) which implements a new funding strategy for the California State Teachers’ Retirement System (“**CalSTRS**”), increasing the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. See “– Retirement Benefits – *CalSTRS*” below for more information about CalSTRS and AB 1469.

2021-22 State Budget. The Governor signed the fiscal year 2021-22 State Budget (the “**2021-22 State Budget**”) on July 12, 2021, which reflects the State’s strong fiscal position as economic recovery from the COVID-19 pandemic is underway. To aid recovery while avoiding overcommitting to ongoing programs, the 2021-22 State Budget prioritizes one-time spending over ongoing spending by allocating 85% of discretionary funds to one-time spending. The 2021-22 State Budget’s multi-year forecast reflects a budget roughly in balance; however, risks to the economic forecast remain, including a decline in the stock market, which would significantly reduce State revenues. The 2021-22 State Budget acknowledges such risks and includes a phase-in of certain investments that can be adjusted annually through the budget process.

The 2021-22 State Budget projects that total resources available in fiscal year 2020-21 will be approximately \$194.3 billion, including revenues and transfers of approximately \$188.8 billion and a prior year balance of approximately \$5.6 billion, and total expenditures in fiscal year 2020-21 will be approximately \$166.1 billion. The 2021-22 State Budget projects total resources available for fiscal year 2021-22 of approximately \$203.6 billion, inclusive of revenues and transfers of approximately \$175.3 billion and a prior year balance of approximately \$28.2 billion. The 2021-22 State Budget projects total expenditures in fiscal year 2021-22 of approximately \$196.4 billion, inclusive of non-Proposition 98 expenditures of approximately \$130.1 billion and Proposition 98 expenditures of approximately \$66.4 billion. The 2021-22 State Budget includes \$25.2 billion in reserves in fiscal year 2021-22 and allocates reserves as follows: approximately \$15.8 billion in the State Rainy Day Fund for fiscal emergencies, approximately \$900 million in the Safety Net Reserve, approximately \$4.5 billion in the Proposition 98 Rainy Day Fund (Public School System Stabilization Account), and approximately \$4.0 billion in the State’s State Fund for Economic Uncertainties. In addition, the 2021-22 State Budget allocates approximately \$3.2 billion of the State’s general fund balance in fiscal year 2021-22 to the State’s Reserve for Liquidation of Encumbrances.

The 2021-22 State Budget allocates resources to continue to pay down the State’s long-term retirement liabilities, with \$3.4 billion in payments required by Proposition 2 in fiscal year 2021-22, plus \$7.9 billion in additional payments over the next three years. The improved revenue forecast also allows for the 2021-22 State Budget to eliminate \$2.0 billion in program suspensions enacted in prior budgets. The 2021-22 State Budget also completely pays off Proposition 98 deferrals that were implemented in fiscal year 2020-21 as a strategy to avoid reductions to school spending. By paying off Proposition 98 deferrals, the 2021-22 State Budget provides greater cash flow stability to school districts, which may alleviate the need for school districts to continue borrowing funds to support programmatic needs. The 2021-22 State Budget projects that the State will be below its appropriations limit (referred to as the “Gann Limit”) for fiscal years 2020-21 and 2021-22, based in part on statutory changes enacted as part of the 2021-22 State Budget that more accurately account for selected expenditures under both State and local limits and revised the level of excluded spending. The State’s estimate of its appropriations for fiscal years 2020-21 and 2021-22 will continue to be revised until May 2023.

The 2021-22 State Budget includes total funding of \$123.9 billion for all K-12 education programs, including \$65.5 billion from the State’s general fund and \$58.4 billion from other funds, which is the highest level of funding for school districts in California’s history. Per-pupil funding is also at the highest levels for school districts in California’s history, totaling \$13,976 per pupil in Proposition 98 funding and \$21,555 per pupil when accounting for all funding sources.

Certain budgeted programs and adjustments for K-12 education set forth in the 2021-22 State Budget include the following:

- Proposition 98 Minimum Guarantee. The 2021-22 State Budget projects increased Proposition 98 funding, resulting in funding estimates of \$79.3 billion in fiscal year 2019-20, \$93.4 billion in fiscal year 2020-21, and \$93.7 billion in fiscal year 2021-22, due to a significant increase in projected revenues for fiscal years 2020-21 and 2021-22. Such funding represents a historically high three-year increase in the minimum guarantee of \$47 billion over the level funded in the fiscal year 2020-21 State budget.
- Proposition 98 Rainy Day Fund (Public School System Stabilization Account). The 2021-22 State Budget includes payments required to be made to the Proposition 98 Rainy Day Fund between fiscal years 2020-21 and 2021-22 for a total account balance of \$4.5 billion at the end of fiscal year 2021-22. The balance of \$4.5 billion in fiscal year 2021-22 triggers school district reserve caps beginning in fiscal year 2022-23.
- Local Control Funding Formula. The 2021-22 State Budget includes a LCFF cost-of-living adjustment of 4.05%, representing a fiscal year 2020-21 cost-of-living adjustment of 2.31% and a fiscal year 2021-22 cost-of-living adjustment of 1.7%. The 2021-22 State Budget also includes \$520 million in Proposition 98 general fund resources to provide a 1% increase in LCFF base funding. This discretionary increase, together with the compounded cost-of-living adjustment, results in growth in the LCFF of 5.07% above the fiscal year 2020-21 levels.
- Deferrals. Recession-driven revenue reductions anticipated at the fiscal year 2020-21 State budget drove the need to defer LCFF apportionments in the amounts of \$1.9 billion in fiscal year 2019-20, and growing to more than \$11 billion in fiscal year 2020-21. As noted above, the 2021-22 State Budget eliminates all K-12 deferrals in fiscal year 2021-22.
- In-Person Instruction and Independent Study. The 2021-22 State Budget requires that all school districts return to full-time in-person instruction for the 2021-22 school year. In-person instruction will be the default for all students, and generally one of only two ways in which local educational agencies can earn State apportionment funding in fiscal year 2021-22. To give families a non-classroom based instruction option, and to provide local educational agencies with an option to generate State funding by serving students outside the classroom, the 2021-22 State Budget requires school districts and county offices of education to provide students with an independent study option and includes a series of improvements to the State's existing independent study programs.
- Expanded Learning Time. The 2021-22 State Budget includes an initial \$1.8 billion investment of Proposition 98 general fund resources as part of a multi-year plan to implement expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and youth in foster care. Local educational agencies with the highest concentrations of such students will receive a higher funding rate, and such agencies will be required to offer expanded learning opportunities to the students generating the funds. The 2021-22 State Budget estimates that the Proposition 98 general fund costs to implement this proposal will grow to \$5.0 billion by fiscal year 2025-26. Over the implementation period, per pupil funding will increase and more local educational agencies will be expected to expand access to all students.
- Universal Transitional Kindergarten. The 2021-22 State Budget includes a series of investments beginning in fiscal year 2022-23 to incrementally establish Statewide transitional kindergarten by fiscal year 2025-26. The costs of this plan are anticipated to be approximately \$600 million in general fund resources in fiscal year 2022-23, growing to \$2.7 billion in fiscal year 2025-26. In addition, the 2021-22 State Budget includes \$200 million of one-time Proposition 98 general fund resources to provide planning and implementation grants for all local educational agencies and \$100 million of one-time Proposition 98 general fund resources for local educational agencies to train and increase the number of early childhood educators. The 2021-22 State Budget also proposes new ongoing Proposition 98 general fund resources beginning in fiscal year 2022-23 to provide one additional certificated or classified staff person in each transitional kindergarten classroom. Finally, the 2021-22 State Budget includes \$130 million of Proposition 98 general fund resources for State preschool providers to meet the additional demands of

providing wraparound care for their income-eligible students under the universal transitional kindergarten program, such funds to be used for additional student access, as well as increasing reimbursement rates to more closely reflect regional differences in the cost of providing care.

- Comprehensive Student Supports. The 2021-22 State Budget includes \$3.0 billion in Proposition 98 general fund resources, available over several years, to expand and strengthen the implementation and use of the community school model to all schools in communities with high levels of poverty. In addition, the 2021-22 State Budget includes an ongoing increase to the LCFF concentration grant of \$1.1 billion in Proposition 98 general fund resources to increase the number of adults providing direct services to students on school campuses, and includes \$30 million in one-time Proposition 98 general fund resources for county offices of education to coordinate and provide services to youth in foster care. Finally, the 2021-22 State Budget provides \$547.5 million in one-time Proposition 98 general fund resources for the A-G Completion Improvement Grant Program, which will fund high schools to increase the number of students, particularly students eligible for free and/or reduced price meals, English learners, and foster youth, who graduate from high school having completed the A-G series of classes required for admission to the California State University and the University of California.
- Educator Preparation, Retention, and Training. To further expand the State's educator preparation and training infrastructure, including to meet the need for additional early childhood educators, the 2021-22 State Budget provides approximately \$2.9 billion to support educator initiatives, including approximately \$1.0 billion in one-time Proposition 98 general fund resources for educator preparation and approximately \$1.9 billion in one-time Proposition 98 general fund resources for educator retention and training.
- Nutrition. The 2021-22 State Budget provides an additional \$54 million in Proposition 98 general fund resources to reimburse all meals served to students, including for those who would not normally qualify for reimbursement under the State meal program. Beginning in fiscal year 2022-23, all schools will be required to provide two free meals per day to any student who requests a meal, regardless of income eligibility, and all schools eligible for the federal universal meals provision will be required to apply for the program by June 30, 2022 to reduce volatility in costs to the State and to ensure the State is not responsible for costs reimbursable at the federal level. The 2021-22 State Budget estimates costs of \$650 million in Proposition 98 general fund resources annually to cover any remaining unreimbursed costs up to the federal free per-meal rate. In addition, the 2021-22 State Budget provides \$150 million in one-time Proposition 98 general fund resources for school districts to provide school kitchen infrastructure and equipment upgrades and training for food service employees.
- Special Education. The 2021-22 State Budget includes the following for special education programs: approximately \$465 million in one-time Proposition 98 general fund resources for local education agencies to provide learning recovery support for students with disabilities and to improve delivery of inclusive practices; approximately \$396.9 million in one-time Proposition 98 general fund resources to increase the Statewide base rate for special education funding; approximately \$297 million in federal Individuals with Disabilities Education Act funds to support special education programs; approximately \$260 million in ongoing Proposition 98 general fund resources to support early intervention services for preschool-aged children; approximately \$186.1 million in ongoing Proposition 98 general fund resources to provide a 4.05% cost-of-living adjustment for State special education funding; and approximately \$100 million in Proposition 98 general fund resources for alternative dispute resolution of special education services complaints.
- Career Technical Education. The 2021-22 State Budget includes an increase of \$150 million in ongoing Proposition 98 general fund resources to augment opportunities for local educational agencies to participate in the Career Technical Education Incentive Grant Program, as well as an increase of \$86.4 million in one-time Proposition 98 general fund resources for career technical education regional occupational centers or programs operated by a joint powers authority to address costs associated with the COVID-19 pandemic.

The complete 2021-22 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.

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 fiscal year 2021-22 and in 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. As the Bonds are payable from *ad valorem* property taxes, the State budget is not expected to have an impact on the payment of the Bonds.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in fiscal year 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 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 described 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 redevelopment agencies to continue to make scheduled payments on and perform obligations required under its “enforceable obligations.” 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 May 16, 2012 and June 1, 2012 and each January 16 and June 1 (now each January 2 and June 1 pursuant to AB 1484, as described below) thereafter, 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.

[The District did not receive any pass-through payments in fiscal year 2020-21 and projects it will not receive any pass-through payments in fiscal year 2021-22.]

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.

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 Section 42238 *et seq.* of the State Education Code, 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 State 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 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 originally had an eight year implementation program to incrementally close the gap between actual funding and the target level of funding, as described below. In fiscal year 2018-19, the LCFF was fully funded ahead of the eight year implementation schedule. The LCFF includes the following components:

- A Base Grant for each local educational agency. The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2021-22, the LCFF provided to school districts and charter schools: (a) a Target Base Grant for each LEA equivalent to \$[_____] per A.D.A. for kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to \$[_____] per A.D.A. for grades 4 through 6; (c) a Target Base Grant for each LEA equivalent to \$[_____] per A.D.A. for grades 7 and 8; and (d) a Target Base Grant for each LEA equivalent to \$[_____] per A.D.A. for grades 9 through 12. However, the amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State.
- 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 educational agency’s Base Grant, based on the number of English language learners, students from low-income families and foster youth served by the local educational agency that comprise more than 55% of enrollment.
- An Economic Recovery Target (the “**ERT**”) that is intended to ensure that almost every local educational 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 educational agencies would receive the greater of the Base Grant or the ERT.

Under the new formula, for 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 Plan. A feature of the LCFF is a system of support and intervention for local educational agencies. School districts, county offices of education and charter schools are required to develop, implement and annually update a three-year local control and accountability plan (“**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 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 educational agencies in achieving the goals identified in their LCAPs. For local educational agencies that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent would have authority to make changes to a local educational agency’s LCAP.

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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 through 2021-22. The State reached full funding of the Base Grant in fiscal year 2018-19. 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 2021-22**

Fiscal Year		A.D.A./Base Grant				Enrollment ⁽¹²⁾		
		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⁾⁽⁴⁾ :	\$7,011	\$7,116	\$7,328	\$8,491	-	-	-
2015-16	A.D.A. ⁽²⁾ :	13,439.47	8,487.31	4,577.37	8,979.37	35,483.52	37,122	78.07%
	Targeted Base Grant ⁽³⁾⁽⁵⁾ :	\$7,083	\$7,189	\$7,403	\$8,578	-	-	-
2016-17	A.D.A. ⁽²⁾ :	12,977.63	8,391.58	4,502.63	9,168.33	35,040.17	36,761	78.07%
	Targeted Base Grant ⁽³⁾⁽⁶⁾ :	\$7,083	\$7,189	\$7,403	\$8,578	-	-	-
2017-18	A.D.A. ⁽²⁾ :	12,959.20	8,394.71	4,485.82	9,117.93	34,957.66	37,049	77.38%
	Targeted Base Grant ⁽³⁾⁽⁷⁾ :	\$7,193	\$7,301	\$7,518	\$8,712	-	-	-
2018-19	A.D.A. ⁽²⁾ :	12,034.90	7,760.83	4,319.76	8,519.32	32,634.81	35,666	[76.73]%
	Targeted Base Grant ⁽³⁾⁽⁸⁾ :	\$7,459	\$7,571	\$7,796	\$9,034	-	-	-
2019-20	A.D.A. ⁽²⁾ :	12,331.17	7,967.19	4,462.12	8,938.20	33,698.68	36,111	[__.]%
	Targeted Base Grant ⁽³⁾⁽⁹⁾ :	\$[____]	\$[____]	\$[____]	\$[____]	-	-	-
2020-21	A.D.A. ⁽²⁾ :	[____]	[____]	[____]	[____]	[33,911.00]	35,435	[__.]%
	Targeted Base Grant ⁽³⁾⁽¹⁰⁾ :	\$[____]	\$[____]	\$[____]	\$[____]	-	-	-
2021-22 ⁽¹⁾	A.D.A. ⁽²⁾ :	[____]	[____]	[____]	[____]	[33,911.00]	35,034	[__.]%
	Targeted Base Grant ⁽³⁾⁽¹¹⁾ :	\$[____]	\$[____]	\$[____]	\$[____]	-	-	-

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- (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 were not fully funded until fiscal year 2018-19.
- (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.
- (5) 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.
- (6) Targeted fiscal year 2016-17 Base Grant amounts reflect a 0.00% cost of living adjustment from targeted fiscal year 2015-16 Base Grant amounts.
- (7) Targeted fiscal year 2017-18 Base Grant amounts reflect a 1.56% cost-of-living adjustment from targeted fiscal year 2016-17 Base Grant amounts.
- (8) Targeted fiscal year 2018-19 Base Grant amounts reflect a 3.70% cost-of-living adjustment from targeted fiscal year 2017-18 Base Grant amounts.
- (9) Targeted fiscal year 2019-20 Base Grant amounts reflect a 3.26% cost of living adjustment from targeted fiscal year 2018-19 Base Grant amounts.
- (10) Targeted fiscal year 2020-21 Base Grant amounts reflect a 0.0% cost of living adjustment from targeted fiscal year 2019-20 Base Grant amounts.
- (11) Targeted fiscal year 2021-22 Base Grant amount reflects a 4.05% cost-of-living adjustment from targeted fiscal year 2020-21 Base Grant amounts.
- (12) 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: The District.

The District estimates it received approximately \$383.9 million in aggregate revenues reported under LCFF sources in fiscal year 2020-21, and projects to receive approximately \$401.6 million in aggregate revenues under the LCFF in fiscal year 2021-22 (or approximately 66.7% of its general fund revenues in fiscal year 2021-22). Such amount includes combined supplemental and concentration grants budgeted to be approximately \$[_.] million in fiscal year 2021-22.

Local Sources of Education Funding

General. 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 *et seq.* and Sections 95 *et seq.* of the California Revenue and Taxation Code. Section 42238(h) of the California Education Code 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 California Constitution. Such districts were known as "basic aid districts" and, under the LCFF, are known as "community funded 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 an LCFF district. Under the LCFF, local property tax revenues are used to offset up to the entire State aid collection under the new formula; however, community funded districts would continue to receive, at a minimum, the same level of State aid as allotted in fiscal year 2012-13. See "– Allocation of State Funding to School Districts; Local Control Funding Formula" below for more information.

Local property tax revenues are estimated to account for approximately 13.8% of the District's aggregate revenues reported under LCFF sources in fiscal year 2020-21, and are projected to be \$131.8 million, or 21.9% of its total general fund revenues in fiscal year 2021-22.

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."

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.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the District to make adjustments in fixed operating costs.

The District cannot make any predictions regarding how the current economic environment or changes thereto will affect the State's ability to meet the revenue and spending assumptions in the State's adopted budget, and the effect of these changes on school finance. The District's adopted budget and projected A.D.A. are used for planning purposes only, and do not represent a prediction as to the actual financial performance, attendance, or the District's actual funding level for fiscal year 2021-22 or beyond. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

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 7.3% (or approximately \$44.2 million) of the District's general fund projected revenues for fiscal year 2021-22.

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 13.3% (or approximately \$79.8 million) of the District's general fund projected revenues for fiscal year 2021-22. 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 \$6.7 million for fiscal year 2021-22.

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 \$76.5 million) of the District's general fund projected revenues for fiscal year 2021-22.

Parcel Taxes. The District previously approved a qualified special tax (parcel tax) in 1996, which was extended in 2001 and 2004, and which is now expired.

In February 2008, voters in the District approved a permanent parcel tax measure, authorizing a \$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 and expiring June 30, 2025. 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.

On November 8, 2016, voters in the District approved a parcel tax of \$120 per parcel for twelve years, commencing July 1, 2017 and expiring June 30, 2029. The parcel tax is expected to generate approximately \$12.4 million annually, \$[.] million of which is expected to be allocated to charter schools within the District in fiscal year 2021-22. Proceeds from the parcel tax may be used (i) to provide a districtwide educator salary increase designed to attract/retain teachers, (ii) to provide enhanced middle school art, music, languages/other programs in addition to core educational programs, (iii) to improve academic achievement and (iv) to provide safe, positive schools, and prepare students for college/careers.

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, conditionally approve or disapprove the budget no later than September 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. In the event that the county superintendent conditionally approves or disapproves the school district's budget, the county superintendent will submit to the governing board of the school district no later than September 15 of such year written recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent can approve that budget.

The governing board of the school district, together with the county superintendent, must review and respond to the recommendations of the county superintendent on or before October 8 at a regular meeting of the governing board of the school district. The county superintendent will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent disapproves a revised budget, the county superintendent will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the State Superintendent may impose a budget and will report such school district to the State Legislature and the Department of Finance.

Subsequent to approval, the county superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations.

If at any time during the fiscal year the county superintendent determines that a school district may be unable to meet its financial obligations for the current or two subsequent fiscal years or if a school district has a qualified or negative certification (as described below), the county superintendent will notify the governing board of the school district and the State Superintendent of that determination and report to the State Superintendent the financial condition of the school district. The county superintendent will also report proposed remedial actions and take at least one of the following and all actions that are necessary to ensure that the school district meets its financial obligations: (a) assign a fiscal expert, (b) conduct a study of the financial and budgetary conditions of the school district that includes, but is not limited to, a review of internal controls, (c) direct the school district to submit a financial projection of all fund and cash balances of the school district as of June 30 of the current year and subsequent fiscal years, (d) require the school district to encumber all contracts and other obligations, to prepare appropriate cashflow analyses and monthly or quarterly budget revisions, and to appropriately record all receivables and payables, (e) direct the school district to submit a proposal for addressing the fiscal conditions that resulted in the determination that the school district may not be able to meet its financial obligations, (f) withhold compensation of the members of the governing board of the school district and the school district superintendent for failure to provide requested financial information, and (g) assign the County Office Fiscal Crisis and Management Assistance

Team to review and provide recommendations related to teacher hiring practices, teacher retention rate, percentage of provision of highly qualified teachers, and the extent of teacher misassignment in the school district. See also “RISK FACTORS – District Financial Considerations” and “THE DISTRICT – Fiscal Oversight” above.

If, after taking various remedial actions, the county superintendent determines that a school district cannot meet its current or the subsequent year’s obligations, the county superintendent will notify the school district’s governing board, the State Superintendent and the president of the State board (or the president’s designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district’s governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district’s governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district’s governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent will also make a report to the State Superintendent and the president of the State board or the president’s designee about the financial condition of the school district and the remedial actions proposed by the county superintendent. 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 “**A.B. 1200**”) (as amended by AB 1840) imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 *et seq.*), each school district is required to file two 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, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, will not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the State Superintendent no later than June 1, financial statement projections of the school district’s fund and cash balances through June 30 for the period ending April 30.

Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent determines that the school district’s repayment of indebtedness is probable. The District’s first and second interim reports for fiscal year 2020-21 received a qualified certification.

For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State board or the president’s designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district’s return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the Superintendent of Public Instruction will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

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 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.

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Fiscal Years 2015-16 through 2019-20
General Fund Revenues, Expenditures and Fund Balances⁽¹⁾⁽²⁾

	2015-16 Audited	2016-17 Audited	2017-18 Audited	2018-19 Audited	2019-20 Audited
REVENUE					
LCFF Sources	\$339,083,640	\$355,820,735 ⁽⁷⁾	\$361,901,082	\$378,498,739	\$383,008,899
Federal Revenue	43,929,012	44,636,387	45,364,332	45,307,610	45,910,978
Other State Sources	80,879,959 ⁽⁴⁾	68,551,346 ⁽⁸⁾	67,537,787	91,451,136	74,138,852
Other Local Sources	59,830,477	69,672,303	82,649,655	90,844,009	80,770,934
Total Revenue:	<u>\$523,723,088</u>	<u>\$538,680,771</u>	<u>\$557,452,856</u>	<u>\$606,101,494</u>	<u>\$583,829,663</u>
EXPENDITURES					
Certificated Salaries	\$186,977,491 ⁽⁵⁾	\$201,644,455 ⁽⁵⁾	\$194,797,326	\$191,352,494	\$206,450,471
Classified Salaries	89,091,972 ⁽⁵⁾	99,365,020 ⁽⁵⁾	93,396,948	93,862,136	93,167,210
Employee Benefits	122,566,571 ⁽⁵⁾	133,822,986 ⁽⁵⁾	136,527,883	159,511,716	166,743,932
Books and Supplies	20,967,378	14,375,203	14,030,706	18,350,244	19,310,765
Services/Other Operating Expenditures	88,844,867	86,732,030	85,847,492	94,771,944	92,844,072
Other Outgo	1,250,430	2,836,110	1,529,816	4,183,430	4,749,512
Capital Outlay	997,926	2,912,076	1,125,173	7,836,114	1,174,081
Debt Service	5,978,699	5,972,611	5,963,945	5,944,659	5,928,534
Total Expenditures:	<u>\$516,675,334</u>	<u>\$547,660,491</u>	<u>\$533,219,289</u>	<u>\$575,812,737</u>	<u>\$590,368,577</u>
Excess (Deficiency) of Revenues Over Expenditures	\$7,047,754	\$(8,979,720)	\$24,233,567 ⁽⁹⁾	\$30,288,757	\$(6,538,914)
OTHER FINANCING SOURCES (USES)					
Transfers In ⁽³⁾	\$ 1,082,591 ⁽⁶⁾	\$ 6,506,215	\$ 207,817	\$ 185,645	\$264,067
Transfers Out ⁽³⁾	(3,097,178)	(5,157,909)	(1,722,460)	(5,726,382)	(886,044)
Net Financing Sources (Uses):	<u>\$(1,294,587)</u>	<u>\$1,348,306</u>	<u>\$(1,514,643)</u>	<u>\$(5,540,737)</u>	<u>\$(621,977)</u>
NET CHANGE IN FUND BALANCE					
	<u>\$5,753,167</u>	<u>\$(7,631,414)</u>	<u>\$22,718,924⁽⁹⁾</u>	<u>\$24,748,020</u>	<u>\$(7,160,891)</u>
Fund Balance – Beginning	\$29,142,393	\$34,895,560	\$27,264,146	\$49,983,070	\$74,731,090
Fund Balance – End	\$34,895,560	\$27,264,146	\$49,983,070	\$74,731,090	\$67,570,199

(1) Columns may not sum to totals due to rounding.

(2) Audited financials are presented for fiscal years 2015-16 through 2019-20.

(3) Transfers in represent reimbursements for costs paid on behalf of other funds, and transfers out represent contributions from the general fund to other funds. Variances shown between each fiscal year are based on the actual costs paid or contribution needs.

(4) Increase in Other State Sources in fiscal year 2015-16 was primarily due to one-time revenues from the State.

(5) Increases in salaries and benefits in fiscal years 2015-16 and 2016-17 are due to collective bargaining resulting in salary increases.

(6) Includes one-time expenditure for self-insurance payment of moving costs.

(7) 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.

(8) Decreases in Other State Sources for fiscal year 2016-17 are primarily due to less State one-time revenues in fiscal year 2016-17.

(9) Increase in revenues over expenditures and net change in fund balance for fiscal year 2017-18 was primarily due to increases in LCFF funding and parcel tax revenues. The decrease in expenditures in fiscal year 2017-18 is due to mid-year budget reductions.

Sources: Oakland Unified School District Annual Financial Report for the fiscal years ending June 30, 2016, 2017, 2018, 2019 and 2020.

The following table sets forth the budgeted revenues, expenditures and changes in fund balances for the District's general fund for the fiscal years 2020-21 and 2021-22 and estimated actuals for fiscal year 2020-21.

Certain adjustments may be made throughout the year based on actual State funding and actual District revenues and tax collections. The District cannot make any predictions regarding the disposition of additional pending budget legislation or its effect on the District. The District's budget is a planning tool, and does not represent a prediction as to the actual achievement of any budgeted revenues or fund balances.

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
Budgeted General Fund Summary for Fiscal Years 2020-21 and 2021-22
and Estimated Actuals for Fiscal Year 2020-21⁽¹⁾

	2020-21 Budgeted ⁽²⁾	2020-21 Estimated Actuals ⁽³⁾	2021-22 Budgeted ⁽³⁾
REVENUES			
LCFF Sources	\$352,377,713	\$383,907,662	\$401,609,688
Federal Revenue	61,935,638	295,017,303	44,159,502
Other State Revenue	76,689,158	149,071,673	79,815,746
Other Local Revenue	76,800,598	83,966,476	76,460,466
TOTAL	\$567,803,107	\$911,963,114	\$602,045,402
EXPENDITURES			
Certificated Salaries	\$203,706,300	\$211,547,168	\$225,757,801
Classified Salaries	87,640,837	99,039,938	97,643,624
Employee Benefits	172,698,067	176,055,255	190,749,293
Books and Supplies	18,777,440	64,961,218	86,263,158
Services/Other Operating Expenditures	74,883,101	91,812,441	75,794,896
Other Outgo - Transfers of Indirect Costs	(1,624,206)	(3,224,103)	(1,625,795)
Other Outgo (excluding Transfers of Indirect Costs)	12,165,822	12,267,689	8,428,501
Capital Outlay	679,867	1,739,601	985,076
TOTAL	\$568,927,228	\$654,199,207	\$683,996,554
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	\$(1,124,121)	\$257,763,907	\$(81,951,152)
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 264,067	\$ 289,286	-
Transfers Out	1,600,000	-	\$(5,000,000)
Other Sources	-	23,466	25,000
Contributions	-	4,895,986	-
TOTAL OTHER FINANCING SOURCES (USES)	\$(1,335,933)	\$5,208,738	\$(4,975,000)
NET CHANGE IN FUND BALANCE	\$(2,460,054)	\$262,972,645	\$(86,926,152)
Fund Balance – Beginning	\$66,231,923	\$ 66,528,500	\$329,501,145
Fund Balance – Ending	\$63,771,869	\$329,501,145	\$242,574,993

⁽¹⁾ Columns may not sum to totals due to rounding.

⁽²⁾ Adopted budget for fiscal year 2020-21, approved as of June 24, 2020.

⁽³⁾ Adopted budget for fiscal year 2021-22, approved as of June 30, 2021.

Source: The District.

Audit Findings

[The District is in the process of resolving findings from past audits. For fiscal year 2019-20, the District's general fund is subject to approximately \$275,000 in audit adjustments. In fiscal year 2018-29, the District's general fund was subject to \$4 million in audit adjustments.]

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 \$[15,494,061] as of June 30, 2020 and the annual payment is \$[2,094,903].

General Obligation Bonds. The District currently has 14 series of bonds outstanding, which are secured by *ad valorem* taxes upon all property subject to taxation by the District.

On November 8, 1994, the District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$169,730,000 (the “**1994 Measure C Authorization**”). All of the bonds from the 1994 Measure C Authorization have been issued.

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. The following table shows bonds associated with the 1994 Measure C Authorization and the 2000 Measure A Authorization outstanding as of September 1, 2021.

Series Name	Issue Date	Outstanding Principal Amount
2015 General Obligation Refunding Bonds ⁽¹⁾⁽²⁾	August 20, 2015	\$ 60,055,000
General Obligation Refunding Bonds, 2017 Series A ⁽³⁾	May 25, 2017	115,940,000
Total:		\$175,995,000

⁽¹⁾ The District’s 2015 General Obligation Refunding Bonds refunded bonds issued under the 2000 Measure A Authorization.

⁽²⁾ Expected to be refunded in part from proceeds of the Refunding Bonds.

⁽³⁾ The District’s General Obligation Refunding Bonds, 2017 Series A refunded bonds issued under the 1994 Measure C Authorization and 2000 Measure A Authorization.

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 the respective issue dates and initial principal amounts:

Series Name	Issue Date	Initial Principal Amount
General Obligation Bonds (Election of 2006, Series 2006) ⁽¹⁾	November 28, 2006	\$130,000,000
General Obligation Bonds (Election of 2006, Series 2009A) ⁽²⁾	August 12, 2009	87,885,000
Taxable General Obligation Bonds (Election of 2006, Series 2009B) (Build America Bonds) ⁽³⁾	August 12, 2009	70,795,000
Taxable General Obligation Bonds (Election of 2006, Series 2009C) Qualified School Construction Bonds (Tax Credit Bonds)	August 12, 2009	26,320,000
General Obligation Bonds (Election of 2006, Series 2012A) ⁽⁴⁾	March 21, 2012	31,040,000
General Obligation Bonds (Election of 2006, Series 2012B) (Qualified School Construction Bonds)	March 21, 2012	23,960,000
General Obligation Bonds (Election of 2006, Series 2016A)	August 17, 2016	65,000,000
Total:		\$435,000,000

⁽¹⁾ The District's 2016 General Obligation Refunding Bonds refunded, on a current basis, all of the District's outstanding General Obligation Bonds (Election of 2006, Series 2006).

⁽²⁾ The District's 2016 General Obligation Refunding Bonds refunded, on an advance basis, a portion of the District's outstanding General Obligation Bonds (Election of 2006, Series 2009A).

⁽³⁾ The District's General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D (Taxable) refunded, on an advance basis, a portion of the District's outstanding Taxable General Obligation Bonds (Election of 2006, Series 2009B) (Build America Bonds).

⁽⁴⁾ The District's General Obligation Refunding Bonds, (Measure B) 2017 Series B refunded, on an advance basis, a portion of the District's outstanding General Obligation Bonds (Election of 2006, Series 2012A).

The following table shows bonds associated with the 2006 Measure B Authorization outstanding as of September 1, 2021.

Series Name	Issue Date	Outstanding Principal Amount
Taxable General Obligation Bonds (Election of 2006, Series 2009C) Qualified School Construction Bonds (Tax Credit Bonds)	August 12, 2009	\$26,320,000
General Obligation Bonds (Election of 2006, Series 2012A)	March 21, 2012	1,265,000
General Obligation Bonds (Election of 2006, Series 2012B) (Qualified School Construction Bonds)	March 21, 2012	23,960,000
2016 General Obligation Refunding Bonds	August 17, 2016	137,500,000
General Obligation Bonds (Election of 2006, Series 2016A)	August 17, 2016	61,080,000
General Obligation Refunding Bonds, (Measure B) 2017 Series B	May 25, 2017	24,115,000
General Obligation Crossover Refunding Bonds, (Measure B) 2017 Series D (Taxable)	May 25, 2017	75,420,000
Total:		\$349,660,000

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 the respective issue dates and initial principal amounts. All of the bonds from the 2012 Measure J Authorization have been issued.

Series Name	Issue Date	Initial Principal Amount
General Obligation Bonds (Election of 2012, Series 2013) ⁽¹⁾	September 4, 2013	\$120,000,000
General Obligation Bonds (Election of 2012), Series 2015A ⁽²⁾	August 20, 2015	173,500,000
General Obligation Bonds (Election of 2012), Series 2015B	August 20, 2015	6,500,000
General Obligation Bonds (Election of 2012), Series 2019A	August 13, 2019	160,000,000
General Obligation Bonds (Election of 2012), Series 2019B	August 13, 2019	15,000,000
Total:		\$475,000,000

⁽¹⁾ The District’s General Obligation Refunding Bonds, (Measure J) 2017 Series C refunded, on an advance basis, a portion of the District’s outstanding General Obligation Bonds (Election of 2012, Series 2013).

⁽²⁾ Expected to be refunded in part from proceeds of the Refunding Bonds.

The following table shows bonds associated with the 2012 Measure J Authorization outstanding as of September 1, 2021.

Series Name	Issue Date	Outstanding Principal Amount
General Obligation Bonds (Election of 2012, Series 2013) ⁽¹⁾	September 4, 2013	\$3,550,000
General Obligation Bonds (Election of 2012), Series 2015A ⁽²⁾	August 20, 2015	159,585,000
General Obligation Refunding Bonds, (Measure J) 2017 Series C	May 25, 2017	81,930,000
General Obligation Bonds (Election of 2012), Series 2019A	August 13, 2019	160,000,000
General Obligation Bonds (Election of 2012), Series 2019B	August 13, 2019	3,500,000
Total:		\$408,565,000

⁽¹⁾ The District’s General Obligation Refunding Bonds, (Measure J) 2017 Series C refunded, on an advance basis, a portion of the District’s outstanding General Obligation Bonds (Election of 2012, Series 2013).

⁽²⁾ Expected to be refunded in part from proceeds of the Refunding Bonds.

On November 3, 2020, the District received authorization to issue bonds of the District in an aggregate principal amount not to exceed \$735,000,000 (the “**2020 Measure Y Authorization**”). The Series 2021 Bonds will be the first and second issuance of bonds under the 2020 Measure Y Authorization. After the issuance of the Series 2021 Bonds, \$[Remaining Authorization]* of remaining authorization will remain under the 2020 Measure Y Authorization.

The District may seek additional bond authorization at a future election.

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 “– Aggregate Debt Service Schedule” table below for the debt service requirements on all bonds outstanding, assuming no redemptions prior to maturity.

Tax and Revenue Anticipation Notes. Tax and revenue anticipation notes (TRANs) issued by the District are a general obligation of the District, payable from the general fund and any other lawfully available moneys. [The District does not plan to issue TRANs in fiscal year 2021-22.]

District Lease Income

Lease Revenues. Lease agreements have been entered into by the District with various lessees for terms that exceed one year. None of the agreements contain purchase options. All of the agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but it is unlikely that the District will cancel any of the agreements prior to their expiration date.

* Preliminary, subject to change.

The following table shows scheduled debt service obligations for all outstanding general obligation bonds of the District upon the issuance of the Bonds:

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
General Obligation Bonds, Aggregate Debt Service Schedule

Bond Year	Election of 2006, Series 2009C⁽¹⁾⁽²⁾	Election of 2006, Series 2012A	Election of 2006, Series 2012B⁽¹⁾⁽²⁾⁽³⁾	Election of 2006, Series 2016A	2016 Refunding	Election of 2012, Series 2013⁽³⁾	Election of 2012, Series 2015A	2015 Refunding	Refunding Bonds, 2017 Series A
2021	\$2,622,224	\$1,123,750	\$1,721,932	\$4,403,850	\$14,335,250	\$ 274,375	\$13,134,750	\$17,147,500	\$18,154,250
2022	2,622,224	1,328,250	1,721,932	4,404,650	15,000,000	1,835,250	13,139,250	17,507,000	18,667,750
2023	2,622,224	-	1,721,932	4,407,250	15,768,750	2,015,050	13,146,250	18,501,500	17,814,500
2024	3,257,224	-	1,721,932	4,406,450	15,738,750	-	13,150,000	19,267,000	17,499,750
2025	-	-	1,721,932	4,407,250	20,012,000	-	13,160,000	21,756,000	13,371,750
2026	-	-	1,721,932	4,404,450	20,852,250	-	13,165,250	29,288,750	-
2027	-	-	1,721,932	4,403,050	21,499,250	-	13,175,250	8,925,000	-
2028	-	-	1,721,932	4,407,850	22,168,750	-	13,184,000	8,943,500	-
2029	-	-	1,721,932	4,407,350	22,881,000	-	13,190,750	9,022,750	-
2030	-	-	1,721,932	3,645,350	12,055,000	-	13,204,750	9,108,750	-
2031	-	-	1,721,932	4,274,600	12,148,500	-	13,209,750	-	-
2032	-	-	1,721,932	4,407,100	-	-	13,220,250	-	-
2033	-	-	2,397,633	4,407,100	-	-	13,235,000	-	-
2034	-	-	-	4,407,100	-	-	13,242,750	-	-
2035	-	-	-	4,406,900	-	-	13,257,750	-	-
2036	-	-	-	4,406,300	-	-	13,268,500	-	-
2037	-	-	-	4,405,100	-	-	13,284,000	-	-
2038	-	-	-	4,406,100	-	-	13,297,750	-	-
2039	-	-	-	4,403,650	-	-	13,313,500	-	-
2040	-	-	-	4,402,750	-	-	13,329,750	-	-
2041	-	-	-	4,403,250	-	-	-	-	-
Total	\$11,123,896	\$2,452,000	\$23,060,815	\$91,627,450	\$192,459,500	\$4,124,675	\$264,309,250	\$159,467,750	\$85,508,000

⁽¹⁾ Columns may not sum to totals due to rounding.

⁽²⁾ Reflects Qualified School Construction Bonds sinking fund deposits by District rather than payments to bondholders.

⁽³⁾ Net of federal subsidies, as reduced by current sequestration rate.

Source: Isom Advisors, a Division of Urban Futures, Inc.

OAKLAND UNIFIED SCHOOL DISTRICT
(County of Alameda, California)
General Obligation Bonds
Aggregate Debt Service Schedule (Continued)

Bond Year	Refunding Bonds, (Measure B) 2017 Series B	Refunding Bonds, (Measure J) 2017 Series C⁽¹⁾	Crossover Refunding Bonds, (Measure B) 2017 Series D (Taxable)⁽¹⁾⁽²⁾	Election of 2012, Series 2019A	Election of 2012, Series 2019B (Taxable)	Election of 2020, Series 2021A	Election of 2020, Series 2021B (Federally Taxable)	2021 General Obligation Refunding Bonds (Federally Taxable)	Aggregate Debt Service
2021	\$1,216,000	\$4,374,750	\$2,901,096	\$6,362,800	\$6,494,846				
2022	1,220,600	4,376,500	2,901,096	6,362,800	3,574,970				
2023	2,680,000	4,377,500	2,901,096	6,362,800	-				
2024	2,986,250	6,577,750	2,901,096	6,362,800	-				
2025	2,923,500	6,757,250	2,901,096	6,362,800	-				
2026	3,059,250	6,951,500	2,901,096	6,362,800	-				
2027	3,128,500	7,149,000	3,806,096	13,177,800	-				
2028	3,204,000	7,348,750	3,805,281	13,082,050	-				
2029	3,275,000	7,554,750	3,802,042	12,979,050	-				
2030	3,351,250	7,765,750	16,361,771	12,858,550	-				
2031	3,427,000	7,985,500	16,312,593	12,730,800	-				
2032	3,501,750	8,207,500	16,259,132	13,295,550	-				
2033	-	8,435,500	16,205,157	15,787,550	-				
2034	-	8,673,000	16,144,212	16,274,950	-				
2035	-	8,908,250	-	16,259,150	-				
2036	-	9,155,000	-	16,218,750	-				
2037	-	9,406,250	-	16,633,950	-				
2038	-	9,665,250	-	17,010,750	-				
2039	-	-	-	17,349,550	-				
2040	-	-	-	17,654,200	-				
2041	-	-	-	-	-				
Total	\$33,973,100	\$133,669,750	\$110,102,858	\$249,489,450	\$10,069,816				

⁽¹⁾ Columns may not sum to totals due to rounding.

⁽²⁾ Excludes debt service to be paid from the Escrow Fund.

Source: Isom Advisors, a Division of Urban Futures, Inc.

Employees and Labor Relations

The District has budgeted for approximately 4,970.0 FTE employees, including 2,750.0 FTE certificated (teaching) employees, 1,720.0 FTE classified (non-teaching) employees and 500.0 management, supervisor and confidential employees for fiscal year 2021-22. For fiscal year 2020-21, the total certificated and classified payrolls for the general fund are estimated to be approximately \$211.5 million and \$99.0 million, respectively. For fiscal year 2021-22, the total certificated and classified payrolls for the general fund are projected to be approximately \$225.8 million and \$97.6 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	[]	June 30, 20[] ⁽¹⁾
Classified	Service Employees International Union	[]	June 30, 20[] ⁽²⁾
Classified	American Federation of State, County and Municipal Employees	[]	June 30, 20[] ⁽³⁾
Classified	California School Employees Association	[]	June 30, 20[] ⁽³⁾
Classified	Building and Construction Trades Council	[]	June 30, 20[] ⁽³⁾
Classified	Teamsters	[]	June 30, 20[] ⁽³⁾
Supervisory	United Administrators of Oakland Schools	[]	June 30, 20[] ⁽³⁾

⁽¹⁾ The District reached a tentative agreement with the Service Employees International Union in June 2019. Such agreement was adopted by the Board of Education on July 2, 2019.

⁽²⁾ The District reached a tentative agreement with the Oakland Education Association on March 1, 2019. Such agreement was adopted by the Board of Education on April 24, 2019.

⁽³⁾ Currently in negotiations.]

Source: The District.

[Negotiations Regarding Labor Contracts. Members of the Oakland Education Association (the “OEA”) conducted a seven-day strike from February 21, 2019, to March 1, 2019. OEA’s strike concluded when the District and OEA reached a tentative collective bargaining agreement on March 1, 2019, that was approved by the Board of Education on April 24, 2019 (the “OEA Agreement”). The OEA Agreement provides for a one-time salary payment (bonus) equal to 3.0% of annual base salary as of December 31, 2018, and ongoing salary increases including a 3.0% wage increase for fiscal year 2018-19 effective January 1, 2019, and retroactive to the date of ratification of the OEA Agreement, a 2.0% wage increase for fiscal year 2019-20 effective January 1, 2020, a 3.5% wage increase for fiscal year 2020-21 effective January 1, 2021, and a 2.5% wage increase for fiscal year 2020-21 effective June 30, 2021. The OEA Agreement also requires the District to make every effort regarding staffing and resource allocation to achieve reasonably balanced caseloads and class sizes. As a result of the OEA Agreement, the District projects a total ongoing increase in employee compensation costs of \$3.7 million in fiscal year 2018-19, \$15.3 million in fiscal year 2019-20, and \$17.6 million in fiscal year 2020-21. See also “RISK FACTORS – District Financial Considerations – Labor Agreements” and “– Healthcare Costs – HBGB.”

The Service Employees International Union and the District reached a tentative collective bargaining agreement in June 2019 (the “SEIU Agreement”) which was approved by the Board of Education on July 2, 2019. The SEIU Agreement provides for a one-time salary payment (bonus) equal to 3.0% of annual base salary as of December 31, 2018, and ongoing salary increases including a 3.0% wage increase effective January 1, 2019, and a 2.0% wage increase effective January 1, 2020, with negotiations to reopen in 2021. As a result of the SEIU Agreement, the District projects a total increase in employee compensation costs of \$726,719 in fiscal year 2018-19, \$3.4 million in fiscal year 2019-20, and \$3.0 million in fiscal year 2020-21.

The Building and Construction Trades Council and Teamsters labor organizations are each currently in negotiations with the District and respective tentative agreements are expected to be reached in August 2019. The remaining labor organizations are expected to commence negotiations with the District commencing in November

2019. The OEA Agreement and SEIU Agreement do not provide for the extension of similar benefits to employees represented by other bargaining units. However, the District currently intends to extend similar salary increases to employees in other bargaining units during the 2019-20 and 2020-21 school years. It is anticipated that any salary increases will be coupled with corresponding budget cuts, as needed, to maintain the District’s reserves at State and District-mandated levels, as applicable. If additional increases are negotiated with other bargaining units effective with the 2021-22 school year, it is currently anticipated that budget adjustments will be necessary in fiscal years 2020-21 and 2021-22, amounting in the aggregate to approximately \$18 million.]

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. The CalSTRS defined benefit pension plan provides retirement benefits (generally 2% of final compensation for each year of credited service) to participating employees based on hiring date, age, final compensation and years of credited service. The CalSTRS benefit pension plan is funded through a combination of investment earnings and statutorily set contributions from participating employees, employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily set rates did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined employee, employer and State contributions to CalSTRS were not sufficient to pay actuarially determined amounts. To address the shortfall and implement a new funding strategy, Governor Brown signed into law Assembly Bill 1469 on June 24, 2014, as part of the fiscal year 2014-15 State budget (the “2014-15 State Budget”). The 2014-15 State Budget introduced phased increases to employee, employer and State contributions to CalSTRS and sets forth a plan to eliminate CalSTRS’ unfunded liability by June 30, 2046.

The 2014-15 State Budget increased employee contributions, which were previously set at 8.00% of pay, to 10.25% of pay for members hired on or before December 31, 2012 and 9.205% of pay for members hired on or after January 1, 2013 effective July 1, 2016. On July 1, 2018, the rate increased to 10.250% of pay for employees hired on or after January 1, 2013. Employer contribution rates were also increased in fiscal year 2014-15 to 8.88% of payroll, with such rate increasing by 1.85% each year thereafter, plateauing at 19.10% of payroll in July 2020. However, due to supplemental payments of approximately \$850 million pursuant to the 2019-20 State Budget, employer contribution rates decreased from 18.13% to 17.10% in fiscal year 2019-20 and 19.10% to 18.40% in fiscal year 2020-21. In addition, pursuant to the 2020-21 State Budget, employer contribution rates are expected to decrease from 18.40% to approximately 16.15% in fiscal year 2020-21 and from 17.10% to approximately 16.02% in fiscal year 2021-22 (see table below). The State’s total contribution was increased from approximately 3% in fiscal year 2013-14 to 6.828% of payroll in fiscal year 2017-18, and to 10.828% of payroll in fiscal year 2020-21. The State’s contribution includes an annual payment of 2.5% of payroll pursuant to a supplemental inflation protection program. The District’s contribution rates in fiscal year 2021-22 and future fiscal years may be adjusted pursuant to the 2021-22 State Budget. See “– 2021-22 State Budget” above.

Pursuant to Assembly Bill 1469, school districts’ contribution rates will increase in accordance with the following schedule:

District CalSTRS Contribution Rates

Effective Date (July 1)	School District Contribution Rate
2018	16.28%
2019	17.10 ⁽¹⁾
2020	16.15 ⁽²⁾
2021	16.02 ⁽²⁾

⁽¹⁾ Pursuant to the 2019-20 State Budget.

⁽²⁾ Pursuant to the 2020-21 State Budget.

Source: Assembly Bill 1469.

The following table sets forth the District’s employer contributions to CalSTRS for fiscal years 2012-13 through 2019-20, the estimated contributed for fiscal year 2020-21 and the projected contribution for fiscal year 2021-22.

**Annual Regular CalSTRS Contributions
Fiscal Years 2012-13 through 2021-22**

Fiscal Year	District Contributions
2012-13	\$ 12,402,057
2013-14	12,749,778
2014-15	14,343,738
2015-16	19,117,248
2016-17	25,327,824
2017-18	27,776,318
2018-19	46,089,133
2019-20	33,614,522
2020-21	62,431,683 ⁽¹⁾
2021-22	68,843,973 ⁽²⁾

⁽¹⁾ Estimated. Includes on-behalf payments.

⁽²⁾ Projected. Includes on-behalf payments.

Source: The District.

The District’s total general fund employer contributions to CalSTRS for fiscal years 2012-13 through 2019-20 were equal to 100% of the required contributions for each year. Pursuant to the 2014-15 State Budget, beginning in fiscal year 2021-22, the State Teachers Retirement Board is required to increase or decrease employer contribution rates to the rates designed to eliminate the CalSTRS unfunded liability by June 30, 2046. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate the CalSTRS unfunded liability. As the world is currently experiencing a pandemic, the District cannot predict the impact of the outbreak of COVID-19 on investment earnings and employer contribution rates. See “MISCELLANEOUS – Risks Related to COVID-19.” However, under existing law, the State Teachers Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers Retirement Board may also adjust the State’s contribution rate by a maximum of 0.5% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability.

As of June 30, 2019, the actuarial valuation (the “2019 CalSTRS Actuarial Valuation”) for the entire CalSTRS defined benefit program showed an estimated unfunded actuarial liability of \$105.7 billion, a decrease of approximately \$1.5 billion from the June 30, 2018 valuation. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2019 and June 30, 2018, based on the actuarial assumptions, were approximately 66.0% and 64.0%, respectively. According to the 2019 CalSTRS Actuarial Valuation, the funded ratio increased by 2.0% during the past year and has decreased by approximately 12% over the past 10 years. As described in the 2019 CalSTRS Actuarial Valuation, the additional State contribution and the return on the actuarial value of assets (7.7%) that exceeded the assumed return (7%) were the primary causes of the increase in the funded ratio from the prior year valuation. 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 2019 CalSTRS Actuarial Valuation: measurement of accruing costs by the “Entry Age Normal Actuarial Cost Method,” an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. The 2019 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPRA (as defined herein). See “– California Public Employees’ Pension Reform Act of 2013” 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.

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. The District also participates in CalPERS for all full-time and some part-time classified employees. All qualifying classified employees of 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. The 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.

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. School districts' contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. The District cannot make any predictions as to the effect of a global pandemic, including the outbreak of COVID-19, on investment earnings and school district contributions. See "MISCELLANEOUS – Risks Related to COVID-19" for more information about the impact of COVID-19. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of fifty percent of normal costs of benefits or an actuarially determined rate of 7.00% in fiscal year 2019-20. School districts are required to contribute to CalPERS at an actuarially determined rate, which was 18.062% of eligible salary expenditures for fiscal year 2018-19 and originally 20.733% and 22.68% for fiscal years 2019-20 and 2020-21, respectively. However, the employer contribution rate for fiscal year 2019-20 was reduced to 19.721% as a result of the State's buydown of employer contribution rates in fiscal year 2019-20. Similarly, the 2020-21 State Budget allocates funding to buy down employer contribution rates in fiscal years 2020-21 and 2021-22 to an estimated 20.70% and 22.84%, respectively. The District's contribution rates in fiscal year 2021-22 and future fiscal years may be adjusted pursuant to the 2021-22 State Budget. See "– 2021-22 State Budget" above.

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2019 (the "2019 CalPERS Schools Pool Actuarial Valuation") reported an actuarial accrued liability of \$99.5 billion with the market value of assets at \$68.2 billion, and a funded status of 68.5%. The funded status as of June 30, 2019 does not reflect the State's additional payment of \$660 million that was made pursuant to SB 90, since PERS received the payment in July 2019. The actuarial funding method used in the 2019 CalPERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method." The 2019 CalPERS Schools Pool Actuarial Valuation assumes, among other things, 2.50% inflation and payroll growth of 2.75% compounded annually. The projected employer contribution rate for fiscal year 2020-21 is projected to be 23.6%, with annual increases thereafter, resulting in a projected 26.5% employer contribution rate for fiscal year 2025-26. The 2019 CalPERS Schools Pool Actuarial Valuation reflects a discount rate of 7.0% compounded annually (net of administrative expenses). The reduction in the inflation assumption results in decreases in both the normal cost and the accrued liabilities in the future.

The following table sets forth the District's employer contributions to CalPERS for fiscal years 2012-13 through 2019-20, the estimated contributed for fiscal year 2020-21 and the projected contribution for fiscal year 2021-22.

**Annual CalPERS Regular Contributions
Fiscal Years 2012-13 through 2021-22**

Fiscal Year	District Contributions
2012-13	\$ 7,412,661
2013-14	8,042,397
2014-15	9,904,140
2015-16	10,461,331
2016-17	13,073,239
2017-18	14,728,715
2018-19	22,735,881
2019-20	18,947,422
2020-21	18,750,220 ⁽¹⁾
2021-22	21,571,662 ⁽²⁾

⁽¹⁾ Estimated.

⁽²⁾ Projected.

Sources: The District.

The District’s total employer contributions to CalPERS for fiscal years 2012-13 through 2019-20 were equal to 100% of the required contributions for each year. 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.

California Public Employees’ Pension Reform Act of 2013. The Governor signed the California Public Employee’s Pension Reform Act of 2013 (the “**Reform Act**” or “**PEPRA**”) into law on September 12, 2012. The Reform Act affects both CalSTRS and CalPERS, most substantially as they relate to new employees hired after January 1, 2013 (the “**Implementation Date**”). As it pertains to CalSTRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age, increasing the eligibility for the 2.0% “age factor” (the percent of final compensation to which an employee is entitled to for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. For non-safety CalPERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2.0% age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5% to age 67.

The Reform Act also implements certain other changes to CalPERS and CalSTRS including the following: (a) all new participants enrolled in CalPERS and CalSTRS after the Implementation Date are required to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalSTRS and CalPERS are both required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (currently 12 months for CalSTRS members who retire with 25 years of service), and (c) “pensionable compensation” is capped for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution and benefit base for members participating in Social Security or 120% for CalSTRS and CalPERS members not participating in social security.

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 (except as already announced). CalSTRS and CalPERS liabilities are more fully described in APPENDIX C – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.” The District is not permitted to pay down its portion of retirement liability for CalSTRS or CalPERS.

HBGB. The Health Benefits Governing Board (“**HBGB**”) was established in 2015 in order to contain District healthcare costs and is governed by the Health and Welfare Agreement (the “**HBGB Agreement**”),

negotiated and signed as a tentative agreement among the HBGB members in May 2015 and approved by the Board of Education in October 2015 with an effective date of July 1, 2015. For further information, see “RISK FACTORS – District Financial Risks – *Healthcare Costs – HBGB.*”

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 changed how governments calculated and reported the costs and obligations associated with pensions. Statement Number 67 replaced the 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 replaced the requirements of Statement Number 27, Accounting for Pensions by State and Local Governmental Employers, for most government employers. The new statements also replaced the requirements of Statement Number 50, Pension Disclosures, for those governments and pension plans. Certain of the major changes included: (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 became effective beginning in fiscal year 2013-14, and Statement Number 68 became effective beginning in fiscal year 2014-15.

Risk Management

Property and Liability. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During the year, 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 \$2,000,000 to Northern California ReLiEF for its excess property and liability coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage to date.

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. There has not been a significant reduction in coverage from the prior year.

For more information regarding the District’s risk management, see Note 10 to the District’s financial statements attached hereto as APPENDIX C – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.”

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. Chabot JPA has an outstanding loan balance owed to the District, which is reduced in part by an offset for facility rental by the District. Chabot JPA’s remaining balance owed to the District is \$[.] million.

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 fiscal year ended June 30, 2020, the District allowed Youth Ventures to use buildings and classroom space 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 fiscal year ended June 30, 2020, the District made payments of \$2.9 million to NCR for insurance premiums.

For more information regarding the District’s participation in joint powers authorities and other related party transactions, see Note 13 to the District’s financial statements attached hereto as APPENDIX C – “FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020.”

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 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. Independent charter schools receive their funding directly from the State and 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 were forty-five independent charter schools operating in the District serving grades K through 12 with a combined enrollment of approximately [_____] in fiscal year 2020-21. There was one ACOE-dependent charter school in the District in fiscal year 2020-21. Of the forty-five independent charter schools projected to operate in the District for fiscal year 2021-22, thirty-three have been granted charters by the District, ten have been granted charters by the ACOE, one has been granted its charter by the State Board of Education, and one has been granted its charter by Alameda Unified School District (but currently operates in the District).]

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 charter schools operating in the District’s geographic boundaries for fiscal years 2012-13 through 2021-22:

Fiscal Year	Number of Dependent Charter Schools	Number of Independent Charter Schools	Total Charter School Enrollment
2012-13	0	40	12,292
2013-14	0	39	12,454
2014-15	0	40	13,542
2015-16	0	45	14,517
2016-17	0	45	15,658
2017-18	1	43	16,070
2018-19	1	44	[16,867]
2019-20			
2020-21			
2021-22			

Source: The District and California Department of Education DataQuest Enrollment Reports.

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.

Recent Legislative Developments. Assembly Bill 1505 was recently enacted (the “AB 1505”), which aims to slow the growth of charter schools. AB 1505 will give school districts increased leverage to deny applications for new charter schools by providing school districts additional discretion when authorizing charter schools to consider the number and enrollment in proposed charter schools, academic outcomes and offerings and a statement of need for the school. The District cannot predict the impact such legislation will have on its operations and finances.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

On June 6, 1978, State 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 State 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 at \$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.

Proposition 19. Proposition 19, which was approved by the voters of the State on November 3, 2020, allows eligible homeowners to transfer their tax assessments anywhere within the State and allows tax assessments to be transferred to a more expensive home with an upward adjustment; requires that inherited homes that are not used as principal residences, such as second homes or rentals, be reassessed at market value when transferred; and allocates additional revenue or net savings resulting from the ballot measure to wildfire agencies and counties. The District is unable to predict the effect such measure may have on tax assessments within the District.

Article XIII B of the State 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.

In fiscal year 2020-21, the District had an appropriations limit of \$[2020-21 Limit] and appropriations subject to such limit of \$[Subject to Limit]. The District has budgeted an appropriations limit in fiscal year 2021-22 of \$[2021-22 Limit]. 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 State 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 State Constitution Articles XIII C and XIII D (“**Article**

XIIIC” and “**Article XIID**,” 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 State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIIIC 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 XIIIC 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 State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District imposes parcel taxes which are subject to the provisions of Proposition 218. On February 5, 2008, voters within the District approved Measure G by a two-thirds vote, establishing an annual tax of \$195 per parcel within the District, with no expiration date. On November 4, 2014, voters within the District approved Measure N by a two-thirds vote, establishing an annual tax of \$120 per parcel within the District for each year between July 1, 2015 and June 30, 2025. On November 8, 2016, voters within the District approved Measure G1 by a two-thirds vote, establishing an annual tax of \$120 per parcel within the District for each year between July 1, 2017 and June 30, 2029. The District also receives a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A of the State 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 school districts and the K-14 school 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 schools is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, State voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the State 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 school 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 school 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 school districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 school 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, school 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, school 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 and Proposition 55

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 from January 1, 2012 through the end of 2018, and (b) increased the sales and use tax by one-quarter percent for a period of four years from January 1, 2013 through the end of 2016. 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 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative (“**Proposition 55**”), approved by voters on November 8, 2016, extends by twelve years the temporary personal income tax increases on incomes over \$250,000 that was first enacted by Proposition 30; Proposition 55 did not extend the sales tax increases imposed by Proposition 30. Revenues from the tax increase will be allocated to school districts and community colleges in the State.

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; (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 multi-year 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. 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 State 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 State 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 a minimum amount of 3% of its general fund expenditures and other financing uses.

SB 751. SB 751, enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the Public School System Stabilization Account is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions basic aid school districts (also known as community funded districts) and small school districts having fewer than 2,501 units of average daily attendance.

The Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the State Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 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 2, 30, 55, 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, 2020**

APPENDIX D

PROPOSED FORM OF OPINION 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 the issuance of: \$_____ aggregate principal amount of Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2021A, \$_____ aggregate principal amount of Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2021B (Federally Taxable), and \$_____ aggregate principal amount of Oakland Unified School District 2021 General Obligation Refunding Bonds (Federally Taxable) (collectively, the “Bonds”). The Bonds are being issued as authorized by resolutions adopted by the Board of Education of the District on August 25, 2021 (collectively, the “Resolutions”) and in accordance with the terms of Paying Agent Agreements, each dated as of October 1, 2021 (collectively, the “Paying Agent Agreements”), and 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 and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

SECTION 2. Definitions. In addition to the definitions set forth in the Paying Agent Agreements, 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 Isom Advisors, a Division of Urban Futures, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Financial Obligation” shall mean, for purposes of the Listed Events set out in Section 5(a)(10) and Section 5(b)(8), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports 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 _____, 2021.

“Participating Underwriter” shall mean the original underwriters 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.

(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 (presently June 30), commencing with the Annual Report for the fiscal year of the District ending June 30, 2021 (which is due no later than April 1, 2022), provide to the Participating Underwriter and the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by 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 date required above for the filing of the Annual Report if they are not available by that date. Neither the Paying Agent nor the Dissemination Agent shall have any duties or responsibilities with respect to the contents of the Annual Report. 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.

(b) Not later than fifteen (15) business days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent and the Paying Agent (if the Paying Agent is not the Dissemination Agent). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District and the Paying Agent to determine if the District is in compliance with the first sentence of this subsection (b). If the Paying Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Paying Agent shall send a notice, in electronic format, to the MSRB, such notice to be in substantially the form attached hereto as Exhibit A.

(c) If the Annual Report is delivered to the Dissemination Agent for filing, the Dissemination Agent shall file a report with the District and (if the Dissemination Agent is not the Paying Agent) the Paying Agent certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

SECTION 4. Content of Annual Reports. The District’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District’s audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a), 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 statements of the District, the Annual Report shall also include the following for the preceding fiscal year (except as noted otherwise):

- (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 value 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; and
- (9) If and to the extent provided to the District by the County by no later than five (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 set forth in one or a set of documents or may be included by specific reference to other documents, 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 be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) business days after the occurrence of the event:

- 1. Principal and 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;
- 9. Bankruptcy, insolvency, receivership or similar event of the obligated person; or
- 10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

Note: For the purposes of the event identified in subparagraph (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 cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, 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;
7. Appointment of a successor or additional paying agent or the change of name of a paying agent; or
8. Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect holders of the Bonds.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, 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 Section 5(b)(3) 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 Agreements.

(f) The District intends to comply with the Listed Events described in Section 5(a)(10) and Section 5(b)(8), and the definition of “Financial Obligation” in Section 1, with reference to the rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885 dated August 20, 2018 (the “2018 Release”), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the 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. The initial Dissemination Agent shall be Isom Advisors, a Division of Urban Futures, Inc.

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, or 5(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 next Annual Report, 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 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 Superior Court of the State of California in and for the County of Alameda or in U.S. District Court in or nearest to the County. 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.

Date: _____, 2021

OAKLAND UNIFIED SCHOOL DISTRICT

By _____
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 Issue: OAKLAND UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2020), SERIES 2021A

OAKLAND UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2020), SERIES 2021B (FEDERALLY TAXABLE)

OAKLAND UNIFIED SCHOOL DISTRICT 2021 GENERAL OBLIGATION REFUNDING BONDS (FEDERALLY TAXABLE)

Date of Issuance: _____, 2021

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**

The following information has been furnished by the Office of the Treasurer-Tax Collector, County of Alameda. It describes (i) the policies applicable to investment of District funds, including bond proceeds and tax levies, and funds of other agencies held by the County Treasurer-Tax Collector and (ii) the composition, carrying amount, market value and other information relating to the investment pool. Further information may be obtained directly from the Treasurer-Tax Collector, 1221 Oak Street, Room 131, Oakland, CA 94612.

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.

PAYING AGENT AGREEMENT

between the

OAKLAND UNIFIED SCHOOL DISTRICT,
Alameda County, California

and

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

Dated as of October 1, 2021

Relating to the

[\$2021A Par Amount]
OAKLAND UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2020), SERIES 2021A

and

[\$2021B Par Amount]
OAKLAND UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2020), SERIES 2021B (FEDERALLY TAXABLE)

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PAYING AGENT AGREEMENT

This PAYING AGENT AGREEMENT is made and entered into as of October 1, 2021, by and between the OAKLAND UNIFIED SCHOOL DISTRICT, a school district duly formed and existing under and by virtue of the Constitution and laws of the State of California (the "District"), and 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 acknowledged by the Treasurer-Tax Collector of the County of Alameda, California (the "County").

W I T N E S S E T H:

WHEREAS, an election was duly called and regularly held in the District on November 3, 2020, pursuant to Section 15100 et seq. of the Education Code of the State of California (the "State"), at which a bond proposition ("Measure Y") summarized as follows was submitted to the electors of the District:

"Shall Oakland Unified School District's measure to issue \$735 million in bonds for: classroom repair and school safety improvements including upgrading classrooms, science labs and technology; improving student safety and security; repairing bathrooms, electrical systems, and plumbing/sewers; and improving energy efficiency/earthquake safety; at legal rates, levying about \$60 per \$100,000 of assessed value, raising an average of \$48.5 million annually for approximately 30 years, with citizens' oversight, audits, and no money for administrator salaries be adopted?"; and

WHEREAS, passage of said proposition required a 55% affirmative vote of the votes cast therein, and at least 55% of the votes cast on said proposition were in favor of issuing said bonds; and

WHEREAS, the Superintendent of Schools of the County has jurisdiction over the District; and

WHEREAS, by its resolution duly adopted on August 25, 2021 (the "District Resolution"), the Board of Education of the District has authorized the issuance of a portion of said bonds in one or more series in an aggregate principal amount not exceeding \$185,000,000, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State (the "Government Code"), and other applicable provisions of law, including applicable provisions of the Education Code of the State (the "Education Code"); and

WHEREAS, the District received a qualified certification in its most recent interim report and thereby requested the County to sell the Bonds on its behalf as required by Section 15140 of the Education Code; and

WHEREAS, the District has found and determined, and by execution hereof so represents, 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 provide for the payment of the Bonds (as defined herein) and the performance and observance by the District of all the covenants, agreements and conditions herein and in the Bonds contained; to secure the acknowledgement and consent of the County Treasurer (as defined herein) to the payment arrangements provided for herein; and in consideration of the mutual covenants and agreements contained herein, and for other valuable consideration to both parties, the District, the County 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 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 Chief Financial Officer of the District, the Chief Business Officer of the District, the Controller of the District, or any other officer of the District designated by the Board of Education.

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

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

“Bonds” shall mean, collectively, the Series 2021A Bonds and the Series 2021B Bonds.

“Building Fund” shall mean the Building Fund of the District administered by the County Treasurer, established pursuant to State law.

“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.

“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 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.

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

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

“District Resolution” shall mean Resolution No. [____], adopted by the Board of Education on August 25, 2021.

“Interest and Sinking Fund” shall mean the Interest and Sinking Fund of the District administered by the County 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 February 1, 2022.

“Law” shall mean Chapters 1 and 1.5 of Part 10 of Division 1 of Title 1 of the Education Code of the State, and other applicable provisions of law and Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State.

“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 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, between the District and the Paying Agent, and acknowledged by the County Treasurer. “Paying Agent Agreement” as used herein shall not refer to any other agreement for paying agent services, specifying

compensation for such services, between the County Treasurer and the Paying Agent relating to the Bonds.

“Record Date” shall mean the 15th day of the month preceding any Interest Payment Date. The first Record Date shall be January 15, 2022.

“Series 2021A Bonds” shall mean the bonds issued pursuant to this Paying Agent Agreement, designated the “Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2021A.”

“Series 2021B Bonds” shall mean the bonds issued pursuant to this Paying Agent Agreement, designated the “Oakland Unified School District General Obligation Bonds (Election of 2020), Series 2021B (Federally Taxable).”

“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 Tax-Exempt Bonds, executed and delivered by the District on the date of issuance of the Tax-Exempt Bonds, including all exhibits attached thereto, as such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

“Tax-Exempt Bonds” means the Series 2021A Bonds, interest on which is excluded from gross income for federal income tax purposes under Section 103 of the Code.

“Taxable Bonds” means the Series 2021B Bonds, the interest on which is not excluded from gross income for federal income tax purposes under Section 103 of the Code.

“Underwriter” means, collectively, Siebert Williams Shank & Co., LLC and Stifel, Nicolaus & Company, Incorporated, and their respective successors and assigns.

“Written Order of the District” or “Written Request of the District” shall mean an instrument in writing, signed by an Authorized District Representative, or by any other officer of the District authorized in writing for the purpose by any of said officers or by the Board of Education of the District.

ARTICLE II

THE BONDS

SECTION 2.01 Authorization and Designation. The Bonds are issued for, and the proceeds of sale thereof shall be used exclusively for, the purposes approved by the voters of the District on November 3, 2020, as authorized by Resolution No. [2021-0001], adopted by the Board of Education on June 29, 2021, and by Resolution No. [____], adopted by the Board of Education on August 25, 2021. The Bonds shall be issued in fully registered form, without coupons.

SECTION 2.02 The Bonds. The Bonds in the aggregate principal amount of \$[Aggregate Par] are issued under this Paying Agent Agreement, upon the terms further described below in this Section:

(a) Date of Bonds. The Bonds shall be dated as of the date of issuance thereof, i.e., [Closing Date].

(b) Denominations of Bonds. The Bonds shall be issued in the denomination of \$5,000 principal amount or any integral multiple thereof. No Bond shall mature on more than one maturity date.

(c) Payment of Principal of Bonds. The Series 2021A 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
	\$	%

*

*Term Bond

The Series 2021B 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
-----------------------------	------------------	---------------

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 Section 6.01(b), on or after the maturity date thereof or upon redemption prior to maturity.

(d) Payment of Interest on Bonds. The Bonds shall bear interest at the respective rates shown in the table in subsection (c) above, payable on February 1 and August 1 of each year, commencing February 1, 2022, until payment of the principal amount thereof. Each 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 Bond. Each Bond authenticated during the period between any 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 calculated on the basis of a 360-day year consisting of twelve 30-day months.

The 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 Section 2.05(d) hereof.

SECTION 2.03 Form and Registration of Bonds. (a) The 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 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 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 Bonds for each series, in the principal amounts set forth in the table in Section 2.02. The Depository Trust Company is hereby appointed depository for the Bonds and registered ownership of the Bonds may not thereafter be transferred except as provided in Sections 2.05 and 2.06 hereof.

SECTION 2.04 Execution and Authentication of Bonds. The Bonds shall be signed by the manual or facsimile signature of the President of the Board of Supervisors of

the County and countersigned by the manual or facsimile signature of the Clerk of the Board of Supervisors of the County or their designee. Each Bond shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent. Only such of the 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 Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Paying Agent Agreement.

SECTION 2.05 Book-Entry System. (a) The Bonds shall be initially issued and registered as provided in Section 2.03 hereof. Registered ownership of the 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 (A) the resignation of The Depository Trust Company or its successor (or any substitute depository or its successor) from its functions as depository, or (B) 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 (A) the resignation of The Depository Trust Company or its successor (or substitute depository or its successor) from its functions as depository, or (B) 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 Bonds by the Paying Agent, together with a Written Request of the District, a new Bond for each maturity shall be executed and delivered pursuant to the procedures described in Section 2.04 hereof in the aggregate principal amount of the 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 Written Request of the District. In the case of any transfer pursuant to clause (iii) of subsection (a) hereof, upon receipt of the outstanding Bonds by the Paying Agent together with a Written Request of the District, new 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 Written Request of the District, subject to the limitations of Sections 2.02 and 2.03, as applicable, and upon the receipt of such a Written Request of the District, and thereafter, the Bonds shall be transferred pursuant to the

provisions set forth in Section 2.06 of this Paying Agent Agreement; provided, that the Paying Agent shall not be required to deliver such new 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 Bond is registered as the Owner thereof, notwithstanding any notice to the contrary received by the District or the Paying Agent, 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 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 Bonds.

(d) So long as the outstanding 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 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 2.06 Transfer of Bonds upon Termination of Book-Entry System. In the event that at any time the Bonds shall no longer be registered in the name of Cede & Co. as a result of the operation of Section 2.05 hereof, then the procedures contained in this Section 2.06 shall apply.

Any Bond may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.08 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 Bond to the Paying Agent for cancellation at the office of the Paying Agent designated for that purpose, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for transfer, the designated District officials shall execute (as provided in Section 2.04 hereof) and the Paying Agent shall authenticate and deliver a new 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 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 date fixed for redemption to and including such Interest Payment Date or the date fixed for redemption.

SECTION 2.07 Exchange of Bonds. Bonds may be exchanged at the office of the Paying Agent designated for that purpose, or such other place as the Paying Agent shall designate, for a like aggregate principal amount of 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 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 date fixed for redemption to and including such Interest Payment Date or the date fixed for redemption.

SECTION 2.08 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 Bonds, which shall at all times be open to inspection by the County Treasurer and the District, 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, Bonds as hereinbefore provided.

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

ARTICLE III

ISSUANCE OF THE BONDS

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

SECTION 3.02 Application of Proceeds of Sale of Bonds. Upon the delivery of the Bonds to the Underwriter, and the payment by the Underwriter of the net purchase price of the Bonds of \$[Net Purchase Price] by wire transfer to the County Treasurer, the County Treasurer shall deposit the sum of \$[Building Fund Deposit] in the Building Fund and \$[Interest and Sinking Fund Deposit] in the Interest and Sinking Fund of the District. The Underwriter has agreed to deposit the amount of \$[COI Deposit] of its funds with U.S. Bank National Association as costs of issuance custodian for payment of the costs of issuing the Bonds at closing.

The District shall cause the County Treasurer to create and maintain any accounts or subaccounts for deposit of the proceeds of the Bonds as the District shall determine is necessary in order to separately monitor the investment and expenditure of such funds in order to comply with the laws applicable to each, and as may be necessary to make any needed calculations of arbitrage and rebate thereon.

The County makes no assurance regarding the application of the proceeds of the Bonds by the District.

SECTION 3.03 Investment of Funds. The proceeds from the sale of the Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury to the credit of the Building Fund of the District. Any premium and accrued interest shall be deposited upon receipt in the Interest and Sinking Fund of the District within the County treasury. Earnings on the investment of moneys in either fund will be retained in that fund and used only for the purposes to which that fund may lawfully be applied. Moneys in the Building Fund may only be applied for the purposes for which the Bonds were approved. Moneys in the

Interest and Sinking Fund may only be applied to make payments of interest, principal, and premium, if any, on bonds of the District.

All funds held by the County Treasurer under the District Resolution and hereunder will be invested in the County Treasurer's investment pool; provided that, in the sole discretion of the District, funds deposited in the Building Fund may be invested in the Local Agency Investment Fund administered by the State Treasurer, 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, or in the sole discretion of the District, in investment agreements, including guaranteed investment contracts, float contracts or other investment products; provide that such agreements comply with the requirements of Section 148 of the Code and the requirements of each rating agency then rating the Bonds necessary to maintain the then-current rating on the Bonds.

To the extent permitted by law, an Authorized District Representative may request the County Treasurer, subject to his or her fiduciary responsibilities, to invest funds held in the Interest and Sinking Fund and in the building fund in specific investments, so as to effectively coordinate the investments to the construction program of the District and the debt service payments on the Bonds.

ARTICLE IV

REDEMPTION OF THE BONDS

SECTION 4.01 Terms of Redemption. The Bonds are not subject to optional redemption prior to maturity except as otherwise provided in this Article.

SECTION 4.02 Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturity dates. The Bonds maturing on and after August 1, 20__, shall be 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 thereof called for redemption, together with interest accrued thereon to the date of redemption, without premium.

(b) [Mandatory Sinking Fund Redemption. (i) The \$_____ Series 201A 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 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 Series 2021A Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Series 2021A Term Bonds shall be reduced by the aggregate principal amount of such Series 2021A Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of \$5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.]

(c) 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.

SECTION 4.03 Notice of Redemption. (a) Notice of redemption of the Bonds will be mailed by the Paying Agent, upon written request of the District, 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.

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 any 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.

(b) 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.

(c) 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.

(d) 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.

(e) Redemption Fund. Prior to or on the redemption date of any 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 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 Bonds to be redeemed upon presentation and surrender of such 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. If, after all of the 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 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.

SECTION 4.04 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 shall pay or cause to be paid or there shall otherwise be 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 Section 6.07 hereof, and such obligation and all agreements and covenants of the District to such Owners hereunder and under the 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 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 Section 6.07 hereof shall apply in all events.

ARTICLE V

OTHER COVENANTS

SECTION 5.01 Payment of Principal and Interest. On or prior to the date any payment is due in respect of the Bonds, the County Treasurer will deposit with the Paying Agent moneys sufficient to pay the principal and the interest (and premium, if any) to become due in respect of all Bonds outstanding on such Interest Payment Date, but only as required by

the Law. When and as paid in full, and following surrender thereof to the Paying Agent, all Bonds shall be cancelled by the Paying Agent, and thereafter they shall be destroyed. Moneys for the payment of principal, redemption premium, if any, and interest with respect to the Bonds shall be raised by taxation upon all taxable property in the District and the County shall provide for the levy and collection of such taxes in the manner provided by the Law.

SECTION 5.02 Obligation to Levy Taxes for Payment of Bonds. The Board of Supervisors and officers of the County 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 Bonds in such year, and the County Treasurer is obligated by statute to pay from such taxes all amounts due on the 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 sufficient to redeem the 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 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 actions 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 5.04 Tax Covenants. (a) The District shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or inaction would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the District shall comply with the instructions and requirements of the Tax Certificate for the Tax-Exempt Bonds. This covenant shall survive payment in full or defeasance of the Tax-Exempt 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 under this Paying Agent Agreement, the District shall so instruct the Paying Agent, as appropriate, in writing, and the Paying Agent shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the District shall provide to the Paying Agent 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 in order to maintain the exclusion from federal income tax of interest on the Tax-Exempt Bonds under Section 103 of the Code, the Paying Agent may conclusively rely on such opinion in complying with the requirements of this Section and the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 5.05 Validity of Bonds. The recital contained in the Bonds that the same are regularly issued pursuant to the Law and that the total amount of indebtedness of the District, including the amount of the Bonds, is within the limit provided by law, shall be conclusive evidence of their validity and of compliance with the provisions of the Law in their issuance.

ARTICLE VI

THE PAYING AGENT

SECTION 6.01 Appointment; Acceptance; Designated 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 Bonds when duly presented for payment at maturity, or on prior redemption, and to cancel all Bonds upon payment thereof. The Paying Agent shall keep accurate records of all funds administered by it and of all 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 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, or the principal corporate trust office of any successor Paying Agent.

SECTION 6.02 Resignation, Removal, Replacement of Paying Agent; Merger or Consolidation. The Paying Agent may at any time resign by giving written notice to the District and the County Treasurer of such resignation, whereupon the County Treasurer 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 County Treasurer 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 County Treasurer may appoint a temporary Paying Agent or temporarily assume the duties of the Paying Agent to replace the former Paying Agent until the County Treasurer appoints a successor Paying Agent. Any such temporary Paying Agent so appointed by the County Treasurer shall immediately and without further act be superseded by the successor Paying Agent upon the appointment of and acceptance thereof by such successor.

(b) The Paying Agent, if not U.S. Bank National Association, shall be a bank, national banking association or trust company having trust powers incorporated or organized under the laws of the United States of America or any state thereof, having (or if such bank, national banking association or trust company is a member of a bank holding company system,

its parent bank holding company shall have) a combined capital and surplus of at least \$75,000,000, in good standing and subject to supervision or examination by federal or state agency. If such bank, national banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(c) *Merger or Consolidation.* Any bank, national banking association or trust company into which a successor Paying Agent may be merged or converted or with which it may be consolidated or any bank, national banking association or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank, national banking association or trust company to which the Paying Agent may sell or transfer all or substantially all of its corporate trust business, provided such bank, national banking association or trust company shall be eligible under Section 6.02(b) shall be the successor to such Paying Agent, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

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 the District, to use the funds deposited with it solely for payment of the principal of and interest on the Bonds as the same shall become due or become subject to earlier redemption.

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 Bond, but is protected in acting upon receipt of 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 Bonds shall be taken as the statements of the District or the County, as appropriate, 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 Bonds with the same rights it would have if it were not the Paying Agent for the 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 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.

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 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 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) 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 7.02, "Beneficial Owner" shall mean any person which 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).

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 300
Oakland, CA 94607
Attn: Chief Business Officer

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
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, relating to the OAKLAND UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2020), SERIES 2021A and OAKLAND UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2020), SERIES 2021B (FEDERALLY TAXABLE), 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:

By _____
Treasurer-Tax Collector
County of Alameda

EXHIBIT A

FORM OF BOND

Number	UNITED STATES OF AMERICA	Amount
R- _____	STATE OF CALIFORNIA	\$ _____
	COUNTY OF ALAMEDA	

OAKLAND UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
(ELECTION OF 2020), SERIES [2021A/2021B (FEDERALLY TAXABLE)]

<u>Dated as of</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
[Closing Date]	August 1, 20__	_____%	672325__

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

Oakland Unified School District, County of Alameda, State of California (the “District”), hereby acknowledges itself obligated to and promises to cause to be paid to the registered owner identified above or registered assigns, but only from taxes collected by the County of Alameda (the “County”) for such purpose pursuant to Section 15250 of the Education 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 in each year (each an “Interest Payment Date”), commencing February 1, 2022, until payment of said principal sum. If this bond is authenticated and registered on any date prior to the close of business on January 15, 2022, 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 (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, 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 \$[2021A Par Amount][2021B Par Amount], and designated as “Oakland Unified School District General Obligation Bonds (Election of 2020), Series [2021A/2021B (Federally Taxable)]” (the “Bonds”). The Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November 3, 2020. The Bonds are issued by the District and sold by the Board of Supervisors of the County (the “Board of Supervisors”) pursuant to and in strict conformity with the provisions of the Constitution and laws of the State of California, and of a resolution (herein called the “County Resolution”) adopted by said Board of Supervisors on September 21, 2021, at the request of the District pursuant to a resolution adopted by the Board of Education of the District on August 25, 2021 (the “District Resolution” and, together with the County Resolution, the “Resolution”), and subject to the more particular terms specified in the Paying Agent Agreement, dated as of October 1, 2021, between the District and the Paying Agent and acknowledged by the Treasurer-Tax Collector of the County (the “Paying Agent Agreement”). Reference is hereby made to the Paying Agent Agreement and any and all amendments thereof for a description of the terms on which the Bonds are issued, for the rights of the owners of the Bonds, for the provisions for payment of the Bonds, and for any amendment of the Paying Agent Agreement (with or without consent of the owners of the Bonds); and all the terms of the Paying Agent Agreement are hereby incorporated herein and constitute a contract between the District and the registered owner of this bond, to all the provisions of which the registered owner of this bond, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the Paying Agent Agreement.

The Bonds are issued 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, the Bonds may be exchanged for a like aggregate principal amount of Bonds of the same series, 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 series, maturity, interest rate, and same aggregate principal amount will be issued to the transferee in exchange herefor.

The County, the District and the Paying Agent may treat the registered owner hereof as the absolute owner hereof for all purposes, and the County, 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. 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 Bonds are not subject to redemption prior to maturity.]

The Board of Education of the District 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; and that this bond is in substantially the form prescribed by the Paying Agent Agreement and by order of the Board of Education of the District duly made and entered on its minutes. The Bonds represent an obligation of the District payable out of the Interest and Sinking Fund of the District, and the money for the redemption of this bond, and the payment of principal of, premium, if any, and interest thereon, shall be raised by taxation upon the taxable property of the 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 Board of Supervisors of the County of Alameda, State of California, has caused this OAKLAND UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BOND (ELECTION OF 2020), SERIES [2021A/2021B (FEDERALLY TAXABLE)], to be executed by the manual or facsimile signatures of its President and the Treasurer-Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Clerk of said Board, as of the date set forth above.

President of the Board of Supervisors
of the County of Alameda

Treasurer-Tax Collector
of the County of Alameda

Countersigned:

Clerk of the Board of Supervisors
of the County of Alameda

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the OAKLAND UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS (ELECTION OF 2020), SERIES [2021A/2021B (FEDERALLY TAXABLE)], described in the within-mentioned Paying Agent Agreement and authenticated and registered on [Closing Date].

U.S. BANK NATIONAL ASSOCIATION,
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.

[STATEMENT OF INSURANCE]

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.