Draft of August 10, 2009

PRELIMINARY OFFICIAL STATEMENT DATED ____________, 2009

NEW ISSUE - FULL BOOK-ENTRY

RATINGS:
Moody's: "____" (Insured)
"____" (Underlying)
Standard & Poor's: "____" (Insured)
"____" (Underlying)

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described in this Official Statement, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, the interest on the Refunding Bonds (as defined below) is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, the interest on the Bonds is exempt from California personal income taxes. See "LEGAL MATTERS - Tax Exemption."

$25,000,000
PIEDMONT UNIFIED SCHOOL DISTRICT
Alameda County, California
General Obligation Bonds
Election of 2006, Series C

$15,000,000*
PIEDMONT UNIFIED SCHOOL DISTRICT
Alameda County, California
2009 General Obligation Refunding Bonds

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

Purpose. The captioned Series C Bonds are being issued by the Piedmont Unified School District (the "District"). The Series C Bonds were authorized at an election of the registered voters of the District held on March 7, 2006, which authorized the issuance of $56,000,000 principal amount of general obligation bonds for the purpose of financing school facilities. The District has previously issued $14,999,934.40 in general obligation bonds pursuant to this authorization.

The captioned Refunding Bonds (together with the Series C Bonds, the "Bonds") are being issued by the District to refund all or a portion of the outstanding principal amount of one series of refunding bonds (the "Prior Bonds").

Security. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied by the District and collected by Alameda County (the "County"). The County Board of Supervisors is empowered and is obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS."

Book-Entry Only. 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 of The Depository Trust Company, New York, New York ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and "APPENDIX E - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments. The Bonds are being issued as current interest bonds (the "Current Interest Bonds") and as capital appreciation bonds (the "Capital Appreciation Bonds"). Interest with respect to the Current Interest Bonds accrues from the date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2010, by check mailed to the person in whose name the Bond is registered. The Capital Appreciation Bonds are dated the date of delivery and accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing on February 1, 2010. Payments of principal and interest on the Bonds will be paid by U.S. Bank National Association, San Francisco, California, as Paying Agent, to DTC for subsequent disbursement to DTC Participants, which will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption. The Bonds are subject to redemption prior to maturity as described in this Official Statement. See "THE BONDS - Redemption."

Bond Insurance. The scheduled payment of principal of (or, in the case of Capital Appreciation Bonds, the maturity value) and interest on the Bonds when due will be guaranteed under a financial guaranty insurance policy to be issued concurrently with the delivery of the Bonds by _____________ ("_________").

[Insurer logo]

The following firm, serving as financial advisor to the District, has structured this financing:

KNN
public finance
A Division of Zions First National Bank

Maturity Schedules
(See inside cover)

Cover Page. This cover page contains certain information for general reference only. It is not a summary of all the provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be offered when, as and if issued and accepted by the purchaser thereof, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. It is anticipated that the Bonds, in book entry form, will be available for delivery by DTC in New York, New York, on or about October ____, 2009.
The date of this Official Statement is ___ __, 2009.

* Preliminary, subject to change.

MATURITY SCHEDULE

Series C Bonds

(Base CUSIP:† _________)

$_____________ Serial Series C Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$__________ _____% Term Series C Bond Due August 1, ______, Yield: ____%, Price: ____%;
CUSIP† No.: ______

$___________ Capital Appreciation Series C Bonds

Maturity Date (August 1)	Denominational Amount	Accretion Rate	Reoffering Yield	Maturity Value	CUSIP†

MATURITY SCHEDULE

Refunding Bonds

(Base CUSIP:† ________)

$_____________ Serial Refunding Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$__________ _____% Term Refunding Bond Due August 1, ______, Yield: ____%, Price: ____%; CUSIP† No.: ______

† Copyright 2009, American Bankers Association. CUSIP data are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and are provided for convenience of reference only. Neither the District nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the District or the Underwriter. This Official Statement and the information contained in this Official Statement are subject to completion or amendment without notice.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations relating to the Bonds other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Estimates and Projections. When used in this Official Statement and in any continuing disclosure by the District, in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by the District.

Document Summaries. All summaries of the Paying Agent Agreement, the Refunding Bonds Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, or the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

PIEDMONT UNIFIED SCHOOL DISTRICT

BOARD OF EDUCATION

Ray Gadbois, *President*
Roy Tolles, *Vice President*
June Monach, *Member*
Martha Jones, *Member*
Richard Raushenbush, *Member*

DISTRICT ADMINISTRATION

Constance Hubbard, *Superintendent*
Michael Brady, *Assistant Superintendent, Business Services*

PROFESSIONAL SERVICES

BOND AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

FINANCIAL ADVISOR

KNN Public Finance
A Division of Zions First National Bank
Oakland, California

BOND REGISTRAR, TRANSFER AGENT, AND PAYING AGENT

U.S. Bank National Association
San Francisco, California

VERIFICATION AGENT

Causey Demgen & Moore Inc.
Denver, Colorado

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OFFICIAL STATEMENT

$25,000,000
PIEDMONT UNIFIED SCHOOL DISTRICT
Alameda County, California
General Obligation Bonds
Election of 2006, Series C

$15,000,000*
PIEDMONT UNIFIED SCHOOL DISTRICT
Alameda County, California
2009 General Obligation Refunding Bonds

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the "**Series C Bonds**" and the "**Refunding Bonds**" captioned above (collectively, the "**Bonds**") by the Piedmont Unified School District (the "**District**").

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 and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The District. The District provides educational services to the residents of the City of Piedmont, in Alameda County (the "**County**"), in the State of California (the "**State**").

See "APPENDIX A - FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE DISTRICT AND ALAMEDA COUNTY" and "APPENDIX B - FISCAL YEAR 2007-08 AUDITED FINANCIAL STATEMENTS," for demographic and financial information regarding the District.

Series C Bonds. The Series C Bonds were authorized at an election of the registered voters of the District held on March 7, 2006 (the "**2006 Authorization**"), which authorized the issuance of $56,000,000 principal amount of general obligation bonds for the purpose of financing the addition and modernization of school facilities. The District has previously issued $14,999,934.40 in general obligation bonds pursuant to the 2006 Authorization. The proceeds of the Series C Bonds will be used to generally repair, reconstruct or replace public school buildings. See "PLAN OF FINANCE."

The Series C Bonds are being issued pursuant to (i) Chapter 1.5 of Part 10 of Division 1 of Title 1 of the Education Code, (ii) a resolution adopted by the Board of Education of the District on August 26, 2009 and (iii) a Paying Agent Agreement, dated as of October 1, 2009

* Preliminary, subject to change.

(the “**Paying Agent Agreement**”), between the District and U.S. Bank National Association, as paying agent (the “**Paying Agent**”).

Refunding Bonds. The Refunding Bonds are being issued by the District to refund all or a portion of the outstanding principal amount of the District’s $17,225,000 original principal amount of 2001 Refunding General Obligation Bonds issued on June 27, 2001 (the “**Prior Bonds**”). See “PLAN OF FINANCE - Purpose of the Refunding Bonds.”

The Refunding Bonds are authorized under (i) Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code and (ii) a resolution adopted by the Board of Education of the District on August 26, 2009 (the “**Refunding Bonds Resolution**”).

Security and Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See “SECURITY FOR THE BONDS.”

For a schedule of the general obligation bonds issued by the District, see “SECURITY FOR THE BONDS – *Ad Valorem* Taxes”.

Payment and Registration of the Bonds. The Bonds will be dated their date of original issuance and delivery (the “**Dated Date**”) and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 (or, in the case of Capital Appreciation Bonds, Maturity Values of $5,000), or any integral multiple of $5,000, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“**DTC**”), and will be available under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described below. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See “THE BONDS” and “APPENDIX E - DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Interest on the Current Interest Bonds accrues from the Dated Date and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2010. The Capital Appreciation Bonds will not bear current interest, but will accrete interest, at their stated Accretion Rates, commencing on the Dated Date. See “THE BONDS - Description of the Bonds.”

Early Redemption. The Bonds are subject to optional and mandatory redemption prior to their maturity as described in “THE BONDS - Redemption.”

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available from the District. The District may impose a charge for copying, mailing and handling.

PLAN OF FINANCE

Purpose of the Series C Bonds

Net proceeds of the Series C Bonds will be used finance improvements to educational facilities within the scope of the District's ballot proposition, which includes the repair, reconstruction or replacement of Piedmont public school buildings.

Purpose of the Refunding Bonds

Prior Bonds. The Refunding Bonds are being issued by the District to refund all or a portion of the outstanding principal amount of the District's $17,225,000 original principal amount of 2001 Refunding General Obligation Bonds issued by the District on June 27, 2001 (the "**Prior Bonds**"). The Prior Bonds are outstanding in the principal amount of $13,175,000. The Prior Bonds were issued for the purpose of refunding on an advance basis three series of general obligation bonds issued by the District pursuant to voter authorization received in 1994.

Refunding Plan. The District will deliver a portion of the proceeds of the Refunding Bonds to U.S. Bank National Association, as escrow bank (the "**Escrow Bank**"), for deposit in the escrow fund (the "**Escrow Fund**") established under an Escrow Deposit and Trust Agreement (the "**Escrow Agreement**"), by and between the District and the Escrow Bank.

The Escrow Bank will invest all amounts deposited in the Escrow Fund in the Federal Securities set forth in the Escrow Agreement. From the maturing principal of the Federal Securities and the investment income and other earnings thereon, and any moneys held in cash in the Escrow Fund, on ___________, 2009, the Escrow Agent will apply such amounts to the redemption in full of the Prior Bonds, at a price of par plus 1.0% premium.

Sufficiency of the deposits in the Escrow Fund for those purposes will be verified by Causey Demgen & Moore Inc., Denver, Colorado (the "**Verification Agent**"). See "VERIFICATION OF MATHEMATICAL ACCURACY" below.

The amounts held and invested by the Escrow Bank in the Escrow Fund are pledged solely to the payment of the Prior Bond. Neither the funds deposited in the Escrow Fund nor the interest on the invested funds will be available for the payment of debt service with respect to the Bonds.

Sources and Uses of Funds

The estimated sources and uses of funds with respect to the Bonds are as follows:

	Series C Bonds	Refunding Bonds	Total
Sources of Funds			
Principal Amount of Bonds			
Net Original Issue Premium			
Moneys relating to Prior Bonds			
Total Sources			
Uses of Funds			
Deposit to Building Fund			
Costs of Issuance*			
Deposit to Debt Service Fund			
Deposit to Escrow Fund			
Total Uses			

* All estimated costs of issuance including, but not limited to, insurance premium for the Bonds, underwriter's discount, printing costs and fees of Bond Counsel, Disclosure Counsel, the financial advisor and the County.

Debt Service Schedule

Series C Bonds. The following table shows the debt service schedule with respect to the Series C Bonds (assuming no optional redemptions).

	Current Interest Bonds			Capital Appreciation Bonds			
Year Ending August 1	Principal	Interest	Debt Service	Denominational Amount	Accreted Interest	Debt Service	Aggregate Debt Service
Total							

Refunding Bonds. The following table shows the debt service schedule with respect to the Refunding Bonds (assuming no optional redemptions).

	Current Interest Bonds			
Year Ending August 1	Principal	Interest	Debt Service	Aggregate Debt Service
Total				

Aggregate General Obligation Bond Debt Service Schedule. The following table shows the aggregate debt service schedule with respect to all of the District's outstanding general obligation bond debt service, assuming the issuance of the Series C Bonds and the Refunding Bonds.

Date	**2005 Refunding Bonds**	**Election of 2006, Series A and B**	**Election of 2006, Series C**	**2009 Refunding Bonds**	**Total**
8/1/09					
8/1/10					
8/1/11					
8/1/12					
8/1/13					
8/1/14					
8/1/15					
8/1/16					
8/1/17					
8/1/18					
8/1/19					
8/1/20					
8/1/21					
8/1/22					
8/1/23					
8/1/24					
8/1/25					
8/1/26					
8/1/27					
8/1/28					
8/1/29					
8/1/30					
8/1/31					
8/1/32					
8/1/33					
8/1/34					
Total					

THE BONDS

Definitions With Respect to the Bonds

The terms set forth below have the following meanings:

"*Accreted Interest*" means, for the Capital Appreciation Bonds, the difference, as of the date of calculation, between the Denominational Amount and its Accreted Value, as these terms are defined below.

"*Accreted Value*" means, for the Capital Appreciation Bonds, as of the date of calculation, the Denominational Amount of any Capital Appreciation Bonds, plus Accreted Interest thereon to such date of calculation, compounded semiannually on each February 1 and August 1 at the stated Accretion Rate to maturity of such Capital Appreciation Bond, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

"*Accretion Rate*" means the yield which discounts the Maturity Value of any Capital Appreciation Bond to its Denominational Amount, as those terms are defined in this Official Statement (or, stated another way, the yield at which a Capital Appreciation Bond accretes in value from its Denominational Amount to its Maturity Value). Accretion Rate is calculated on the basis of a 360-day year of twelve 30-day months and on the basis of semiannual compounding on each February 1 and August 1, beginning on the date of delivery. Accretion Rates for the Bonds appear as part of the Accreted Value Tables in APPENDIX F. The Accretion Rate is not necessarily the same as the Reoffering Yield, as defined in this Official Statement.

"*Capital Appreciation Bond*" means a bond, the interest component of which is compounded semiannually and paid at maturity. A Capital Appreciation Bond has a 0% stated interest rate, but accretes in value on the basis of its Accretion Rate, compounding semiannually, as described under "APPENDIX F – TABLES OF ACCRETED VALUES" Accreted Value".

"*Current Interest Bonds*" means the Bonds the interest component of which is payable semi-annually on February 1 and August 1, commencing February 1, 2010.

"*Denominational Amount*" means the initial purchase price (not including any premium) of any Capital Appreciation Bond at which it is purchased by the Underwriter.

"*Maturity Value*" means the redemption price (or Accreted Value) of any Capital Appreciation Bond on its maturity date.

"*Reoffering Price*" means the price at which a Bond is initially reoffered to the public by the Underwriter.

"*Reoffering Yield*," for any Capital Appreciation Bond, means the yield which discounts the Maturity Value to its Reoffering Price. Reoffering Yield is calculated on the basis of a 360-day year of twelve 30-day months discounted semiannually on February 1 and August 1. The Reoffering Yield is not necessarily the same as the Accretion Rate, as defined in this Official Statement. Reoffering Yields on the Capital Appreciation Bonds appear on the inside cover pages of this Official Statement and in APPENDIX F.

Description of the Bonds

Book-Entry Form. 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 of The Depository Trust Company, New York, New York ("**DTC**"). Purchasers of the Bonds (the "**Beneficial Owners**") will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action premised on such notice.

The Paying Agent, the District, and the Underwriter of the Bonds have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds.

See "APPENDIX E - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Current Interest Bonds. The Current Interest Bonds will be dated the Dated Date and will bear interest payable semiannually each February 1 and August 1 (each an "**Interest Payment Date**"), commencing February 1, 2010, at the interest rates shown on the inside cover pages of this Official Statement. The Bonds will mature on August 1 in each of the years and in the principal amounts shown on the inside cover pages of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Each Bond authenticated on or before January 15, 2010, shall bear interest from the date of the Bonds. Each Bond authenticated during the period between the 15th day of the month preceding any Interest Payment Date (the "**Record Date**") and that Interest Payment Date shall bear interest from that Interest Payment Date. Any other Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If a Payment Date does not fall on a business day, the interest, principal or redemption payment due on such Payment Date will be paid on the next business day. The Bonds will be issued in the denomination of $5,000 principal amount each or any integral multiple thereof.

Capital Appreciation Bonds. The Capital Appreciation Bonds will be dated as of their date of delivery and will be issued in their aggregate Denominational Amount. The Capital Appreciation Bonds will not bear current interest, but will accrete interest, at their respective Accretion Rates, commencing on their date of delivery, from their respective Denominational Amounts to their respective Maturity Values on their respective maturity dates. Interest will be calculated on the basis of a 360-day year of twelve 30-day months, and will accrete in equal daily amounts during each annual period. The Capital Appreciation Bonds will mature in each of the years and at the Maturity Values set forth on the inside cover pages of this Official Statement. The Capital Appreciation Bonds will be issued as fully-registered bonds, without coupons, and will be in Denominational Amounts corresponding to $5,000 Maturity Value each for the Capital Appreciation Bonds or in any integral multiple thereof; provided that one Capital

Appreciation Bond for each maturity may be issued in an odd Maturity Value, provided that no Capital Appreciation Bond shall have Maturity Value maturing on more than one maturity date.

See the maturity schedules on the inside cover pages of this Official Statement and "PLAN OF FINANCE – Debt Service Schedules" below.

Redemption

Optional Redemption. The Capital Appreciation Series C Bonds and the Refunding Bonds are not subject to redemption prior to their respective maturity dates.

The Current Interest Series C Bonds maturing on or after August 1, 2020, are subject to redemption prior to their respective maturity dates, from moneys provided at the option of the District, in each case on any date on and after August 1, 2019, at a redemption price equal to the principal amount of the Current Interest Series C Bonds to be redeemed, plus accrued interest to the date of redemption, without premium.

***Mandatory Sinking Fund Redemption – Series C Bonds*.** The Term Series C Bonds maturing August 1, ____ are subject to mandatory sinking fund redemption in part, by lot, prior to their stated maturity date, on each August 1 on and after August 1, ____, at a redemption price equal to 100% of the principal amount thereof called for redemption, plus accrued interest to the redemption date, without premium, as follows:

Term Series C Bond Due August 1, _________

Payment Date (August 1)	Payment Amount

***Mandatory Sinking Fund Redemption – Refunding Bonds*.** The Term Refunding Bonds maturing August 1, ____ are subject to mandatory sinking fund redemption in part, by lot, prior to their stated maturity date, on each August 1 on and after August 1, ____, at a redemption price equal to 100% of the principal amount thereof called for redemption, plus accrued interest to the redemption date, without premium, as follows:

Term Refunding Bond Due August 1, _________

Payment Date (August 1)	Payment Amount

If some but not all of the Term Bonds described above are redeemed pursuant to an optional redemption, the aggregate principal amount of the Term Bonds to be redeemed pursuant to a mandatory sinking fund redemption will be reduced on a pro rata basis in integral multiples of $5,000.

Notice of Redemption. The Paying Agent will cause notice of any redemption to be mailed, by first class mail, postage prepaid, at least 30 days but not more than 60 days prior to the date fixed for redemption, to (i) one or more of the Information Services, and (ii) to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Registration Books; but such mailing will not be a condition precedent to such redemption and failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Bonds.

The redemption notice will state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, will designate the Bonds to be redeemed, and will require that any redeemed Bonds be surrendered at the Principal Office of the Paying Agent for redemption, giving notice that further interest on such Bonds will not accrue from and after the redemption date.

Partial Redemption. Upon surrender of Bonds redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the District, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption. From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be entitled to any benefit under the Paying Agent Agreement or the Refunding Bonds Resolution, as applicable, other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Registration, Transfer and Exchange of Bonds

If the book-entry system as described above and in Appendix E is no longer used with respect to the Bonds, the following provisions will govern the registration, transfer, and exchange of the Bonds.

Registration Books. The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Bonds (the "**Registration Books**"), which will at all times be open to inspection by the District upon reasonable notice; 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, the Bonds.

Transfer. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

Whenever any Bond or Bonds are surrendered for transfer, the District will execute and the Paying Agent will authenticate and deliver a new Bond or Bonds, for like aggregate principal amount. No transfers will be required to be made (a) 15 days prior to a date established for selection of Bonds for redemption and (b) with respect to a Bond that has been selected for redemption.

Exchange. Bonds may be exchanged at the principal office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Bond issued upon any exchange. No exchanges will be required to be made (a) 15 days prior to a date established for selection of Bonds for redemption and (b) with respect to a Bond that has been selected for redemption.

Defeasance

The District has the option to pay and discharge the entire indebtedness on all or any portion of the outstanding Bonds by (i) paying the Bonds when due and payable, (ii) depositing with the Paying Agent money in an amount sufficient to pay debt service on the Bonds when due, including all principal, interest and redemption premiums and (iii) by depositing with the Paying Agent, in trust, cash and certain Federal Securities in an amount determined to be sufficient, together with interest earnings, to be sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

"**Federal Securities**" is defined in the Paying Agent Agreement and the Refunding Bonds Resolution as United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Other District Bonds Payable from Ad Valorem Property Taxes. The District has previously issued the following series of general obligation bonds. As described above in "PLAN OF FINANCE – Purpose of Refunding Bonds," the District is issuing the Refunding Bonds to refund all or a portion of the outstanding principal amount of the Prior Bonds.

Issue Date	Series	Amount of Original Principal	Outstanding June 30, 2009
	2006 Authorization		
08/10/06	Election of 2006, Series A (CIBs)	$10,000,000.00	$9,750,000.00
08/10/06	Election of 2006, Series B (CABS)	$4,999,934.40	4,999,934.40
	Other Authorizations		
06/27/2001	2001 Refunding Bonds*	$17,225,000.00	$13,175,000.00
01/25/05	2005 Refunding General Obligation Bonds	$18,415,000.00	$15,270,000.00

*To be refunded with the proceeds of the Refunding Bonds.

In addition to the general obligation bonds issued by the District, there is other debt issued by entities with jurisdiction in the District, which is payable from *ad valorem* taxes levied on parcels in the District. See "PROPERTY TAXATION – Tax Rates" and "- Direct and Overlapping Debt" below.

Levy and Collection. The County will levy and collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Bonds, which is maintained by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property. As described below, the County has adopted the Teeter Plan which provides that the District will receive all of the property taxes which are levied by the County, and that any penalties and interest on delinquent taxes will be retained by the County. See "PROPERTY TAXATION - Alternative Method of Tax Apportionment - Teeter Plan."

Annual Tax Rates. The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Economic and other factors beyond the District's control, such as economic recession, deflation of land values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate.

Debt Service Fund

The County will establish a Debt Service Fund (the "**Debt Service Fund**") for each series of Bonds, which will be established as a separate fund to be maintained distinct from all other funds of the County. All taxes levied by the County for the payment of the principal of and interest and premium (if any) on a series of Bonds will be deposited in the related Debt Service Fund by the County promptly upon the receipt. Each Debt Service Fund is pledged for the payment of the principal of and interest and premium (if any) on the related series of Bonds when and as the same become due. The District will transfer amounts in a Debt Service Fund, to the extent necessary to pay the principal of and interest on the related series of Bonds as the same become due and payable, to the Paying Agent as required to pay the principal of and interest and premium (if any) on the related series of Bonds.

If, after payment in full of the related series of Bonds, any amounts remain on deposit in a Debt Service Fund, the District shall transfer such amounts to its General Fund, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

Limited Obligation

The Bonds are payable solely from the proceeds of an *ad valorem* tax levied and collected by the County, for the payment of principal and interest on the Bonds. Although the County is obligated to collect the *ad valorem* tax for the payment of the Bonds, the Bonds are not a debt of the County.

Bond Insurance and Certain Related Risks

[Include only if bond insurance is obtained.]

In the event the District defaults in the payment of principal of (or maturity value) or interest on the Bonds when due, the owners of the Bonds will have a claim under the Policy described in "BOND INSURANCE" below for such payments. In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance can be given that such event will not adversely affect the market for the Bonds. In the event the Insurer is unable to make payment of principal of (or maturity value) and interest on the Bonds when due under the Policy, the Bonds will be payable solely from the proceeds of *ad valorem* property taxes and amounts held in the Debt Service Fund as described elsewhere in "SECURITY FOR THE BONDS."

The long-term ratings of the Bonds are dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer's financial strength and claims-paying ability are predicated upon a number of factors that could change over time. If the long-term ratings of the Insurer are lowered, such event could adversely affect the market for the Bonds. See "BOND INSURANCE" for a discussion of recent developments with respect to the Insurer's long-term ratings and the section entitled "RATINGS."

Neither the District nor the Underwriter has made an independent investigation of the claims-paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is being made by the District or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Bonds, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds, assuming the Policy is not available for that purpose, and the claims-paying ability of the Insurer through final maturity of the Bonds.

BOND INSURANCE

[language to be supplied by Bond Insurer, if applicable]

PROPERTY TAXATION

Property Tax Collection Procedures

In California, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing state assessed public utilities' property and property, the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization ("**SBE**") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property", a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Alternative Method of Tax Apportionment - Teeter Plan

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 *et seq*. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all tax levies on secured property for which the County acts as the tax-levying or tax-collecting agency, or for which the County treasury is the legal depository of the tax collections.

The *ad valorem* property tax to be levied to pay the interest on and principal of the Bonds will be subject to the Teeter Plan, beginning in the first year of such levy in fiscal year 2009-10. The District will receive 100% of the *ad valorem* property tax on secured property levied to pay the Bonds irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County 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 joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency.

Assessed Valuation

Assessed Valuation History. The table below shows a six-year history of the District's assessed valuation. Over the last six years, the District's total assessed valuation has increased by _more than 35%.

Table 1
PIEDMONT UNIFIED SCHOOL DISTRICT
Assessed Valuations of All Taxable Property
Fiscal Years 2004-05 to 2008-09

	Local Secured	Utility	Unsecured	Total Before Rdv. Increment	Percent Change
2004-05	$2,216,839,781	$0	$4,232,666	$2,221,072,447	--
2005-06	2,405,669,823	0	4,472,975	2,410,142,798	8.5%
2006-07	2,588,754,716	0	4,758,429	2,593,513,145	7.6
2007-08	2,774,434,485	0	4,684,478	2,779,118,963	7.2
2008-09	2,926,864,211	0	3,922,696	2,930,786,907	5.5
2009-10	3,013,260,726	0	3,866,636	3,017,127,362	2.9

Source: California Municipal Statistics, Inc.

Proposition 8 Reductions - General. Proposition 8 was passed by California voters in November 1978, and provides that property owners are entitled to the lower of (i) the fair market value of their property as of the January 1 lien date for a fiscal year or (ii) the assessed value of their property as determined at the time of purchase or construction, and increased by no more than 2% annually (the "**full cash value**"). See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution."

Proposition 8 Reductions - Fiscal Year 2008-09. For fiscal year 2008-09, the Alameda County Assessor temporarily reduced the assessed value of 44,000 properties in the County; the parcels were residential parcels in the County that had changed ownership during the period from July 1, 2004 through December 31, 2007. On a County-wide basis, the County reduced the assessed value of these parcels by $3.1 billion below their "full cash value," with an average reduction of 10.7% per parcel. In addition, after reducing the assessed value of these 44,000 parcels, the County reduced the assessed values of another 6,000 parcels following an informal review. The County is not able to provide Proposition 8 information that is specific to properties in the District. The fiscal year 2008-09 assessed value of taxable property in the County increased by 4.87% above the fiscal year 2007-08 value, and the assessed value of taxable property in Piedmont, which comprises most of the territory of the District, [increased by _______%.]

Proposition 8 Reductions - Fiscal Year 2009-10. For fiscal year 2009-10, the Alameda County Assessor temporarily reduced the assessed value of 98,600 properties in the County, including many of the parcels that were subject to reductions in fiscal year 2008-09; the parcels were residential parcels in the County that had changed ownership during the period from January 1, 2002 through December 31, 2008. On a County-wide basis, the County reduced the assessed value of these parcels by $14.5 billion, with an average reduction of 23.8% per parcel. The County is not able to provide Proposition 8 information that is specific to properties in the District. The fiscal year 2009-10 assessed value of taxable property in the County decreased by more than 2% below its fiscal year 2008-09 assessed value, although the assessed value of taxable property in Piedmont, which comprises most of the territory of the District, [decreased approximately _________%.]

Assessed Valuation by Land Use. The following table shows the land use of parcels in the District, according to fiscal year 2009-10 assessed valuation. As shown, the majority of land in the District is used for residential purposes.

Table 2
PIEDMONT UNIFIED SCHOOL DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2009-10

	2009-10 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial	$13,067,525	0.43%	12	0.30%
Vacant Commercial	12,371	0.00	1	0.02
Vacant Industrial	1,428,000	0.05	1	0.02
Institutional/Partial Exemption	1,970,957	0.07	9	0.22
Public Agency	0	0.00	43	1.07
Subtotal Non-Residential	$16,478,853	0.55%	66	1.65%
Residential:				
Single Family Residence	$2,946,078,213	97.77%	3,817	95.35%
2-4 Residential Units	27,284,109	0.90	36	0.90
5+ Residential Units/Apartments	10,276,996	0.34	6	0.15
Vacant Residential	13,142,555	0.44	78	1.95
Subtotal Residential	$2,996,781,873	99.45%	3,937	98.35%
Total	$3,013,260,726	100.00%	4,003	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single Family Residential Parcels. The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the District, according to fiscal year 2009-10 assessed valuation.

Table 3
PIEDMONT UNIFIED SCHOOL DISTRICT
Per Parcel 2008-09 Assessed Valuation
of Single Family Homes

	No. of Parcels	2009-10 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential 771,831	3,817	$2,946,078,213	$771,831	$600,959

2008-09 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	338	8.855%	8.855%	$ 22,890,642	0.777%	0.777%
$100,000 - $199,999	450	11.789	20.644	64,762,430	2.198	2.975
$200,000 - $299,999	282	7.388	28.032	69,850,380	2.371	5.346
$300,000 - $399,999	262	6.864	34.897	92,179,152	3.129	8.475
$400,000 - $499,999	295	7.729	42.625	132,019,738	4.481	12.956
$500,000 - $599,999	277	7.257	49.882	152,744,797	5.185	18.141
$600,000 - $699,999	261	6.838	56.720	168,204,638	5.709	23.850
$700,000 - $799,999	234	6.130	62.850	175,777,365	5.966	29.817
$800,000 - $899,999	241	6.314	69.164	204,339,288	6.936	36.753
$900,000 - $999,999	203	5.318	74.483	192,438,948	6.532	43.285
$1,000,000 - $1,099,999	157	4.113	78.596	164,372,123	5.579	48.864
$1,100,000 - $1,199,999	131	3.432	82.028	150,248,292	5.100	53.964
$1,200,000 - $1,299,999	99	2.594	84.621	123,246,937	4.183	58.148
$1,300,000 - $1,399,999	81	2.122	86.744	108,813,168	3.693	61.841
$1,400,000 - $1,499,999	72	1.886	88.630	103,788,031	3.523	65.364
$1,500,000 - $1,599,999	55	1.441	90.071	84,639,252	2.873	68.237
$1,600,000 - $1,699,999	45	1.179	91.250	73,986,097	2.511	70.748
$1,700,000 - $1,799,999	50	1.310	92.560	87,030,442	2.954	73.702
$1,800,000 - $1,899,999	28	0.734	93.293	51,564,229	1.750	75.453
$1,900,000 - $1,999,999	26	0.681	93.974	50,616,119	1.718	77.171
$2,000,000 and greater	230	6.026	100.000	672,566,145	22.829	100.000
Total	3,817	100.000%		$2,946,078,213	100.000%	

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

Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in Tax Rate Area 18-000 for each $100 of assessed valuation during the fiscal years 2004-05 through 2008-09 (data for fiscal year 2009-10 is not yet available).

Table 4
PIEDMONT UNIFIED SCHOOL DISTRICT
Summary of Ad Valorem Tax Rates
$1 per $100 of Assessed Valuation
Fiscal Years 2004-05 to 2008-09
(Tax Rate Area 18-000)

Ad Valorem Tax	2004-05	2005-06	2006-07	2007-08	2008-09
Countywide	1.0000	1.0000	1.0000	1.0000	1.0000
Piedmont Unified School District Bonds	.0981	.0884	.1037	.0867	.1073
Peralta Community College District Bonds	.0208	.0238	.0272	.0223	.0362
Bay Area Rapid Transit	-	.0048	.0050	.0076	.0090
East Bay Regional Park District	.0057	.0057	.0085	.0080	.0100
East Bay Municipal Utility District, Special District 1	.0076	.0072	.0068	.0065	.0064
Total Tax Rate	1.1322	1.1299	1.1512	1.1311	1.1689

Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

Because the County has adopted the Teeter Plan, the amount of *ad valorem* property taxes received by the District is equal to the amount levied rather than the amount collected by the County. See "- Alternative Method of Apportionment - Teeter Plan," above.

Major Taxpayers

The following table shows the 20 largest taxpayers in the District as determined by their secured assessed valuations in fiscal year 2009-10:

Table 5
PIEDMONT UNIFIED SCHOOL DISTRICT
Largest 2008-09 Local Secured Taxpayers

	Property Owner	Primary Land Use	2009-10 Assessed Valuation	% of Total (1)
1.	Arun & Rummi Sarin Trustees	Residence	$ 10,402,277	0.35%
2.	Lipbu & Loo Ysa Tan Trustees	Residence	9,926,970	0.33
3.	Derek G. & Rachel J. Benham Trustees	Residence	8,594,343	0.29
4.	Frank D. & Lesley Yeary	Residence	7,956,000	0.26
5.	William & Maria R. Canizales Trustees	Residence	7,478,105	0.25
6.	David S. & Heather a. Ruegg Trustees	Residence	6,250,000	0.21
7.	Techne Inc.	Residence	6,242,153	0.21
8.	Kenneth B. Rawlings Trustees	Residence	6,186,470	0.21
9.	Michael & Elyse O'Sullivan Trustees	Residence	5,950,000	0.20
10.	Jack E. & Zelie K. Myers Trustees	Residence	5,910,000	0.20
11.	Lani Dy Trustees	Residence	5,847,655	0.19
12.	Wayne D. & Delaney M.Q. Jordan Trustees	Residence	5,675,033	0.19
13.	Basil C. & Shirley C. Christopoulos	Residence	5,545,000	0.18
14.	Kevin K. & Nancy W. Sidow Trustees	Residence	5,523,911	0.18
15.	Wildwood Avenue LLC	Residence	5,394,437	0.18
16.	Abe M. & Jennifer M. Friedman Trustees	Residence	5,230,312	0.17
17.	Guy T. & Jeanine E. Saperstein Trustees	Residence	5,204,318	0.17
18.	Roland A. & Christine W. Von Metzsch	Residence	5,000,000	0.17
19.	Grace S. & Michael K. Park	Residence	4,860,000	0.16
20.	Bucellattie International Inc.	Residence	4,711,874	0.16
			$127,888,858	4.24%

(1) Fiscal Year 2008-09 Local Secured Assessed Valuation: $3,013,260,726.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. and effective August 1, 2009. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. 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.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the District; (2) the second column shows the percentage that the District's assessed valuation represents of the total assessed valuation of each public agency identified in the first column; and the third column is an apportionment of the dollar amount of each public agency's outstanding debt to property in the District, as determined by multiplying the total outstanding debt of each agency by the percentage of the District's assessed valuation represented in the second column.

Table 6
PIEDMONT UNIFIED SCHOOL DISTRICT
STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
(As of August 1, 2009)

2009-10 Assessed Valuation: $3,017,147,362

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable (1)	Debt 8/1/09	
Bay Area Rapid Transit District	0.665%	$ 2,793,000	
Peralta Community College District	5.257	18,189,746	
Piedmont Unified School District	**100.**	**43,194,934**	(2)
East Bay Municipal Utility District, Special District No. 1	4.839	1,441,296	
East Bay Regional Park District	0.980	1,233,330	
City of Piedmont 1915 Act Bonds	100.	2,574,636	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$69,426,942	
OVERLAPPING GENERAL FUND DEBT:			
Alameda County General Fund Obligations	1.676%	$ 7,464,938	
Alameda County Pension Obligations	1.676	3,402,627	
Alameda-Contra Costa Transit District Certificates of Participation	2.022	815,574	
Peralta Community College District Pension and Benefit Obligations	5.257	8,167,753	
TOTAL OVERLAPPING GENERAL FUND DEBT		$19,850,892	
COMBINED TOTAL DEBT		$89,277,834	(3)

(1) Based on 2008-09 ratios.
(2) Excludes general obligation bonds to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2009-10 Assessed Valuation:
Direct Debt ($43,194,934) 1.43%
Total Direct and Overlapping Tax and Assessment Debt...................... 2.30%
Combined Total Debt.. 2.96%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/09: $0

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIIIA, XIIIB, XIIIC, and XIIID of the State Constitution, Propositions 62, 98, 111, 187 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA and all applicable laws.

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to one percent 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) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) on 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 (added by **Proposition 39** in November, 2000). As described under "THE BONDS – Authority for Issuance," the District received authorization by a requisite fifty-five percent of voters to issue the Bonds and has stated that it will comply with all applicable accountability measures required by law. Article XIIIA 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 two percent per year to account for inflation.

Article XIIIA 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.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIIIA.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. 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 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% 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.

Inflationary Adjustment of Assessed Valuation. As described above, the assessed value of a property may be increased at a rate not to exceed two percent per year to account for inflation. On December 27, 2001, the Orange County Superior Court, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, held that where a home's taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the two percent inflation adjustment provision of Article XIIIA, when the assessor tried to "recapture" the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties, including the County, use a similar methodology in raising the taxable values of property beyond 2% in a single year. The State Board of Equalization has approved this methodology for increasing assessed values. On appeal, the Appellate Court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year's assessment. On May 10, 2004 a petition for review was filed with the California Supreme Court. The petition has been denied by the California Supreme Court. As a result of this litigation, the "recapture" provision described above may continue to employed in determining the full cash value of property for property tax purposes.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions ("**unitary property**"). Under the State Constitution, such property is assessed by the SBE as part of a "going concern" rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Constitutional Appropriations Limitation

Article XIIIB ("**Article XIIIB**") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Lease Payments, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution. See "Proposition 98" and "Proposition 111" below.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "**Article XIIIC**" and "**Article XIIID**"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article 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 percent 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 XIIIA of the California Constitution and special taxes approved by a two-thirds percent vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

Proposition 218 does not affect the *ad valorem* property taxes to be levied by the County to pay debt service on the Bonds.

Proposition 62

A statutory initiative ("**Proposition 62**") was adopted by the voters at the November 4, 1986, general election which (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the District be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of *ad valorem* taxes on real property by local governmental entities except as permitted by Article XIIIA, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

California appellate court cases have overturned the provisions of Proposition 62 pertaining to the imposition of taxes for general government purposes. However, the California Supreme Court upheld Proposition 62 in its decision on August 28, 1995, in *Fresno 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 what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities. The District has not experienced any substantive adverse financial impact as a result of the passage of this initiative.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes 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 (hereinafter referred to collectively as "**K-14 school 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, and (b) the amount actually appropriated to such districts from the General Fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

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 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit 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 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K 14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit Act of 1990" ("**Proposition 111**") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "**first test**") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "**second test**"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 1A

On November 2, 2004, California voters approved Proposition 1A, which amends the State constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State can not (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning, in 2008-09, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (i) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State, and (ii) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 39, 98 and 111 were each adopted as measures that qualified for the ballot under 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. The nature and impact of these measures cannot be anticipated by the District.

LEGAL MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), the interest on the Bonds is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraphs are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which each Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded. Owners of Bonds with original issue discount or original issue premium, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to federal income tax and State of California personal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Other Tax Considerations. Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

Form of Opinion. A copy of the proposed form of opinion of Bond Counsel with respect to each series of Bonds is attached hereto as Appendix C.

Continuing Disclosure

The District will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the District by not later than March 31 after the end of each fiscal year of the District (currently June 30th), commencing with the report for the 2008-09 fiscal year (the "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events, if material. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in "APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE," attached to this Official Statement. These covenants have been made in order to assist the Underwriter (as defined below) in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**").

The District has complied with all of its material obligations under existing continuing disclosure undertakings during the past five years.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to the purchasers at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the District's ability to receive ad valorem taxes or to collect other revenues or contesting the District's ability to issue and repay the Bonds.

RATINGS

Upon issuance of the Bonds, Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("**S&P**") will assign the Bonds a rating of "AAA" and Moody's Investors Service will assign the Bonds a rating of "Aa2" with the understanding that upon delivery of the Bonds, a financial guaranty insurance policy guaranteeing the payment when due of the principal of and interest on the Bonds will be issued by _________________. In addition, S&P will assign the Bonds an underlying rating of "_____" and Moody's will assign the Bonds an underlying rating of "_____".

The District has furnished to the rating agencies information and material which have not been included in this Official Statement. Generally, rating agencies base their ratings on information and material so furnished and on investigations, studies and assumptions made by the rating agencies. The ratings reflect only the view of the rating agencies and an explanation of the significance of such rating may be obtained from the rating agencies.

There is no assurance that the rating will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agency, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

The District has entered into an agreement with KNN Public Finance, A Division of Zions First National Bank, whereunder the Financial Advisor provides financial recommendations and guidance to the District with respect to preparation and sale of the Bonds. The Financial Advisor has read and participated in the drafting of certain portions of this Official Statement and has supervised the completion and editing thereof. The Financial Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the District, with respect to accuracy and completeness of disclosure of such information, and the Financial Advisor makes no guaranty, warranty or other representation respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

COMPENSATION OF PROFESSIONALS

Payment of the fees and expenses of Jones Hall, A Professional Law Corporation, as bond counsel and disclosure counsel to the District, and of the Financial Advisor is contingent upon issuance of the Bonds.

VERIFICATION OF MATHEMATICAL ACCURACY

Upon delivery of the Refunding Bonds, Causey Demgen & Moore Inc., Denver, Colorado, will deliver a report on the mathematical accuracy of certain computations, contained in schedules provided to the Verification Agent on behalf of the District, relating to the sufficiency of the amounts deposited in the Escrow Fund, together with interest earnings, to pay, when due, the principal, whether at maturity or upon prior redemption, interest and redemption premium requirements of the Prior Bonds being refunded. See "PLAN OF FINANCE – Purpose of the Refunding Bonds."

UNDERWRITING

Series C Bonds. _____________ (the "**Series C Purchaser**"), as the successful bidder for the Series C Bonds, agreed to purchase the Series C Bonds at a price of $____________ (which is equal to the aggregate principal amount of the Series C Bonds ($___________), plus a net original issue premium of $___________, less a purchaser's discount of $_____________). The Purchaser will purchase all of the Series C Bonds if any are purchased.

Refunding Bonds. ___________ (the **"Refunding Bond Purchaser"**), as the successful bidder for the Refunding Bonds, has agreed to purchase the Refunding Bonds at a price of $____________ (which is equal to the aggregate principal amount of the Refunding Purchaser's discount of $_____________). The Underwriter will purchase all of the Refunding Bonds if any are purchased.

Offering Prices. The Series C Purchaser and the Refunding Bond Purchaser intend to offer the Series C Bonds and the Refunding Bonds, respectively, to the public at the offering prices set forth on the inside cover pages of this Official Statement. The Series C Purchaser and the Refunding Bond Purchaser may offer and sell to certain dealers and others at a price lower than the offering prices stated on the inside cover pages of this Official Statement. The offering price may be changed from time to time by the Series C Purchaser and the Refunding Bond Purchaser.

EXECUTION

The execution of this Official Statement and its delivery have been approved by the District Council.

PIEDMONT UNIFIED SCHOOL DISTRICT

By: ____
Superintendent

APPENDIX A

FINANCIAL, ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE PIEDMONT UNIFIED SCHOOL DISTRICT AND ALAMEDA COUNTY

GENERAL DISTRICT INFORMATION

General Information

The District is located in the San Francisco Bay Area and serves the residents of the City of Piedmont, an area of approximately 1.8 square miles with a population of approximately 11,165. The District was created in 1920 and unified in 1936 and has grown to approximately 2,531 students who attend the District's 6 schools. There are 3 elementary schools containing grades K-5; 1 middle school with grades 6-8; 1 High School, and 1 Continuation High School.

Administration

The District is governed by a five-member Board of Education, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board of Trustees, together with their office and the date their term expires, are listed below:

Name	Office	Term Expires
Ray Gadbois	President	March, 2010
Roy Tolles	Vice President	March, 2010
June Monach	Member	March, 2012
Martha Jones	Member	March, 2012
Richard Raushenbush	Member	March, 2012

The day-to-day operations are managed by a board-appointed Superintendent of Schools.

Recent Enrollment Trends

The following table shows enrollment history for the District for the last five fiscal years, with projected figures through fiscal year 2011-12.

Table A1
PIEDMONT UNIFIED SCHOOL DISTRICT
Annual Enrollment
Fiscal Years 2004-05 through 2011-12

School Year	Enrollment
2004-05	2,639
2005-06	2,602
2006-07	2,589
2007-08	2,552
2008-09	2,531
2009-10(1)	
2010-11(1)	
2011-12(1)	

(1) Estimates from the District.
Source: California Department of Education.

Employee Relations

Currently the District employs ________ employees, , of which ____ are full-time equivalent (**"FTE"**) certificated employees, ____ are FTE classified employees and ____ are FTE Management employees. There are two formal bargain units operating in the District which are described in the table below.

Table A2
PIEDMONT UNIFIED SCHOOL DISTRICT
Labor Organizations

Labor Organization	Number of Employees	Contract Expiration Date
Piedmont Teachers Association		
California School Employees Association		

Source: Piedmont Unified School District .

District Retirement Systems

The District participates in the State of California Teacher's Retirement System ("**STRS**"). This plan covers basically all full-time certificated employees. Active plan members are required to contribute 8.0% of their salary and the District is to contribute an actuarially determined rate, which was 8.25% of payroll for the 2007-08 fiscal year. The District's contribution to STRS for fiscal year 2007-08 was $1,201,832, for fiscal year 2008-09 was $________ (unaudited) and for fiscal year 2009-10 $__________ is budgeted.

The District also participates in the State of California Public Employees' Retirement System ("**PERS**"). This plan covers all classified personnel who are employed four or more hours per day. Active plan members are required to contribute 7.0 percent of their salary and the District is required to contribute an actuarially determined rate, which was 9.306 percent of annual payroll for 2007-08. The District's contribution to PERS for fiscal year 2007-08 was $390,763, for fiscal year 2008-09 was $___________ (unaudited) and for 2009-10 $________ is budgeted.

Both the PERS and STRS systems are operated on a statewide basis. District contribution rates to these two retirement systems vary annually depending on changes in actuarial assumptions and other factors, such as liability. STRS has a substantial State unfunded liability. Since this liability has not been broken down by the state agency, information is not available showing the District's share.

Other Post Employment Benefits

Plan Description. The District provides post-employment health care benefits in accordance with District employment contracts to all employees who retire from the District on or after attaining age 55 with at least 15 years of service.

Certificated and classified employees who retire at age 55 or more with 15 years or more of service, and are receiving medical benefits at the time of separation, qualify to receive continued medical benefits. The level of coverage and the medical benefit program is required to be the least costly single party coverage offered to the employees of the District each succeeding year. The retiree chooses between two coverage options, but if Medicare coverage is available to the retiree, then the District will supplement Medicare in order to maintain the least costly medical plan.

The retiree may choose from the following options:

- Full medical benefits until Medicare eligibility, at which time the District contributes a flat rate of $75 per month. Coverage continues ujtil the retiree is 75 years of age, then the retiree has the option of participating in the District's medical plan at his/her expense.

- Full medical benefits until Medicare eligibility, at which time the District contributes a flat rate of $100 per month. Classified employees can continue such coverage for a period of time equal to the number of years of service in the District. Certificated employs receive this benefit for life.

For classified employees hired prior to July 1, 1989 and retiring with 15 years of service, and employees disabled with 10 years of service, continue to receive the health plan coverage equal to that for the final 2 years of service. Part-time employees receive medical coverage proportionate to that received at the time of retirement.

Contribution Information. The District makes contributions to its post-employment healthcare liability on a pay-as you-go basis. As of June 30, 2008, 108 employees met the eligibility requirements. The contribution for the 2007-08 fiscal year was $313,479 and was $________ for fiscal year 2008-09.

Insurance

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 fiscal year ending June 30, 2008, the District contracted with Alameda County Schools Insurance Group for property and liability insurance coverage. Extended property and liability coverage was provided by Bay Area Schools Insurance Group. Settled claims have not exceeded this commercial coverage in any of the past 3 years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation. For fiscal year 2008, the District participated in the Alameda County Schools Insurance Group ("**ACSIG**"), an insurance purchasing pool. The intent of the ACSIG is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the ACSIG. The workers' compensation experience of the participating Districts is calculated as one experience and a common premium rate is applied to all Districts in the ACSIG. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of each participated school districts. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the ACSIG. Participation in the ACSIG is limited to Districts that can meet the ACSIG selection criteria.

Coverage provided by commercial insurance, School Excess Liability Fund and Alameda County Schools Insurance Group for property and liability and workers' compensation is as follows:

Table A3
PIEDMONT UNIFIED SCHOOL DISTRICT
Insurance Summary

Insurance Program / Company Name	Type of Coverage	Limits
Alameda County Schools Insurance Group	Workers' Compensation	State Statutory
Bay Area Schools Insurance Group	Excess Property and Liability	\$1 million-\$25 million
Alameda County Schools Insurance Group	Property and General Liability	\$500,000-\$1 million

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the District and the District's general fund finances 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. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS".

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts. The financial resources of the District are divided into separate funds for which separate accounts are maintained for recording cash, other resources and all related liabilities, obligations and equities. The major fund classification is the general fund which accounts for all financial resources not required to be accounted for in another fund. The District's fiscal year begins on July 1 and ends on June 30.

All governmental funds and fiduciary funds are maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, that is, both measurable and available to finance expenditures for the current period. For more information on the District's accounting method, see Note 1 of "APPENDIX B – FISCAL YEAR 2007-08 AUDITED FINANCIAL STATEMENTS" attached hereto.

The Governmental Accounting Standards Board ("GASB") published its Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" on June 30, 1999. Statement No. 34 provides guidelines to auditors, state and local governments and special purpose governments such as school districts and public utilities, on new requirements for financial reporting for all governmental agencies in the United States. Generally, the basic financial statements and required supplementary information should include (i) Management's Discussion and Analysis; (ii) financial statements prepared using the economic measurement focus and the accrual basis of accounting and (ii) fund financial statements prepared using the current financial resources measurement focus and the modified accrual method of accounting and (iii) required supplementary information.

Financial Statements

The District's Audited Financial Statements for the fiscal year ending fiscal year 2007-08 were prepared by Vavrinek, Trine, Day & Company, LLP, Pleasanton, California. Audited financial statements for the District for the fiscal year ended June 30, 2008 and prior fiscal years are on file with the District and available for public inspection at the Superintendent's Office. See Appendix B hereto for excerpts from the 2007-08 Audited Financial Statements. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. The District has not requested nor did the District obtain permission from Vavrinek, Trine, Day & Company, LLP to include the audited financial statements as an appendix to this Official Statement. Accordingly, Vavrinek, Trine, Day & Company, LLP has not performed any post-audit review of the financial condition or operations of the District.

The following table shows the audited income and expense statements for the District for the 2005-06 through 2007-08 fiscal years.

Table A4
PIEDMONT UNIFIED SCHOOL DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Fund Balance
For Fiscal Years 2005-06 through 2007-08 (audited)

	Audited 2005-06	Audited 2006-07	Audited 2007-08
Revenues			
Revenue limit sources	$13,753,566	$14,333,405	$14,827,644
Federal revenues	671,588	594,978	615,804
Other state revenues	2,540,873	3,601,012	3,005,548
Other local revenues	8,452,408	10,484,835	11,124,308
Total Revenues	25,418,435	29,014,230	29,573,304
Expenditures			
Instruction	17,316,961	18,980,169	20,204,090
Instruction-related activities:			
Supervision of instruction	515,119	502,313	543,803
Library, media and technology	501,092	509,291	572,729
School sites administration	1,863,837	2,182,158	2,147,660
Pupil services:			
Hone-to-school transportation	52,607	36,918	39,581
Food services			
All other pupil services	997,186	1,157,943	1,263,130
General Administration:			
Data processing	228,039	231,610	168,009
All other general administration	1,412,036	1,209,310	1,717,696
Plant services	2,179,690	2,353,540	2,431,564
Facility acquisition, construction	41,592	44,088	131,503
Ancillary services	99,435	92,255	87,153
Debt service: principal	34,056	91,591	62,033
:Debt service: interest and other	32,647		
Total Expenditures	25,274,297	27,391,186	29,368,951
Excess of Revenues Over/(Under) Expend.	144,138	1,623,044	204,353
Other Financing Sources (Uses)			
Operating transfers in	410,711	1,338	3,490
Operating transfers out	(120,000)	(635,000)	(150,000)
Total Other Fin. Source(Uses)	290,711	(633,662)	(146,510)
Net change in fund balance	434,849	989,382	57,843
Fund Balance, July 1	663,636	1,098,485	2,087,867
Fund Balance, June 30	$1,098,485	$2,087,867	$2,145,710

Source: Piedmont Unified School District Audit Reports for fiscal years 2004-05 through 2007-08.

The following table shows the District's Budget, as adopted by the Board of Trustees, for fiscal year 2008-09, compared to projected year totals for the General Fund for fiscal year, taken from the Second Interim Report. The table also shows the fiscal year 2009-10 District Budget. The format used in the Budget is not directly comparable to the audited format shown above (as mandated by GASB 34).

Table A5
PIEDMONT UNIFIED SCHOOL DISTRICT
Adopted Budgets
For Fiscal Year Ended June 30, 2009 and June 30, 2010

	Adopted Budget 2008-09	2nd Interim [1] 2008-09	Adopted Budget 2009-10
Revenues			
Revenue Limit Sources	$14,670,030	$13,743,706	$13,232,353
Federal revenues	610,665	1,516,056	880,777
Other state revenues	2,222,870	2,109,540	2,074,601
Other local revenues	10,863,105	11,534,933	12,299,545
Total Revenues	28,366,670	28,904,235	28,487,276
Expenditures			
Certificated Salaries	15,260,015	15,417,787	15,221,523
Classified Salaries	4,759,330	4,795,290	4,646,785
Employee Benefits	5,881,465	6,034,415	5,988,209
Books and Supplies	917,335	1,113,637	811,552
Services and Other Operating Expenditures	2,084,300	2,386,949	2,451,159
Capital Outlay	(32,200)	(32,200)	(120,000)
Other Outgo	28,870,245	29,715,878	28,999,228
Transfers of Indirect Costs			
Total Expenditures	(503,575)	(811,643)	(511,952)
Excess of Revenues Over/(Under) Expenditures			
	3,515	3,515	538,006
Other Financing Sources (Uses)	(90,000)	131,314	--
Operating Transfers In	(86,485)	134,829	538,006
Operating Transfers Out			
Total Other Financing Sources (Uses)	(590,060)	(676,814)	26,054
Net Change in Fund Balance	2,145,708	2,145,708	1,468,894
Fund Balance, July 1	1,555,648	$1,468,894	$1,494,948
	$14,670,030	$13,743,706	$13,232,353
Fund Balance, June 30	610,665	1,516,056	880,777

(1) Projected year totals.
Source: Piedmont Unified School District.

[insert description of actions the District is taking to address reductions in educational spending at the State level]

Budget Process

The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("**AB 1200**"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. A district may be on either a dual or single budget cycle. The dual budget option requires a revised and readopted budget by September 1 that is subject to State-mandated standards and criteria. The revised budget must reflect changes in projected income and expenses subsequent to July 1. The single budget is only readopted if it is disapproved by the county office of education, or as needed. The District is on a single budget cycle and adopts its budget on or before July 1.

For both dual and single budgets submitted on July 1, the county superintendent will 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, will determine if the budget allows the district to meet its current obligations and will determine if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. On or before August 15, the county superintendent will approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by August 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than August 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. The law does not provide for conditional approvals; budgets must be either approved or disapproved. No later than August 20, the county superintendent must notify the Superintendent of Public Instruction of all school districts whose budget has been disapproved.

For all dual budget options and for single and dual budget option districts whose budgets have been disapproved, the district must revise and readopt its budget by September 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final district budgets and not later than October 8, will approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. Until a district's budget is approved, the district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

The District has never had an adopted budget disapproved by the county superintendent of schools, and has never received a "negative" certification of an Interim Financial Report pursuant to AB 1200.

Long-Term Debt

***General Obligation Bonds*.**

The outstanding general obligation bonds of the District as of September 1, 2009 are as follows:

Issue Date	Maturity Date	Interest Rate	Original Principal	Bonds Outstanding 9/1/2009
6/15/2001*	2019	2.5%-5.25%	$17,225,000	$13,175,000
1/11/2005	2021	3.0%-4.0%	18,415,000	15,270,000
7/27/2006	2032	4.0%-6.5%	14,999,934	14,749,934[(1)]

*To be refunded with the proceeds of the Refunding Bonds.
(1) Not including accreted interest on capital appreciation bonds.

The debt service requirements to maturity for the outstanding general obligation bonds (excluding the Series C Bonds but including the Prior Bonds) are shown below.

Fiscal Year	Principal	Interest to Maturity	Total Debt Service
2009	$ 1,315,000	$1,728,508	$3,043,508
2010	1,555,000	1,673,496	3,228,496
2011	1,770,000	1,609,034	3,379,034
2012	2,018,807	1,582,964	3,601,771
2013	2,270,281	1,502,778	3,773,059
2014-2018	15,653,783	5,765,142	21,418,925
2019-2023	13,250,000	1,935,673	15,185,673
2024-2028	5,412,807	3,488,174	8,900,981
2029-2032	2,819,256	6,460,744	9,280,000
Total	46,064,934	$25,746,513	$71,811,447
Accretions to Date	535,205		
Total	$46,600,139		

For a summary of the outstanding general obligation bonds, see "SECURITY FOR THE BONDS – *Ad Valorem* Taxes".

Short-Term Borrowing ***[if applicable]***

On ___, 2009. The District issued its 2009-10 Tax and Revenue Anticipation Notes which mature on _______, 2010. The Notes were issued in the principal amount of $_________ for the purpose of assisting the District manage its cash-flow requirements during the fiscal year 2009-10.

State Funding of Education and Revenue Limitations

Annual State apportionments of basic and equalization aid to school districts for general purposes are computed up to a revenue limit per unit of average daily attendance ("A.D.A."). Such apportionments will, generally speaking, amount to the difference between the District's revenue limit and the District's local property tax allocation. Revenue limit calculations are adjusted annually in accordance with a number of factors designed primarily to provide cost of living increases and to equalize revenues among California school districts.

In the event that a school district's property tax revenue exceeds its calculated revenue limit entitlement, that school district retains all of its property tax revenue, and State apportionments to that district are limited to the minimum "basic aid" amount of $120 per A.D.A. set forth in the Constitution. Currently the State allocates basic aid funding to categorical entitlements that would have been received in any event. Such districts are commonly known as "Basic Aid Districts." The District is not a Basic Aid district.

A schedule of the District's A.D.A. and base revenue limit during the past five years, as well as projections for two years, is shown below.

Table A7
PIEDMONT UNIFIED SCHOOL DISTRICT
Average Daily Attendance
Fiscal Years 2004-05 through 2011-12 (projected)

Fiscal Year	P-2 ADA	Base Revenue Limit Per ADA
2004-05		
2005-06		
2006-07		
2007-08		
2008-09		
2009-10(1)		
2010-11(1)		

(1) Projected.
Source: Piedmont Unified School District.

California school districts receive a significant portion of their funding from State appropriations. As a result, decreases in State revenues may affect appropriations made by the Legislature to school districts.

Revenue Sources

The District categorizes its general fund revenues into four sources:

Table A8
PIEDMONT UNIFIED SCHOOL DISTRICT
District Revenue Sources

Revenue Source	Percentage of Total District General Fund Revenues 2006-07	2007-08	2008-09
Revenue limit sources (1)	49%	50%	48%
Federal revenues	2	2	5
Other State revenues	12	10	7
Other local revenues	36	38	40

(1) Consists of a mix of State apportionments of basic and equalization aid and local property tax revenues.
Source: Piedmont Unified School District.

Each of these revenue sources is described below.

Revenue Limit Sources. Since fiscal year 1973-74, California school districts have operated under general purpose revenue limits established by the State Legislature. In general, revenue limits are calculated for each school district by multiplying (1) the average daily attendance for such district by (2) a base revenue limit per unit of A.D.A. The revenue limit calculations are adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type.

Funding of the District's revenue limit is provided by a mix of (1) local property taxes and (2) State apportionments of basic and equalization aid. Generally, the State apportionments will amount to the difference between the District's revenue limit and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under No Child Left Behind, the Individuals With Disabilities Education Act, and specialized programs such as Drug Free Schools.

Other State Revenues. As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's revenue limit and its property tax revenues. In addition to such apportionment revenue, the District receives substantial other State revenues.

These other State revenues are primarily restricted revenues funding items such as the Special Education Master Plan, Class Size Reduction Program, home-to-school transportation, Economic Impact Aid, School Improvement Program, Educational Technology Assistance Grants, mandated cost reimbursements, instructional materials and mentor teachers.

The District receives State aid from the California State Lottery (the "Lottery"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research. Lottery revenues generally comprise approximately 2% of general fund revenues.

Other Local Revenues.

Voter-Approved Parcel Tax. On June 7, 2005, 88% of District voters approved the renewal and expansion of a parcel tax to provide continued support for special instructional programs and services, smalle4r class sizes, technology, and maintenance services. The tax is $1,141 to $1,937 per parcel annually for four years. In addition, at the same election, 83% of District voters approved the renewal of a second parcel tax to prevent further reduction in special academic instructional programs including advanced placement, foreign language, fine arts, library and counseling services, technology upgrades and ton continue to provide competitive compensation, professional training and curriculum improvements. The second parcel tax is $418 to $710 per parcel annually for four years. Both parcel taxes had an effective date of July 1, 2006, and extend through July 1, 2010. In fiscal year 2008-09, these parcel taxes generated $__________ in District revenues.

Other Sources. District receives additional local revenues from items such as interest earnings and other local sources.

[insert any additional local sources of revenues]

Effect of State Budget on Revenues Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55 percent of their operating revenues from various State sources. The primary source of funding for school districts is the revenue limit, which is a combination of State funds and local property taxes (see "DISTRICT FINANCIAL INFORMATION - State Funding of Education and Revenue Limitations" below). State funds typically make up the majority of a district's revenue limit. School districts also receive substantial funding from the State for various categorical programs. Revenues received by the District from all State sources generally accounted for about half of total general fund revenues.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS"), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process.

State Funding of Education and Recent State Budgets

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55 percent of their operating revenues from various State sources. The primary source of funding for school districts is the revenue limit, which is a combination of State funds and local property taxes (see "– State Funding of Education and Revenue Limitations" above). State funds typically make up the majority of a district's revenue limit. School districts also receive substantial funding from the State for various categorical programs.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS"), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the County, nor the Underwriter is responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

The Budget Process. The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "Governor's Budget"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a two-thirds majority vote of each House of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each House of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (except for K-14 education) must be approved by a two-thirds majority vote in each House of the Legislature and be signed by the Governor. Bills containing K-14 education appropriations only require a simple majority vote. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Recent State Budgets. Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District and is not incorporated in this Official Statement by reference.

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading "Bond Information", posts various State of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State.

• The California State Treasurer's Office Internet home page at www.treasurer.ca.gov, under the heading "Financial Information", posts the State's audited financial statements. In addition, the Financial Information section includes the State's Rule 15c2-12 filings for State bond issues. The Financial Information section also includes the Overview of the State Economy and Government, State Finances, State Indebtedness, Litigation from the State's most current Official Statement, which discusses the State budget and its impact on school districts.

• The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget", includes the text of proposed and adopted State Budgets.

• The State Legislative Analyst's Office (the "LAO") prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)".

Tax Shifts and Triple Flip. Assembly Bill No. 1755 ("AB 1755"), introduced March 10, 2003 and substantially amended August 26, 2003, requires the shifting of property taxes between redevelopment agencies and schools. On July 29, 2003, the Assembly amended Senate Bill No. 1045 to incorporate all of the provisions of AB 1755, except that the Assembly reduced the amount of the required ERAF shift to $135 million. Legislation commonly referred to as the "Triple Flip," was approved by the voters on March 2, 2004, as part of a bond initiative formally known as the "California Economic Recovery Act." This act authorized the issuance of $15 billion in bonds to finance the 2002-03 and 2003-04 State budget deficits, which are payable from a fund established by the redirection of tax revenues through the "Triple Flip." Under the "Triple Flip", one-quarter of local governments' one percent share of the sales tax imposed on taxable transactions within their jurisdiction are redirected to the State. In an effort to eliminate the adverse impact of the sales tax revenue redirection on local government, the legislation redirects property taxes in the ERAF to local government. Because the ERAF monies were previously earmarked for schools, the legislation provides for schools to receive other state general fund revenues. It is expected that the swap of sales taxes for property taxes would terminate once the deficit financing bonds were repaid, which is currently expected to occur in approximately 9 to 13 years.

2008-09 State Budget. On September 23, 2008, the Governor signed the 2008-09 State Budget into law (the "2008-09 Budget"). The 2008-09 Budget attempted to resolve the $24.3 billion budget deficit identified in the May (2008) Revision to the Governor's Proposed Budget. The 2008-09 Budget, as adopted, projected revenues of $103.027 billion in 2007-08 and $101.991 billion in 2008-09 (representing an increase of $1.837 billion in 2007-08 and a decrease of $996 million in 2008-09, compared with the May Revision), provided a modest reserve of $1.7 billion, but projected a deficit of $1.0 billion in 2009-10.

Special Session – Revisions to 2008-09 Budget; 2009-10 Adopted State Budget. Below is a summary of legislative actions from November 5, 2008 through February 20, 2009, on which date the Governor signed a budget package addressing the 2008-09 Budget deficit, and adopting the 2009-10 Budget.

November 5, 2008. The Governor called the State Legislature into special session to deal with a budget deficit of $11 billion which had arisen since the 2008-09 budget was adopted, principally because of a shortfall in revenues. This special session extended through February 19, 2009.

January 9, 2009. The Governor submitted his proposed 2009-10 Budget (the “2009-10 Proposed Budget”) to the State Legislature. The 2009-10 Proposed Budget assumed that, without corrective action, the State would face a deficit of $39.6 billion at the end of 2009-10. The 2009-10 Proposed Budget proposed $41.7 billion in budgetary solutions to close the gap and establish a $2.2 billion reserve, including: the issuance of $4.7 billion in revenue anticipation warrants, capturing savings in K-14 education through spending reductions, accounting changes and cost deferrals and raising $5 billion in proceeds with the securitization of lottery revenues. Many of the Governor’s proposals required voter approval to be implemented.

The LAO stated that while the 2009-10 Proposed Budget was generally reasonable it would likely be subject to risks associated with continued deterioration of the economy, noting that it relied heavily on State borrowing, which was subject to voter approval, the favorable resolution of legal issues, and the State’s access to credit markets. On January 14, 2009, the LAO released its report entitled “California’s Cash Flow Crisis” stating that the State’s cash flow had deteriorated steadily since the end of calendar year 2007 due to, among other things, sharply weakened General Fund revenues and limited access to credit markets.

February 19, 2009. The California Legislature voted to approve a budget package (the “Budget Package”) addressing the State’s $42 billion deficit, which includes $15 billion in State spending reductions, $12.8 billion in temporary tax increases (including an increase in the vehicle license fee and an increase in State sales and income taxes), $11.4 billion in borrowing and a $1 billion reserve. The Budget Package includes revisions to the 2008-09 Budget (the “current year”) and adoption of the 2009-10 Budget, covering a 17-month period ending July 1, 2010 (the “budget year”), addressing spending reductions, revenue increases, economic stimulus and increasing governmental efficiency. Certain measures contained in the Budget Package required voter approval at a special State-wide election which was held on May 19, 2009. Because the voters rejected the three propositions on the special election ballot that would have helped balance the State’s budget, there will need to be further revisions to the Budget (see “May 14, 2009 Budget Revision” below). Key provisions of the Budget Package currently are: Key provisions of the Budget Package are:

- *Education Spending Reductions*: Significant Proposition 98-related reductions, consisting of approximately $7.4 billion in reductions in Proposition 98 funding in 2008-09 compared to the adopted 2008-09 Budget Act, through $2.4 billion in program reductions and savings and $5 billion in Proposition 98 funding deferrals and fund swaps. The 2009-10 Budget provides for $400 million in fund swaps and a total Proposition 98 funding of $55.3 billion, which is $400 million less than the total amount proposed in 2008-09.

- *Health and Human Services Reductions*: Approximately $1.6 billion in reductions by eliminating cost-of-living increases, cutting payments to certain centers serving the disabled, reducing monthly public assistance benefit payments, and delaying projects.

- *State Employee Payroll Reductions*: Approximately $1.4 billion in reductions by implementing furloughs, reductions in overtime, and elimination of some state paid holidays.

- *Sales Tax Increase*: A 1-cent increase in the State sales tax, generating approximately $5.9 billion (2 years).

- *Vehicle License Fee Increase*: Increasing the fee from 0.65 percent to 1.15 percent (2 years).

- *State Personal Income Tax Increase*: Imposing a 0.25 percent surcharge on personal income tax and reducing the dependent tax credit (2 years).

- *State Lottery*: Provisions modernizing the State Lottery to generate approximately $5 billion in revenues in 2009-10.

- *Reducing State Categorical Funding for Education; Increasing Categorical Flexibility*: Reductions in K-12 categorical programs estimated at approximately 15 percent. However, to mitigate program reductions, the budget provides for categorical funding flexibility over 5 years, allowing the transfer of funds from 40 categorical programs to the general fund, commencing in 2008-09. In addition, categorical ending balances can be used for general purpose activities in the current and budget year with certain exclusions.

K-12 Education. Additional detail on K-12 programs affected by the 2009-10 Budget follows:

• Major Revenue Limit and Categorical Program Reductions - provides $1.9 billion in K-12 program reductions split evenly between revenue limits and categorical programs in the current year. These reductions continue in the budget year, growing to $2.4 billion. More than 50 categorical programs will be subject to across the board reductions that will be allocated proportionally at roughly 15%.

• Categorical Flexibility - allows local educational agencies to transfer unlimited funds from more than 40 categorical programs to their general purpose accounts.

• Cost-of-Living Adjustments (COLA) - eliminates $247 million for a partial COLA for K-12 revenue limits in 2008-09, saving approximately $2.5 billion.

• Payment Deferrals - in current year extends $2.8 billion in existing payment deferrals for K-14 education from April to July 2009 and recognizes these payments for purposes of Proposition 98; in budget year, shifts an additional $2.7 billion in K-14 payments from July and August to October 2009.

Additionally, the 2009-10 Budget funds of K-12 home-to-school transportation through swaps from the Public Transportation Account and the Mass Transportation Fund, allows prior-year categorical fund balances to be used for general purpose activities in the current year and budget year, reduces the penalties for exceeding maximum class sizes for the next four years, suspends the statutory requirement to purchase newly adopted instructional materials, reduces routine maintenance reserve requirement from 3% to 1% for five years, suspends reserve and reporting maintenance for deferred maintenance for five years, eliminates all funding for the High Priority Schools Grant Program in the budget year and suspends annual funding for the Emergency Repair Program in the budget year.

February 13, 2009. The U.S. House of Representatives and the Senate approved the American Recovery and Reinvestment Act, which commits a total of $787 billion nationwide. A report issued by the LAO entitled "Federal Economic Stimulus Package: Fiscal Effect on California" estimates that the State will receive over $31 billion in aid and billions more in competitive grants. The LAO estimates that about $8 billion of these funds will be available in 2008-09 and 2009-10 to relieve the State's budgetary problems. Of this amount, the State's health programs will receive the largest share (about $9 billion) and education-related programs will receive nearly $8 billion. Labor and workforce development and social services programs will receive about $6 billion and $3.5 billion, respectively. By April 1, 2009 the State Director of Finance and State Treasurer will re-calculate the $8 billion estimate. If the amount is less than $10 billion, then annual State program reductions of nearly $1 billion and revenue increases of about $1.8 billion adopted as part of the 2009-10 Budget will go into effect.

February 20, 2009. The Governor signed the Budget Package. The Governor used his line item veto authority in an attempt to achieve $1 billion more in State General Fund savings in the 2009-10 Budget. This includes at lease a 10% reduction in expenditures for certain State offices through furlough days, elimination of positions, overtime reform and reducing paid State holidays, replacing State General Fund appropriations with respect to higher education with federal funds, and finding savings through reforms and cost-saving measures with the California Department of Corrections and Rehabilitation.

March 13, 2009 LAO Report. On March 13, 2009, the LAO updated its revenue forecast and projects that revenues will fall short of the assumptions in the 2009-10 Budget by $8 billion and that number of the adopted solutions- revenue increases and spending reductions- are of a short–term duration. Thus, without corrective actions, the State's huge operating shortfalls will reappear in future years- growing from $12.6 billion in 2010-11 to $26 billion in 2013.

May 7, 2009 LAO Report. On May 7, 2009, the LAO reported that, as result of the budget and cash pressures of recent months, the General Fund's "cash cushion"- the monies available to pay State bills at any given time- currently is projected to end fiscal year 2008-09 at a much lower level than normal. Without additional legislative measures to address the State's fiscal difficulties or unprecedented amounts of borrowing from the short-term credit markets, the State will not be able to pay many of its bills on time for much of fiscal year 2009-10. Deterioration of the state's economic and revenue picture (such as the $8 billion revenue shortfall the LAO forecast in March 2009) or failure of measures in the May 19 special election would increase the State's cash flow pressures substantially—potentially increasing the short-term borrowing requirement to well over $20 billion. The LAO concludes that the State is likely to have difficulty borrowing anywhere close to the needed amounts from the short-term bond markets based on the State's own credit. The LAO advised the Legislature to reduce the State's short-term borrowing need to an amount under $10 billion for fiscal year 2009-10, which would require pursuit of two options: (i) additional actions to increase revenues or decrease expenditures in order to return the fiscal year 2009-10 budget to balance and (ii) additional actions to delay or defer scheduled payments to schools, local governments, service providers, and others.

May 14, 2009 Budget Revision. Under California law, in May of each year the Governor issues a revised budget with changes he or she can support, based on the debate, analysis and changes in the economic forecasts. On May 14, 2009, the Governor released the May Revision, which includes two alternative proposals to revise the State budget to address the State's increasing deficit. The specific proposal to be considered depended, in part, on the result of certain statewide ballot measures decided by the voters on the May 19, 2009 special election ballot.

Because the voters of the State rejected the three propositions on the special election ballot that would have helped balance the State's budget, the Governor estimates a budget shortfall of $21 billion in 2009-10. The Legislature and the Governor will now need to agree to billions of dollars of additional spending cuts, tax increases or other budgetary solutions to bring the budget back into balance. Proposals in the May Revision include various expenditure cuts, borrowings and other measures. Such cuts and other measures may include reducing State payments to school districts by shortening the school year by 5 to 7.5 days, increasing class sizes and laying off additional teachers as needed to absorb reduced funding levels. Further details concerning the Governor's revised budget are expected to be available at http://www.ebudget.ca.gov/. The District cannot predict the exact impact any such budget reductions will have on its General Fund operating budget for the coming fiscal year.

May 21, 2009 LAO Report. On May 21, 2009, the LAO commented on the May Revision, stating that the Governor's estimate of a new $21 billion budget problem is reasonable and the May Revision proposals include major spending reductions and serious efforts for long–term state efficiencies and savings. The LAO reiterated that by acting quickly and reducing reliance on some of the Governor's riskiest proposals- such as financing $5.5 billion of the deficit by issuing revenue anticipation warrants- the Legislature can return the budget to balance, prevent another state cash crunch, and preserve core funding for what it deems to be California's long–term priorities. To accomplish these goals, the Legislature now needs to cut lower–priority programs substantially or eliminate them. To address significant budget deficits forecast in future years, the Legislature also needs to begin work this year on measures that further improve the efficiency of state services for 2010-11 and beyond.

Governor Declares Fiscal Emergency; State Begins Issuing IOU's. The Governor announced on July 1 that the budget deficit had grown by $2 billion to $26.3 billion due to the failure of State lawmakers to adopt immediate education cuts and money-shifting plans by the June 30 fiscal year end. He has declared a fiscal emergency and ordered a Proposition 58 special session of the Legislature to solve the State's deficit within 45 days. The Governor ordered State employees to take three unpaid furlough days every month and proposed closing the additional $2 billion shortfall largely by cutting school spending even further, which would require suspension of Proposition 98. Due to the inability of the Legislature to close the deficit and address the State's cash crisis, on July 2 the State began issuing registered warrants, or IOU's, to several classes of creditors, including certain local governments. The registered warrants are expected to be redeemable in October, if the State treasury has enough money to cover them.

2009-10 State Budget Amendments. On July 24, the California legislature approved amendments to the 2009-10 budget involving 30 separate pieces of legislation to close the $26.3 billion shortfall in the State's 2009-10 general fund budget. The Governor signed the budget plan on July 28. Total general fund spending in 2009-10 will be more than $84 billion, down from nearly $91.7 billion in 2008-09 and nearly $103 billion in 2007-08. The budget amendments combine deep spending cuts, borrowing from local governments and accounting maneuvers.

The $15.3 billion in additional spending cuts include:

- $6.1 billion from the K-14 education budget.

- $2.8 billion from the California State University and University of California systems.

- $1.3 billion in savings by furloughing nearly 200,000 state workers three days out of each month.

- Approximately $3. 2 billion from health and human services, including $1.3 billion in cuts to Medicaid.

The approved amendments include borrowing from local governments and various accounting maneuvers to generate additional revenues in the 2009-10:

- $2 billion borrowed from counties' property tax collections under provisions of Proposition 1A approved by the voters in 2004, but the State must repay counties with interest within three years.

- $1.7 billion shift from redevelopment agencies into State funds in exchange for extending the number of years the agencies could collect tax increment.

- $1 billion in revenues to be generated by selling a portion of the State Compensation Insurance Fund's workers compensation insurance portfolio.

- $1.2 billion in savings from a one-time deferment of state worker paychecks for one day, moving them into the next fiscal year.

- $1.7 billion in revenues by requiring taxpayers who make quarterly estimated payments to pay more in the first six months. This will result in lower revenues in the first half of the next fiscal year.

- $600 million in revenues by increasing income tax withholdings from paychecks. This allows the State to grab more tax revenue earlier but will result in lower revenue later due to higher tax refunds or less taxes owed.

The accounting shifts rely on the assumption that an economic recovery will be well underway in the next fiscal year and many economists believe that they will result in a huge budget shortfall next year. Additionally, borrowing revenues from local governments is likely to result in litigation.

The approved budget amendments discarded plans to take $1 billion in gasoline tax revenues from local governments and failed to approve $100 million in revenue from oil leases to be sold in the Santa Barbara Channel. Instead, the legislature intended the $1.1 billion difference was to be made up by tapping out the general fund reserve. The Governor, however, exercised his line-item veto power to make nearly $500 million in additional cuts to social services, state prisons and higher education, and providing for a general fund reserve of $500 million.

K-14 Spending Cuts. Total Proposition 98 funding is reduced by $2.1 billion in 2008-09 and $4.5 billion in 2009-10 compared to the levels appropriated in the February Budget Act. However, Proposition 98 General Fund savings are $5.3 billion in 2009-10 because of the property tax shift of $850 million from redevelopment agencies to schools.

Additional detail with respect to the effect of the budget amendments relating to K-14 education follows:

- A $1.6 billion "recapture" of 2008-09 categorical funding for schools that had been appropriated but not actually sent to districts and county offices. This was seen as the only way to reduce funding for the fiscal year ending 2008-09, thereby lowering the base for 2009-10. To equalize the impact among all districts, the categorical cuts will be restored in 2009-10 and an equal amount of approximately $250 per ADA will be reduced from revenue limits statewide.
- $2.4 billion from 2009-10 general-purpose spending for local educational agencies resulting in cuts of approximately $390 per ADA.
- $1.7 billion of 2009-10 payments that will be deferred from April and May into August of fiscal year 2010-11.

Additional changes include provisions to permit school districts to reduce the number of school days by five days to 175 days through 2012-13 and lowering the reserve requirement for economic uncertainty to one-third of the usual requirement.

Information about State budgets is regularly available at various State-maintained websites. See: www.dof.ca.gov, under the heading "California Budget". Additionally, an impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District takes no responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by these references.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State Legislature and the Governor to address the State's current or future budget deficits. Future State budgets will be affected by national and state economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its budgets.

The State has not entered into any contractual commitment with the District, the County, the Underwriter or the Owners of the Bonds to provide State budget information to the District or the owners of the Bonds. Although they believe the State sources of information listed above are reliable, neither the District nor the Underwriter assumes any responsibility for the accuracy of the State Budget information set forth or referred to in this Official Statement or incorporated by reference in this Official Statement.

ALAMEDA COUNTY DEMOGRAPHIC INFORMATION

The County of Alameda (the "County") is located on the east side of the San Francisco Bay, south of the City of Oakland and approximately ten miles west of the City of San Francisco. Access to San Francisco is provided by the San Francisco Bay Bridge.

The northern part of Alameda County has direct access to San Francisco Bay and the City of San Francisco. It is highly diversified with residential areas, as well as traditional heavy industry, the University of California at Berkeley, the Port of Oakland, and sophisticated manufacturing, computer services and biotechnology firms. The middle of the County is also highly developed including older established residential and industrial areas. The southeastern corner of the County has seen strong growth in residential development and manufacturing. Many high-tech firms have moved from neighboring Silicon Valley in Santa Clara County to this area. The southwestern corner of the County has seen the most development in recent years due to land availability. Agriculture and the rural characteristics of this area are disappearing as the region maintains its position as the fastest growing residential, commercial and industrial part of the County.

Population

The following table lists population estimates for the County and the State for the last five calendar years, as of January 1.

ALAMEDA COUNTY
Population Estimates
Calendar Years 2005 through 2009 as of January 1

	2005	2006	2007	2008	2009
Alameda	74,338	74,419	75,077	74,015	74,683
Albany	16,654	16,648	16,722	16,152	16,884
Berkeley	104,010	105,206	106,110	106,498	107,178
Dublin	39,737	41,827	43,592	46,859	47,922
Emeryville	8,217	8,520	9,137	9,712	10,087
Fremont	209,336	209,779	211,162	213,124	215,636
Hayward	145,263	146,136	147,501	148,935	150,878
Livermore	80,293	81,295	82,646	83,451	84,409
Newark	43,476	43,407	43,587	43,793	44,035
Oakland	409,756	410,613	414,516	419,095	425,068
Piedmont	10,998	10,979	11,029	11,079	11,165
Pleasanton	67,292	67,728	68,567	69,324	70,097
San Leandro	81,013	80,928	81,273	81,841	82,472
Union City	70,311	71,024	72,124	73,269	73,977
Unincorporated County	138,662	138,801	139,554	140,572	142,166
County Total	1,499,356	1,507,310	1,522,597	1,537,719	1,556,657

Source: State Department of Finance estimates (as of January 1).

Employment and Industry

The unemployment rate in the Oakland-Fremont-Hayward MD was 10.4 percent in May 2009, up from a revised 10.2 percent in April 2009, and above the year-ago estimate of 5.6 percent. This compares with an unadjusted unemployment rate of 11.2 percent for California and 9.1 percent for the nation during the same period. The unemployment rate was 10.7 percent in Alameda County, and 10.0 percent in Contra Costa County.

OAKLAND-FREMONT-HAYWARD METROPOLITAN DIVISION
ALAMEDA, CONTRA COSTA COUNTIES
Civilian Labor Force, Employment and Unemployment; Employment by Industry
(Annual Averages)

	2004	2005	2006	2007	2008
Civilian Labor Force (1)	1,254,300	1,251,000	1,257,500	1,272,700	1,295,700
Employment	1,182,700	1,188,000	1,202,500	1,213,000	1,215,500
Unemployment	71,600	63,000	55,000	59,800	80,200
Unemployment Rate	5.7%	5.0%	4.4%	4.7%	6.2%
Wage and Salary Employment: (2)					
Agriculture	1,500	1,600	1,500	1,500	1,400
Natural Resources and Mining	1,200	1,100	1,200	1,200	1,200
Construction	69,800	72,800	73,300	71,700	64,600
Manufacturing	98,200	95,600	95,800	94,400	93,300
Wholesale Trade	49,200	48,600	48,800	48,700	48,000
Retail Trade	110,500	112,100	113,300	113,300	110,700
Transportation, Warehousing, Utilities	34,200	34,300	35,000	37,300	36,600
Information	31,300	30,700	30,100	29,000	27,800
Finance and Insurance	49,500	50,800	49,400	45,400	40,500
Real Estate and Rental and Leasing	18,100	18,700	18,200	17,000	16,300
Professional and Business Services	147,700	150,600	154,900	158,000	161,400
Educational and Health Services	117,200	118,500	121,800	124,200	127,700
Leisure and Hospitality	80,600	83,000	85,600	88,000	89,100
Other Services	36,600	35,600	35,900	36,200	36,000
Federal Government	17,600	17,300	17,300	17,100	17,100
State Government	47,000	46,200	45,800	44,500	39,400
Local Government	115,100	116,500	118,900	122,300	120,100
Total, All Industries (3)	1,025,200	1,033,700	1,046,900	1,049,700	1,031,300

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

The following table shows the major employers in the County as of July 2009, listed in alphabetical order.

ALAMEDA COUNTY
Major Employers (Listed alphabetically)
2009

Employer Name	Location	Industry
Alta Bates Medical Ctr Inc	Berkeley	Hospitals
Alta Bates Summit Medical Ctr	Oakland	Hospitals
Bay Area Rapid Transit	Oakland	Marketing Programs & Services
Bayer Corp	Berkeley	Drug Millers (Mfrs)
Berkeley Coin & Stamp	Berkeley	Coin Dealers Supplies & Etc
Children's Hospital & Research	Oakland	Physicians & Surgeons
Clorox Technical Ctr	Pleasanton	Specialty Clng Plshng/Sanitation (Mfrs)
East Bay Water	Oakland	Transit Lines
Fairmont Hospital	San Leandro	Hospitals
Grocery Outlet	Berkeley	Grocers-Retail
Kaiser Permanente Hospital	Hayward	Hospitals
Kaiser Permanente Medical Ctr	Oakland	Hospitals
Lawrence Berkeley National Lab	Berkeley	Physicians & Surgeons
Lawrence Livermore Natl Lab	Livermore	Laboratories-Testing
New United Motor Manufacturing	Fremont	Automobile & Truck Brokers (Whls)
Novartis Vaccines & Diagnostic	Emeryville	Pharmaceutical Preparation (Mfrs)
Oracle	Pleasanton	Computer-Software Developers
Permanente Medical Group	Hayward	Physicians & Surgeons
Praedium Inc	Pleasanton	Real Estate
Residential & Student Svc Prog	Berkeley	Giftwares-Manufacturers
Transportation Dept-California	Oakland	State Government-Transportation Programs
UC Berkeley Extension	Berkeley	Schools-Universities & Colleges Academic
University Of Cal-Berkeley	Berkeley	Schools-Universities & Colleges Academic
Waste Management Inc	Oakland	Garbage Collection
Western Digital Corp	Fremont	Computer Storage Devices (Manufacturers)

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2009 2nd Edition.

Construction Activity

Provided below are the building permits and valuations for the County for calendar years 2004 through 2008.

ALAMEDA COUNTY
Total Building Permit Valuations
(Valuations in Thousands)

	2004	2005	2006	2007	2008
Permit Valuation					
New Single-family	$749,898.1	$518,955.9	$545,570.9	$424,009.7	$238,743.0
New Multi-family	475,595.7	482,928.9	626,797.5	315,894.0	201,122.3
Res. Alterations/Additions	307,825.2	392,480.2	357,113.0	339,842.5	285,782.4
Total Residential	$1,533,319.0	$1,394,365.0	$1,529,481.4	$1,079,746.3	$725,647.7
New Commercial	202,774.7	199,562.0	237,780.4	219,825.1	197,181.1
New Industrial	53,262.0	55,382.4	23,350.6	65,661.4	60,200.0
New Other	100,467.3	105,370.0	93,070.1	102,269.9	95,640.7
Com. Alterations/Additions	349,231.6	413,425.1	461,992.7	503,015.7	457,412.5
Total Nonresidential	$705,735.6	$773,739.6	$816,193.8	$890,772.1	$810,434.3
New Dwelling Units					
Single Family	2,269	1,518	1,681	1,340	761
Multiple Family	3,422	2,898	4,035	1,911	1,296
TOTAL	5,691	4,416	5,716	3,251	2,057

Source: Construction Industry Research Board, Building Permit Summary.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the County of Alameda, the State and the United States for the period 2004 through 2008.

COUNTY OF ALAMEDA
Effective Buying Income
As of January 1, 2004 through 2008

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2004	Alameda County	$34,827,010	$51,415
	California	705,108,410	43,915
	United States	5,692,909,567	39,324
2005	Alameda County	$34,772,822	$52,295
	California	720,798,106	44,681
	United States	5,894,663,364	40,529
2006	Alameda County	$35,772,898	$53,171
	California	764,120,963	46,275
	United States	6,107,092,244	41,255
2007	Alameda County	$37,572,278	$54,688
	California	814,894,438	48,203
	United States	6,300,794,040	41,792
2008	Alameda County	$38,889,500	$55,987
	California	832,531,445	48,952
	United States	6,443,994,426	42,303

Source: *Sales & Marketing Management Survey of Buying Power for 2004; Claritas Demographics for 2005 through 2008.*

Commercial Activity

Total taxable transactions during the first two quarters of calendar year 2008 in the County were reported to be $11,949,972,000, a 4.37% decrease over the total taxable transactions of $12,496,672,000 reported during the first two quarters of calendar year 2007. The number of establishments selling merchandise subject to sales tax and the valuation of taxable transactions within the County is presented in the following table. Annual figures are not yet available for 2008.

COUNTY OF ALAMEDA
Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2003	20,606	$13,562,149	42,550	$21,375,029
2004	20,800	14,343,842	42,939	22,996,365
2005	20,688	15,228,482	42,792	24,242,981
2006	20,090	15,656,414	41,951	25,223,384
2007	19,554	15,664,940	42,014	25,831,140

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

APPENDIX B

FISCAL YEAR 2007-08 AUDITED FINANCIAL STATEMENTS

APPENDIX C
PROPOSED FORM OF OPINION OF BOND COUNSEL
(SERIES C BONDS)

[LETTERHEAD OF JONES HALL]

October __, 2009

Board of Education
Piedmont Unified School District

OPINION: Piedmont Unified School District (Alameda County, California)
$_________ General Obligation Bonds, Election of 2006, Series C

Members of the Board of Education:

We have acted as bond counsel to the Piedmont Unified School District (the "District") in connection with the issuance by the Board of Education of the District (the "Board"), of $_________ principal amount of Piedmont Unified School District (Alameda County, California) General Obligation Bonds, Election of 2006, Series C, dated the date hereof (the "Bonds"), pursuant to Section 15100 *et seq.* of the California Education Code and Section 53506 *et seq.* of the California Government Code (together, the "Act"), a resolution of the Board adopted August 26, 2009 (the "Resolution") and a Paying Agent Agreement, dated as of October 1, 2009 (the "Paying Agent Agreement"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Paying Agent Agreement and in the certified proceedings and other certifications furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The District is a duly created and validly existing unified school district with the power to issue the Bonds, and to perform its obligations under the Paying Agent Agreement and the Bonds.

2. The Paying Agent Agreement has been duly authorized by the Board, and constitutes a valid and binding obligation of the District enforceable upon the District.

3. Pursuant to the Act, the Paying Agent Agreement creates a valid lien on funds pledged by the Paying Agent Agreement for the security of the Bonds.

4. The Bonds have been duly authorized, executed and delivered by the District, and are valid and binding general obligations of the District, and the Board of Supervisors of Alameda County is required to levy an *ad valorem* tax upon the property in the District, unlimited as to rate or amount, for the payment of principal of and interest on the Bonds.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, the interest on the Bonds is taken into account in determining certain income and earnings. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

A Professional Law Corporation

PROPOSED FORM OF OPINION OF BOND COUNSEL
(REFUNDING BONDS)

[LETTERHEAD OF JONES HALL]

August __, 2009

Board of Education
Piedmont Unified School District

OPINION: $__________ Piedmont Unified School District (Alameda County, California) 2009 General Obligation Refunding Bonds

Members of the Board of Education:

We have acted as bond counsel to the Piedmont Unified School District (the "District") in connection with the issuance by the Board of Education of the District (the "Board"), of $___________ principal amount of Piedmont Unified School District (Alameda County, California) 2009 General Obligation Refunding Bonds, dated the date hereof (the "Bonds"), pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Act"), a resolution of the Board adopted August 26, 2009 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Resolution and in the certified proceedings and other certifications furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The District is a duly created and validly existing unified school district with the power to issue the Bonds and to perform its obligations under the Resolution and the Bonds.

2. The Resolution has been duly adopted by the Board, and constitutes a valid and binding obligation of the District enforceable upon the District.

3. Pursuant to the Act, the Resolution creates a valid lien on funds pledged by the Resolution for the security of the Bonds.

4. The Bonds have been duly authorized, executed and delivered by the District, and are valid and binding general obligations of the District, and the Board of Supervisors of Alameda County is required to levy an *ad valorem* tax upon the property in the District, unlimited as to rate or amount, for the payment of principal of and interest on the Bonds.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, the interest on the Bonds is taken into account in determining certain income and earnings. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal tax purposes. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

A Professional Law Corporation

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$25,000,000	**$_________**
PIEDMONT UNIFIED SCHOOL DISTRICT	**PIEDMONT UNIFIED SCHOOL DISTRICT**
Alameda County, California	**Alameda County, California**
General Obligation Bonds	**2009 General Obligation Refunding Bonds**
Election of 2006, Series C	

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is executed and delivered by the Piedmont Unified School District (the "**District**") in connection with the execution and delivery of the captioned bonds (the "**Bonds**"). The captioned Refunding Bonds are being executed and delivered pursuant to a resolution adopted by the Board of Education of the District on June 16, 2009 (the "**Refunding Bonds Resolution**") and the captioned Series C Bonds are being issued pursuant to a Paying Agent Agreement (the "**Paying Agent Agreement**") dated as of October 1, 2009. U.S. Bank National Association is initially acting as paying agent for the Bonds (the "**Paying Agent**").

The District hereby 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 S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date not later than nine months (currently March 31) after the end of each fiscal year of the District (currently June 30th).

"*Dissemination Agent*" means the District or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

"*Paying Agent*" means U.S. Bank National Association or any successor thereto.

"*Participating Underwriter*" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means 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. <u>Provision of Annual Reports</u>.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2010 with the report for the 2008-09 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate, with a copy to the Paying Agent and the Participating Underwriters. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, 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 Annual Report Date, if not available by that date. 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(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A, with a copy to the Paying Agent and Participating Underwriter.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District, with a copy to the Paying Agent and the Participating Underwriter, certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. <u>Content of Annual Reports</u>. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the preceding fiscal year, substantially similar to that provided in the Official Statement:

(i) Assessed value of taxable property within the jurisdiction of the District;

(ii) Summary of property tax rates for all taxing entities within the District expressed as a percentage of assessed valuation in the form of Table 4 of the Official Statement;

(iii) Top 20 property tax assessees for current fiscal year, taxable value and percentage of total assessed value in substantially the form of Table 5 of the Official Statement;

(iv) If and to the extent such information is available from the County, property tax collection delinquencies for the District if the District is no longer a participant in Alameda County's Teeter Plan;

(v) Amount of all general obligation debt of the District outstanding, and total scheduled debt service on such general obligation debt; and

(vi) Any changes in the operation of the County's Teeter Plan since the previous Annual Report affecting the District's receipt of property tax revenues used to pay debt service on the Bonds.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the District shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above 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's internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. <u>Reporting of Significant Events</u>.

(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, if material:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions or events affecting the tax-exempt status of the security.

(7) Modifications to rights of security holders.

(8) Contingent or unscheduled bond calls.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities.

(11) Rating changes.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable Federal securities law.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the District shall, or shall cause the Dissemination Agent (if not the District) to, promptly file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, with a copy to the Paying Agent and the Participating Underwriter. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the governing legal documents.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. 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(c).

Section 8. 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 Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be the District. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. 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 type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. 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 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or 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. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and 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 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond holders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Notices. Any notice or communications to be among any of the parties to this Disclosure Certificate may be given as follows:

To the Issuer:	Piedmont Unified School District 34200 Alvarado-Niles Road Piedmont, California (510) ____-_________
To the Paying Agent:	U.S. Bank National Association 350 California Street, 11th Floor San Francisco, California 94104 Fax: (415) 273-2492

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. 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.

Section 15. **Counterparts**. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: ____________, 2009

PIEDMONT UNIFIED SCHOOL DISTRICT

By: ________________________________

Name: ____________________________________

Title: ______________________________________

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Piedmont Unified School District (the "District")
Name of Bond Issue:	Piedmont Unified School District General Obligation Bonds, Election of 2006, Series C
	Piedmont Unified School District 2009 General Obligation Refunding Bonds
Date of Issuance:	___________, 2009

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate, dated as of _____________, 2009. The District anticipates that the Annual Report will be filed by _____________.

Dated:________________________

DISSEMINATION AGENT:

By: __________________________
Its: __________________________

cc: Paying Agent and Participating Underwriter

APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

*The following description of the Depository Trust Company ("**DTC**"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

Neither the District nor the Paying Agent take any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company, New York, NY, will act as securities depository for the securities (the "**Bonds**"). The Bonds 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 Bond certificate will be issued for the Bonds, 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 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 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing

Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Standard & Poor's highest rating: AAA. 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. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds 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 such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's

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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds 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 nor its nominee, 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 securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond 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, Bond certificates will be printed and delivered to DTC.

11. The information in this section 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.

APPENDIX F

TABLES OF ACCRETED VALUES

APPENDIX G

SPECIMEN FINANCIAL GUARANTY INSURANCE POLICY