PRELIMINARY OFFICIAL STATEMENT DATED APRIL 9, 2011

NEW ISSUE -- FULL BOOK-ENTRY **RATING: Moody's: "_____"**
(See "RATING")

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California ("Bond Counsel") subject, however, to certain qualifications described herein, under existing law, the Series D Bonds constitute "qualified school construction bonds" within the meaning of Section 54F of the Tax Code, are eligible for the credit payable by the federal government under Section 6431(f)(2) of the Tax Code and interest thereon is not intended to be excluded from gross income of the owners thereof for federal income tax purposes. In the further opinion of Bond Counsel, interest on the Series D Bonds is exempt from California personal income taxes. See "TAX MATTERS."

$10,000,000*
PIEDMONT UNIFIED SCHOOL DISTRICT
(Alameda County, California)
General Obligation Bonds
Election of 2006, Series D
(Federally Taxable Direct Pay Qualified School Construction Bonds)

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

Issuance. The above captioned bonds (the "Series D Bonds") are being issued by the Piedmont Unified School District (the "District"), pursuant to a resolution of the Board of Education of the District adopted on March 23, 2011 (the "Resolution"). The Series D 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 the acquisition and construction of educational facilities and projects. The Series D Bonds are the fourth series of bonds to be issued under this authorization. See "THE SERIES D BONDS – Authority for Issuance."

Security. The Series D Bonds are general obligation bonds of the District payable from *ad valorem* taxes, and Bond Subsidy Payments described below. The Board of Supervisors of Alameda County has the power and is obligated to annually levy *ad valorem* taxes 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) for the payment of principal of and interest on the Series D Bonds. The District has other outstanding issues of general obligation bonds that are similarly secured by tax levies. Payment of principal of and interest on the Series D Bonds will be paid by U.S. Bank National Association, San Francisco, California, as Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Series D Bonds. See "SECURITY FOR THE SERIES D BONDS."

Bond Subsidy Payments for Series D Bonds. The District has designated the Series D Bonds as "Qualified School Construction Bonds" under Section 54F of the Internal Revenue Code of 1986, as amended, (the "Tax Code"), making the District eligible for cash subsidy payments from the United States Treasury with respect to the Series D Bonds. Such cash subsidy payments received by the District are referred to herein as "Bond Subsidy Payments." The District has covenanted to deposit the Bond Subsidy Payments with the County to be credited to the debt service fund established for the Series D Bonds. See "SOURCES OF PAYMENT FOR THE SERIES D BONDS."

Redemption. The Series D Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES D BONDS – Extraordinary Optional Redemption" and "-Extraordinary Mandatory Sinking Fund Redemption." See "REDEMPTION OF THE SERIES D BONDS."

Book-Entry Only. The Series D 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 Series D Bonds. See "APPENDIX F - DTC and the Book-Entry System."

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 SCHEDULE
(see inside front cover)

This cover page contains information for general reference only. It is not a summary of all the provisions of the Series D Bonds. Investors must read the entire official statement to obtain information essential in making an informed investment decision.

The Series D Bonds will be sold by competitive bid on April 20, 2011 as set forth in the Official Notice of Sale for the Series D Bonds. The Series D Bonds are offered when, as and if issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters also will be passed upon for the District by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel to the District. It is anticipated that the Series D Bonds in definitive form will be available for delivery to Cede & Co., as nominee of The Depository Trust Company, on or about May 4, 2011.

The date of this Official Statement is April ___, 2011

**Preliminary subject to change.*

MATURITY SCHEDULE*

Base CUSIP†: _______

$__________ Series D Qualified School Construction Bonds

Applicable Tax Credit Rate: ____%

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

**Preliminary; subject to change.*

† Copyright 2011, American Bankers Association. CUSIP data herein 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. The District does not assume 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 Series D Bonds referred to herein 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.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations 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.

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 Series D 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.

Document Summaries. All summaries of the 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.

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 Series D Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

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

THE SERIES D BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE SERIES D BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

PIEDMONT UNIFIED SCHOOL DISTRICT
ALAMEDA COUNTY
STATE OF CALIFORNIA

BOARD OF EDUCATION

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

REGISTRAR, TRANSFER AGENT, AND PAYING AGENT

U.S. Bank National Association
San Francisco, California

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INTRODUCTION

This Official Statement, which includes the cover page and appendices hereto, provides information in connection with the sale and delivery by the Piedmont Unified School District (the "**District**") of its General Obligation Bonds, Election of 2006, Series D (Federally Taxable Direct Pay Qualified School Construction Bonds) in the principal amount of $10,000,000* (the "**Series D Bonds**").

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series D 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 (the **"City"**), in Alameda County (the **"County"**), in the State of California (the **"State"**). Serving more than 2,500 students in fiscal year 2010-11, the District operates three elementary schools, one middle school, one comprehensive high school, one alternative school and one adult school. See Appendix A and Appendix B hereto for demographic and financial information regarding the District.

Sources of Payment for the Series D Bonds. There are two anticipated sources of payment for the Series D Bonds, being *ad valorem* taxes and payments received by the District from the United States Treasury for all or some of the interest due on the Series D Bonds, referred to herein as the "Bond Subsidy Payments", and described in greater detail below.

Ad Valorem Taxes. The Series D Bonds are general obligation bonds of the District. The Board of Supervisors of the County has the power and is obligated to annually levy *ad valorem* taxes for the payment of the Series D Bonds and the interest thereon upon all property within the District subject to taxation without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Bond Subsidy Payments for Series D Bonds. A portion of the interest on the Series D Bonds is expected to be paid by the District from Bond Subsidy Payments (described below) received from the United States Treasury.

See "SOURCES OF PAYMENT FOR THE SERIES D BONDS."

Series D Bonds - Qualified School Construction Bonds. The District has designated the Series D Bonds as "qualified school construction bonds" under Section 54F of the Tax Code and intends that the Series D Bonds be "qualified bonds" under Section 6431(f) of the Tax Code which makes the District eligible for a cash subsidy payment from the United States Treasury equal to the lesser of (a) the amount of interest which would have been payable on the Series D Bonds if the interest were determined at the applicable tax credit rate or (b) 100% of the interest payable on the Series D Bonds. Such cash subsidy payments received by the District are also referred to herein as "**Bond Subsidy Payments**." The District has covenanted to deposit the Bond Subsidy Payments with the County to be credited to the Debt Service Fund for the Series D Bonds. In the event such Bond Subsidy Payments are not received and deposited in such Debt Service Fund, the County is required to levy *ad valorem* taxes in an amount sufficient to pay the full amount of debt service on the Series D Bonds.

Purpose of Issue. The net proceeds of the Series D Bonds will be used to finance the renovation, construction and improvement of school facilities in the District. See "THE SERIES D BONDS -- Purpose of Issue" and "SOURCES AND USES OF FUNDS" herein.

Description of the Series D Bonds. The Series D Bonds will be issued as current interest bonds. The Series D Bonds will be dated their date of delivery (the "**Dated Date**") and will be issued as fully registered bonds, without coupons, in the denominations of $5,000 or any integral multiple thereof. The Series D Bonds will mature on August 1 in the years indicated on the inside cover page hereof.

Registration. The Series D Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), and will be available to actual purchasers of the Series D Bonds (the "**Beneficial Owners**") in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Series D Bonds. See "APPENDIX F – DTC and the Book-Entry System." If the book-entry-only system described below is no longer used with respect to the Series D Bonds, the Series D Bonds will be registered in accordance with the Resolution described herein. See "THE SERIES D BONDS -- Registration, Transfer and Exchange of Bonds."

Redemption. The Series D Bonds are subject to redemption prior to maturity as described in "THE SERIES D BONDS – Extraordinary Optional Redemption" and "Extraordinary Mandatory Redemption" herein.

Legal Matters. Issuance of the Series D Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, to be delivered in substantially the form attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, will serve as Disclosure Counsel to the District. Payment of the fees of Bond Counsel and Disclosure Counsel is contingent upon issuance of the Series D Bonds.

Tax Matters. In the opinion of Bond Counsel, subject, however to certain qualifications described herein, under existing law, the Series D Bonds constitute "qualified school construction bonds" within the meaning of Section 54F of the Tax Code and are eligible for the credit payable by the federal government under Section 6431(f)(2) of the Tax Code. Interest on the Series D Bonds is <u>not</u> intended to be excluded from gross income for federal income tax purposes. Also in the opinion of Bond Counsel, interest on the Series D Bonds will be exempt from State of California (the **"State"**) personal income taxes. See "TAX MATTERS."

Authority for Issuance of the Bonds. Issuance of the Series D Bonds was approved by more than 55% of the voters of the District voting at an election held on March 7, 2006 (the "**Bond Election**") and will be issued pursuant to certain provisions of the Government Code of the State and pursuant to a resolution of the Board of Education of the District adopted on March 23, 2011 (the "**Resolution**"). See "THE SERIES D BONDS - Authority for Issuance" herein.

Offering and Delivery of the Bonds. The Series D Bonds are offered when, as and if issued and received by the purchasers, subject to approval as to the legality by Bond Counsel. It is anticipated that the Series D Bonds will be available for delivery through the facilities of DTC on or about May 4, 2011.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See "CERTAIN LEGAL MATTERS - Continuing Disclosure" herein.

Other Information. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Series D Bonds are available from the Superintendent, 760 Magnolia Street, Piedmont, California 94611; telephone (510) 594-7374. The District may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Series D Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

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

THE SERIES D BONDS

Description of the Series D Bonds

Authority for Issuance. The Series D Bonds will be issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "**Act**") and under a resolution adopted by the Board of Education of the District on March 23, 2011. The District received authorization at the Bond election (the "**Authorization**"), by a requisite 55% vote of the qualified electors to issue general obligation bonds in a principal amount of $56,000,000. The Series D Bonds represent the fourth series of bonds issued pursuant to the Authorization.

The District has previously issued the following general obligation bonds pursuant to the Authorization, leaving $22,000,065.60 unissued as of this date:

- $10,000,000 Piedmont Unified School District (Alameda, California) General Obligation Bonds, Election of 2006, Series A (Current Interest Bonds) (the "**Series A Bonds**");

- $4,999,934.40 Piedmont Unified School District (Alameda County, California) General Obligation Bonds, Election of 2006, B (Capital Appreciation Bonds) (the "**Series B Bonds**"); and

- $19,000,000 Piedmont Unified School District (Alameda County, California) Election of 2006, Series C (the "**Series C Bonds**").

In addition, on June 8, 2010, the District issued its 2010 General Obligation Bond Anticipation Notes in the principal amount of (the **"2010 Notes"**), in anticipation of the issuance of an additional series of bonds pursuant to the Authorization. The 2010 Notes mature on May 1, 2015, and are designated as follows:

- $11,997,665.40 Piedmont Unified School District (County of Alameda, California) 2010 General Obligation Bond Anticipation Notes (the "**2010 Notes**").

The Series D Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Series D Bonds.

Security

Generally. There are two anticipated sources of payment for the Series D Bonds, being *ad valorem* taxes <u>and</u> the Bond Subsidy Payments described in greater detail below. In addition, under the Bond Resolution, the District is authorized to establish and fund a sinking fund in order to provide for the payment of the Series D Bonds at maturity, therefore a portion of the proceeds of the *ad valorem* tax levy for the Series D Bonds may be deposited annually in a sinking fund for the Series D Bonds.

Ad Valorem Taxes. The Series D Bonds are general obligation bonds of the District. The Board of Supervisors of the County has the power and is obligated to levy *ad valorem* taxes for the payment of the Series D 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). Such taxes are required to be levied annually, in addition to all other taxes, during the period that the Series D Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series D Bonds when due. Such taxes, when collected, will be deposited into an interest and sinking fund established for the Series D Bonds (the **"Debt Service Fund"**), which will be maintained by the County and which is created by statute for the payment of principal of and interest on the Series D Bonds when due. **Although the County is obligated to levy an *ad valorem* tax for the payment of the Series D Bonds, and the County will maintain the Debt Service Fund pledged to the repayment of the Series D Bonds, the Series D Bonds are not a debt of the County.**

The moneys in the Debt Service Fund, to the extent necessary to pay the principal and interest on the Series D Bonds as the same become due and payable, shall be transferred by the County to the Paying Agent (as defined herein) which, in turn, shall pay such moneys to DTC to pay the principal of and interest on the Series D Bonds. DTC will thereupon make payments of principal of and interest on the Series D Bonds to the DTC Participants who will thereupon make payments of principal and interest to the beneficial owners of the Series D Bonds.

The rate of the annual *ad valorem* tax levied by the County to repay the Series D 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 Series D Bonds (including any Sinking Fund Deposits required for the Series D Bonds). A reduction in the assessed valuation of taxable property in the District caused by economic factors beyond the District's control, such as economic recession, slower growth, or deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, flood or other natural disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in the annual tax levy. For further information regarding the District's tax base, tax rates, overlapping debt and other matters concerning taxation, see "SOURCES OF PAYMENT FOR THE SERIES D BONDS."

Bond Subsidy Payments. The District has designated the Series D Bonds as "qualified school construction bonds" under Section 54F of the Tax Code and intends that the Series D Bonds be "qualified bonds" under Section 6431(f) of the Tax Code which make the District eligible for a cash subsidy payment from the United States Treasury equal to the lesser of (a) the amount of interest which would have been payable on the Series D Bonds if the interest were determined at the applicable tax credit rate or (b) 100% of the interest payable on the Series D Bonds. Such cash subsidy payments received by the District are referred to herein as "**Bond Subsidy Payments**." The District has covenanted to deposit the Bond Subsidy Payments with the County to be credited to the Debt Service Fund for the Series D Bonds. In the event the Bond Subsidy Payments are not received and deposited in such Debt Service Fund, the County is required to levy *ad valorem* taxes in an amount sufficient to pay the full amount of debt service on the Series D Bonds.

Paying Agent

U.S. Bank National Association, San Francisco, California will act as the registrar, transfer agent, and paying agent for the Series D Bonds (the "**Paying Agent**"). As long as DTC is the registered owner of the Series D Bonds and DTC's book-entry method is used for the Series D Bonds, the Paying Agent will send any notice of redemption 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 redemption of the Series D Bonds called for redemption or of any other action premised on such notice.

The Paying Agent, the District and the County 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 Series D Bonds.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Series D Bonds.

If the book entry system is discontinued, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolution.

Bonds may be exchanged at the principal corporate trust office of the Paying Agent in San Francisco, California for a like aggregate principal amount of Bonds of authorized denominations and of the same Series and maturity. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book entry only status of the Series D Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolution, 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 office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to an Interest Payment Date or the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption.

Book-Entry Only System

The Series D Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (**"DTC"**), and will be available to actual purchasers of the Series D Bonds (the "**Beneficial Owners**") in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Series D Bonds. See "APPENDIX F – The Book-Entry Only System." In event that the book-entry-only system described below is no longer used with respect to the Series D Bonds, the Series D Bonds will be registered in accordance with the Bond Resolution described herein. See "THE SERIES D BONDS -- Description of the Series D Bonds."

Extraordinary Optional Redemption

The Series D Bonds are subject to extraordinary optional redemption prior to their maturity at the option of the District, as a whole or in part, on any date prior to their maturity, upon the occurrence of an Extraordinary Event, at a redemption price equal to the greatest of (i) 100% of the principal amount of the Series D Bonds to be redeemed; (ii) the initial offering price of the Series D Bonds to be redeemed, as shown on the inside front cover page of this Official Statement; or (iii) the sum of the present values of the remaining scheduled payments of principal of and interest on the Series D Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series D Bonds are to be redeemed, discounted to the date on which the Series D Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at a discount rate equal to the Comparable Treasury Yield, plus 100 basis points; plus, in each case, accrued interest on the Series D Bonds to be redeemed to the redemption date.

The term "**Comparable Treasury Issue**" means the Treasury Department security selected by the Independent Banking Institution as having a maturity comparable to the remaining term to maturity of the Series D Bond being redeemed that would be used, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term to maturity of the Series D Bond being redeemed.

The term "**Comparable Treasury price**" means, with respect to any date on which a Series D Bond or portion thereof is being redeemed, either (i) the average of five Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations, and (ii) if the Independent Banking Institution is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations shall be the average, as determined by the Independent Banking Institution, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amounts) quoted in writing to the Independent Banking Institution, at 5:00 p.m. New York City time on the third Business Day preceding the date fixed for redemption.

The term "**Comparable Treasury Yield**" means the yield which represents the weekly average yield to maturity for the preceding week appearing in the most recently published statistical release designated "H.15(519) Selected Interest Rates" under the heading "Treasury Constant Maturities," or any successor publication selected by the Independent Banking Institution that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded Treasury Department securities adjusted to constant maturity, for the maturity corresponding to the remaining term to maturity of the Bond being redeemed. The Comparable Treasury Yield shall be determined as of the third Business Day immediately preceding the applicable date fixed for redemption. If the H.15(519) statistical release sets forth a weekly average yield for Treasury Department securities that have a constant maturity that is the same as the remaining term to maturity of the Bond being redeemed, then the Comparable Treasury Yield shall be equal to such weekly average yield. In all other cases, the Comparable Treasury Yield shall be calculated by interpolation on a straight-line basis, between the weekly average yields on the Treasury Department securities that have a constant maturity (i) closest to and greater than the remaining term to maturity of the Bond being redeemed; and (ii) closest to and less than the remaining term to maturity of the Bond being redeemed. Any weekly average yields calculated by interpolation shall be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, weekly average yields for Treasury Department securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable

Treasury Yield shall be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price as of the date fixed for redemption.

The term "**Extraordinary Event**" means a determination by the District that a material adverse change has occurred to 54A, 54F, 54AA or 6431 of the Code or the publication of any procedures, rules or guidance by the Internal Revenue Service or the Treasury Department with respect to such Sections or any other determination by the Internal Revenue Service or the Treasury Department, which determination is not the result of any act or omission by the District or the County to satisfy the requirements for the District to qualify to receive a direct cash subsidy payment from the Treasury Department equal to the lesser of (i) the amount of interest payable on the Series D Bonds on each Interest Payment Date, or (ii) the amount of interest which would have been payable on such Series D Bonds on such Interest Payment Date if such Series D Bonds bore interest at a rate equal to the Applicable Credit Rate, pursuant to which such direct cash subsidy payment is reduced, deferred or eliminated.

The term "**Independent Banking Institution**" means an investment banking institution of national standing which is a primary United States government securities dealer in the United States designated by the District (which may be one of the Original Purchasers). If the District fails to appoint an Independent Banking Institution at least 45 days prior to the date fixed for redemption, or if the Independent Banking Institution appointed by the District is unwilling or unable to determine the Comparable Treasury Yield, the Comparable Treasury Yield shall be determined by an Independent Banking Institution designated by the Paying Agent.

The term "**Original Purchaser**" means the original purchaser of the Series D Bonds.

The term "**Reference Treasury Dealer**" means a primary United States Government securities dealer in the United States appointed by the District and reasonably acceptable to the Independent Banking Institution (which may be the Original Purchaser). If the District fails to select the Reference Treasury Dealers within a reasonable period of time, the Paying Agent will select the Reference Treasury Dealers in consultation with the District.

Extraordinary Mandatory Redemption of Series D Bonds

In the event and to the extent that the District fails to expend all of the proceeds of the Series D Bonds within the period ending 3 years after the date of issue of the Series D Bonds or such later date if extended by the IRS (the **"Expenditure Period"**), the Series D Bonds will be subject to extraordinary mandatory redemption on any date which is not more than 90 days following the Expenditure Period, at a redemption price equal to 100% of the principal amount of the outstanding Series D Bonds to be redeemed, without premium. The redemption price of any Series D Bonds to be redeemed as described in this paragraph will be payable solely from the amounts held by he County in the Building Fund and the Debt Service Fund for the Series D Bonds at the expiration of the Expenditure Period.

Notice of Redemption

The Paying Agent is required to give notice of the redemption of the Series D Bonds, at the expense of the District. Notice of any redemption of Bonds shall specify: (a) the Series D Bonds or designated portions thereof (in the case of redemption of the Series D Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Series D Bonds to be redeemed, (f) the Bond numbers of the Series D Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the Principal Amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. Such notice shall further state that on the specified date there shall become due and payable upon each Bond or portion thereof being redeemed the redemption price thereof, and that from and after such date, interest thereon shall cease to accrue.

Right to Rescind Notice of Redemption

The District has the right to rescind any notice of the optional redemption of Series D Bonds by written notice to the Paying Agent on or prior to the dated fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Series D Bonds then called for redemption. The District and the Paying Agent have no liability to the Series D Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Bond Resolution.

Neither failure to receive or failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

Partial Redemption of Bonds

Upon the surrender of any Series D Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Series D Bond or Bonds of like tenor and maturity and of authorized denominations equal in transfer amounts to the unredeemed portion of the Series D Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Defeasance

The Series D Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

(a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Resolution) to pay or redeem such Bonds; or

(c) by delivering such Bonds to the Paying Agent for cancellation by it.

Whenever in the Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under the Resolution and will be:

(i) lawful money of the United States of America in an amount equal to the Principal Amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the Principal Amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Series D Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), then all liability of the County and the District in respect of such Bond will cease and be completely discharged, except only that thereafter the Owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

"Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations issued by any agency or department of the United States which are secured, directly or indirectly, by the full faith and credit of the United States.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Series D Bonds.

If the book entry system is discontinued, the person in whose name a Series D Bond is registered on the Series D Bond Register shall be regarded as the absolute owner of that Series D Bond. Payment of the principal of and interest on any Series D Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Resolution.

Series D Bonds may be exchanged at the principal corporate trust office of the Paying Agent in San Francisco, California for a like aggregate principal amount of Series D Bonds of authorized denominations and of the same maturity. Any Series D Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book entry only status of the Series D Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Resolution, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series D Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Series D Bonds shall be required to be made (a) fifteen days prior to a Bond Payment Date or the date established by the Paying Agent for selection of Series D Bonds for redemption until the close of business on the Bond Payment Date or day on which the applicable notice of redemption is given or (b) with respect to a Series D Bond after such Series D Bond has been selected or called for redemption in whole or in part.

DEBT SERVICE SCHEDULES

The following tables show (i) the debt service schedule with respect to the Series D Bonds (assuming no optional redemptions and not taking into account the receipt of Bond Subsidy Payments with respect to the Series D Bonds), and (ii) the combined annual debt service table with respect to all District general obligation bonds (assuming no optional redemptions and not taking into account the receipt of Bond Subsidy Payments with respect to the Series D Bonds).

PIEDMONT UNIFIED SCHOOL DISTRICT
Debt Service Schedule

Period Ending (August 1)	Series D Bonds Principal	Series D Bonds Interest(1)	Total Annual Debt Service
2011			
2012			
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
Total			

(1) The Series D Bonds are Qualified School Construction Bonds and it is expected that the Bond Subsidy Payments will be available to pay all or some of the interest due on the Series D Bonds. See "THE SERIES D BONDS – Security – Bond Subsidy Payments."

The following table shows the combined debt service schedule with respect to the District's outstanding general obligation bonds, which include the Series A Bonds, the Series B Bonds, the Series C Bonds and the Series D Bonds, as well as two series of refunding general obligation bonds (assuming no optional redemptions and not taking into account the receipt of Bond Subsidy Payments with respect to the Series D Bonds).

PIEDMONT UNIFIED SCHOOL DISTRICT
Debt Service Schedule for All District General Obligation Bonds

Date	2005 Refunding Bonds	Election of 2006, Series A	Election of 2006, Series B	Election of 2006, Series C	2009 Refunding Bonds	Election of 2006, Series D(1)	Total
8/1/11	$1,408,587.50	$594,781.26	$105,000.00	$1,155,850.00	$1,363,900.00		
8/1/12	1,482,637.50	587,281.26	105,000.00	1,121,700.00	1,462,600.00		
8/1/13	1,548,687.50	579,781.26	120,000.00	1,198,300.00	1,528,900.00		
8/1/14	1,599,237.50	572,281.26	135,000.00	1,207,350.00	1,623,400.00		
8/1/15	1,713,437.50	579,781.26	145,000.00	1,115,800.00	1,705,500.00		
8/1/16	1,796,237.50	732,356.26	-	1,281,650.00	1,810,400.00		
8/1/17	1,889,037.50	712,731.26	-	787,250.00	1,916,200.00		
8/1/18	1,559,600.00	714,931.26	-	787,250.00	2,312,350.00		
8/1/19	2,492,000.00	1,266,112.50	-	787,250.00			
8/1/20	2,600,000.00	1,343,312.50	-	787,250.00			
8/1/21		1,417,562.50	-	787,250.00			
8/1/22		1,490,562.50	-	787,250.00			
8/1/23		1,587,062.50	-	787,250.00			
8/1/24		1,684,500.00	-	787,250.00			
8/1/25		532,950.00	1,250,000.00	787,250.00			
8/1/26			1,905,000.00	787,250.00			
8/1/27			2,020,000.00	787,250.00			
8/1/28			2,150,000.00	1,387,250.00			
8/1/29			2,280,000.00	1,538,250.00			
8/1/30			2,425,000.00	1,532,250.00			
8/1/31			2,425,000.00	1,779,250.00			
8/1/32				4,465,250.00			
8/1/33				4,744,250.00			
8/1/34				5,034,750.00			
Total	$18,089,462.50	$14,395,987.58	$15,065,000.00	$36,221,650.00	$13,723,250.00		

(1) The Series D Bonds are Qualified School Construction Bonds and it is expected that the Bond Subsidy Payments will be available to pay all or some of the interest due on the Series D Bonds. See "THE SERIES D BONDS – Security – Bond Subsidy Payments."

SOURCES AND USES OF FUNDS

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

Sources of Funds:	
Principal Amount of Bonds	$
Less Purchaser's Discount	
Total Sources	$
Uses of Funds:	
Deposit into the Building Fund(1)	$
Total Uses	$

(1) Funds on deposit in the Building Fund will also be applied to pay costs of issuance, which, together with Purchaser's discount, is limited to 2% of the available proceeds.

APPLICATION OF PROCEEDS OF BONDS

Building Fund

The proceeds from the sale of the Series D Bonds, to the extent of the principal amount thereof, will be paid to the County to the credit of the fund created and established in the Resolution and known as the "Piedmont Unified School District General Obligation Bond, Election of 2006, Series D Building Fund" (the "**Building Fund**"), which will be accounted for as separate and distinct from all other District and County funds. The proceeds will be used solely for the purposes for which the Series D Bonds are being issued and for payment of permissible costs of issuance. Any excess proceeds of the Series D Bonds not spent by the end of the Expenditure Period shall be applied to the extraordinary mandatory redemption of the Series D Bonds as described herein. Interest earnings on the investment of monies held in the Building Fund will be retained in the Building Fund.

Debt Service Fund

The accrued interest, if any, received by the County from the sale of the Series D Bonds will be deposited in a separate fund known as the "Piedmont Unified School District General Obligation Bond, Election of 2006, Series D Debt Service Fund" (the "**Debt Service Fund**") which, together with the collections of *ad valorem* taxes, will be used only for payment of principal of and interest on the Series D Bonds. Interest earnings on the investment of monies held in the Debt Service Fund will be retained in the Debt Service Fund and used by the County to pay the principal of and interest on the Bonds when due. Additionally, Bond Subsidy Payments received with respect to the Series D Bonds will be deposited in the Debt Service Fund for the Series D Bonds.

Application and Investment of Bond Proceeds

The proceeds of the Building Fund and the Debt Service Fund initially will be deposited in the County Treasury of the County. Under California law, the District is generally required to pay all monies received from any source into the County Treasury to be held on behalf of the District. The Treasurer has authority to implement and oversee the investment of funds on deposit in commingled funds of the Pooled Surplus Investment Fund of the County (the "**County Pool**"). Money on deposit in the Building Fund and the Debt Service Fund will be accounted for separately. It is anticipated that such funds will be invested by the Treasurer in the County Pool. See also "ALAMEDA COUNTY INVESTMENT POOL" herein.

SECURITY FOR THE SERIES D BONDS

General

The Series D Bonds are general obligation bonds of the District, and the Board of Supervisors of the County has the power to levy *ad valorem* taxes upon all property within the District subject to taxation without limitation of rate or amount, for the payment of the Series D Bonds and the interest thereon, in accordance with and subject to Sections 15250 and 15252 of the Bond Law. In addition, the Series D Bonds are further secured by a pledge of the Bond Subsidy Payments, described below.

Ad Valorem Taxes

The Series D Bonds are payable from *ad valorem* taxes, as well as from the Bond Subsidy Payments described below. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal of and interest on the Series D Bonds, including any mandatory sinking fund payments, if any, upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates). Such taxes will be levied annually in addition to all other taxes during the period that the Series D Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Series D Bonds.

Pursuant to the Bond Resolution, all taxes levied by the County, at the request of the District, for the payment of principal of and interest on the Series D Bonds will be deposited the Debt Service Fund to be held by the County promptly upon apportionment of said levy, which is segregated and maintained by the County, and is irrevocably pledged for the payment of the Series D Bonds. Although the County is obligated to levy an *ad valorem* tax for the payment of the Series D Bonds, and the County will maintain the Debt Service Fund pledged to the repayment of the Series D Bonds, the Series D Bonds are not a debt of the County.

The amount of the annual *ad valorem* tax levied by the County to repay the Series D Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service (including Sinking Fund Payments) due on the Series D Bonds in any year. The annual tax rate may fluctuate as a result of variations in the annual debt service on the Series D Bonds from year to year and changes in the assessed value of taxable property in the District. Economic and other factors beyond the District's control, such as economic recession, deflation of land values, a relocation out of the District by one or more major property owners, or the complete or partial destruction of such property caused by, among other eventualities, an earthquake, flood or other natural disaster, could cause a reduction in the assessed value of the District and necessitate an unanticipated increase in annual tax levy.

Furthermore, in order to provide the benefits to the taxpayers of the District of the Bond Subsidy Payments and the investment of amounts on deposit in the Sinking Fund, if any, the District directs the County pursuant to the Resolution to levy an amount of annual *ad valorem* taxes in each fiscal year which is sufficient, together with the amounts held in the Debt Service

Fund at the time of such tax levy, to (a) pay interest coming due and payable on such Series D Bonds prior to the receipt of the next tax levy, and (b) cause the balance on deposit in the Sinking Fund to equal the Required Sinking Fund Balance (as defined in the Bond Resolution) as of the date prior to the receipt of the next tax levy.

Amounts in the Debt Service Fund will be transferred by the County to the Paying Agent to pay principal of and interest on the Bonds, as such amounts become due.

Funds received by the Paying Agent representing payments of principal of and interest on the Series D Bonds will be remitted to DTC for remittance of such principal and interest to its participants for subsequent disbursement to the Beneficial Owners of the Series D Bonds.

Sinking Fund

In order to provide for the payment of the Series D Bonds at maturity, a schedule of Mandatory Sinking Fund Payments for the Series D Bonds may be established, which will be deposited into a Sinking Fund established with the County, and constitutes a reserve fund for the Series D Bonds. Under the Resolution, the Sinking Fund is pledged for the payment of the principal of the Series D Bonds when due, including the principal coming due and payable on any extraordinary mandatory redemption thereof.

The payment of the principal of the Series D Bonds at maturity is secured by a Sinking Fund established and held by the County as a separate account within the Debt Service Fund for the benefit of the holders of the Series D Bonds. From proceeds of the *ad valorem* taxes levied to repay the Series D Bonds, the County will make annual deposits (**"Sinking Fund Deposits"**) to the Sinking Fund in amounts sufficient to pay the principal of the Series D Bonds when due at maturity. Interest earned on amounts in the Sinking Fund will be retained in such fund and credited toward the Sinking Fund Deposits coming due. The Sinking Fund will be funded in annual installments in accordance with the following schedule:

Year	Sinking Fund Deposit

The moneys in the Sinking Fund, to the extent necessary to pay the principal of the Series D Bonds as the same becomes due and payable, shall be transferred by the County to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its participants for subsequent disbursement to the Beneficial Owners of the Series D Bonds.

Any moneys remaining in the Sinking Fund after the Series D Bonds have been paid, or provision for such payment has been made, shall be transferred to the General Fund of the District, pursuant to Section 15234 of the Education Code of the State.

Bond Subsidy Payments

The District has designated the Series D Bonds as "qualified school construction bonds" under Section 54F of the Tax Code and intends that the Series D Bonds be "qualified bonds" under Section 6431(f) of the Tax Code which makes the District eligible for a cash subsidy payment from the United States Treasury equal to the lesser of (a) the amount of interest which would have been payable on the Series D Bonds if the interest were determined at the applicable tax credit rate or (b) 100% of the interest payable on the Series D Bonds. Such cash subsidy payments received by the District are referred to herein as "**Bond Subsidy Payments**." The District has covenanted to deposit the Bond Subsidy Payments with the County to be credited to the Debt Service Fund for the Series D Bonds. In the event the Bond Subsidy Payments are not received and deposited in such Debt Service Fund, the County is required to levy *ad valorem* taxes in an amount sufficient to pay the full amount of debt service on the Series D Bonds.

Ad Valorem Property Taxation

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

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 on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Tax Collector and Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing 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 lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

Property within the District had a total assessed valuation for fiscal year 2010-11 of $3,017,794,860. Shown in the following table are the assessed valuations for property in the District for the past seven fiscal years.

Table No. 1
PIEDMONT UNIFIED SCHOOL DISTRICT
Assessed Valuation
Fiscal Year 2006-07 through Fiscal Year 2010-11

	Local Secured	Utility	Unsecured	Total	% 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	8.51
2006-07	2,588,754,716	0	4,758,429	2,593,513,145	7.61
2007-08	2,774,434,485	0	4,684,478	2,779,188,963	7.16
2008-09	2,926,864,211	0	3,922,696	2,930,786,907	5.46
2009-10	3,013,260,726	0	3,866,636	3,017,147,362	2.95
2010-11	3,014,094,145	0	3,700,715	3,017,794,860	0.02

Source: *California Municipal Statistics, Inc.*

Shown in the following table is the per parcel assessed valuation for property in the District for fiscal year 2010-11.

Table No. 2
PIEDMONT UNIFIED SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single Family Homes
Fiscal Year 2010-11

	No. of Parcels	2010-11 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	3,813	$2,951,435,212	$774,045	$608,554

2010-11 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	326	8.550%	8.550%	$ 22,388,473	0.759%	0.759%
$100,000 - $199,999	440	11.539	20.089	63,242,628	2.143	2.901
$200,000 - $299,999	280	7.343	27.432	69,281,041	2.347	5.249
$300,000 - $399,999	261	6.845	34.277	91,879,589	3.113	8.362
$400,000 - $499,999	294	7.710	41.988	131,868,717	4.468	12.830
$500,000 - $599,999	277	7.265	49.253	153,095,605	5.187	18.017
$600,000 - $699,999	251	6.583	55.835	162,150,682	5.494	23.511
$700,000 - $799,999	259	6.793	62.628	194,601,535	6.593	30.104
$800,000 - $899,999	224	5.875	68.502	189,606,273	6.424	36.528
$900,000 - $999,999	219	5.744	74.246	207,890,541	7.044	43.572
$1,000,000 - $1,099,999	165	4.327	78.573	172,415,166	5.842	49.414
$1,100,000 - $1,199,999	121	3.173	81.747	138,938,478	4.707	54.121
$1,200,000 - $1,299,999	103	2.701	84.448	127,824,194	4.331	58.452
$1,300,000 - $1,399,999	104	2.728	87.175	139,587,358	4.729	63.182
$1,400,000 - $1,499,999	78	2.046	89.221	111,954,019	3.793	66.975
$1,500,000 - $1,599,999	59	1.547	90.768	90,931,779	3.081	70.056
$1,600,000 - $1,699,999	40	1.049	91.817	65,417,644	2.216	72.272
$1,700,000 - $1,799,999	47	1.233	93.050	81,820,778	2.772	75.045
$1,800,000 - $1,899,999	29	0.761	93.811	53,428,403	1.810	76.855
$1,900,000 - $1,999,999	27	0.708	94.519	52,628,784	1.783	78.638
$2,000,000 and greater	209	5.481	100.000	630,483,525	21.362	100.000
Total	3,813	100.000%		$2,951,435,212	100.000%	

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

Over 95 percent of the parcels in the District are used for residential purposes. The following table identifies assessed valuation and parcels by land use for fiscal year 2010-11.

Table No. 3
PIEDMONT UNIFIED SCHOOL DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2010-11

	2010-11 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Non-Residential:				
Commercial	$13,391,164	0.44%	12	0.30%
Vacant Commercial	12,342	0.00	1	0.03
Government/Social/Institutional	117,504	0.00	52	1.30
Subtotal Non-Residential	$13,521,010	0.45%	65	1.63%
Residential:				
Single Family Residence	$2,951,435,212	97.92%	3,813	95.40%
2-4 Residential Units	25,988,891	0.86	35	0.88
5+ Residential Units/Apartments	9,749,907	0.32	6	0.15
Vacant Residential	13,399,125	0.44	78	1.95
Subtotal Residential	$3,000,573,135	99.55%	3,932	98.37%
Total	$3,014,094,145	100.00%	3,997	100.00%

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

Shown in the following table are the secured tax charges and delinquencies for the District for the past five fiscal years.

Table No. 4
PIEDMONT UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Year 2005-06 through Fiscal Year 2009-10

Fiscal Year	Secured Tax Charge (1)	Amt. Del. June 30	% Del. June 30
2005-06	$4,752,107.42	$104,456.79	2.20%
2006-07	$5,159,598.68	$179,772.32	3.48
2007-08	$5,536,546.49	$254,081.37	4.59
2008-09	$5,822,757.72	$262,243.90	4.50
2009-10	$5,961,907.09	$184,601.22	3.10
	Secured Tax Charge (2)	Amt. Del. June 30	% Del. June 30
2005-06	$2,117,429.21	$23,873.83	1.13%
2006-07	$2,668,373.35	$23,997.22	0.90
2007-08	$2,384,932.43	$29,742.57	1.25
2008-09	$3,105,121.25	$47,984.91	1.55
2009-10	$4,370,349.45	$60,883.15	1.39

(1) 1% General Fund apportionment.
(2) General obligation bond debt service levy only.
Source: *California Municipal Statistics, Inc.*

Largest Property Owners

The following table shows the 20-largest owners of taxable property in the District as determined by secured assessed valuation in fiscal year 2010-11.

Table No. 5
PIEDMONT UNIFIED SCHOOL DISTRICT
Largest Local Secured Taxpayers
Fiscal Year 2010-11

	Property Owner	Primary Land Use	2010-11 Assessed Valuation	% of Total (1)
1.	Arun and Rummi Sarin Trust	Residence	$ 10,243,992	0.34%
2.	Lipbu and Loo Ysa Tan Trust	Residence	9,903,412	0.33
3.	Zachary Ziesler Trust	Residence	8,645,240	0.29
4.	Derek G. and Rachel J. Benham Trust	Residence	8,573,958	0.28
5.	Frank D. and Lesley Yeary	Residence	7,800,000	0.26
6.	Maria R. and Caniza Canizales Trust	Residence	7,460,366	0.25
7.	Jacky and Kitty Li Trust	Residence	6,867,934	0.23
8.	Techne Inc.	Residence	6,227,339	0.21
9.	Kenneth B. Rawlings Trust	Residence	6,171,792	0.20
10.	Michael and Elyse O'Sullivan Trust	Residence	5,935,897	0.20
11.	Jack E. and Zelie K. Myers Trust	Residence	5,910,000	0.20
12.	Grace S. and Michael K. Park	Residence	5,843,913	0.19
13.	Wayne D. and Delaney M.Q. Jordan Trust	Residence	5,661,550	0.19
14.	Basil C. and Shirley C. Christopoulos	Residence	5,545,000	0.18
15.	Wildwood Avenue LLC	Residence	5,381,635	0.18
16.	Guy T. and Jeanine e. Saperstein Trust	Residence	5,216,198	0.17
17.	Roland A. and Christine W. Von Metzsch	Residence	5,000,000	0.17
18.	Feuille Real Estate Investors LLC	Residence	4,733,388	0.16
19.	Bucellattie International Inc.	Residence	4,700,674	0.16
20.	David S. and Heather A. Ruegg Trust	Residence	4,677,000	0.16
			$130,499,288	4.33%

(1) 2010-11 Local Secured Assessed Valuation: $3,014,094,145
Source: California Municipal Statistics, Inc.

Debt Obligations

Set forth below is a direct and overlapping debt report (the **"Debt Report"**) prepared by California Municipal Statistics, Inc. and with respect to debt dated as of May 1, 2011. 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.

Table No. 6
PIEDMONT UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of May 1, 2011

2010-11 Assessed Valuation: $3,017,794,860

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 5/1/11	
Bay Area Rapid Transit District	0.694%	$ 2,872,223	
Peralta Community College District	5.494	23,930,491	
Piedmont Unified School District	**100.**	**71,462,599**	(1)
East Bay Municipal Utility District, Special District No. 1	5.069	1,244,186	
East Bay Regional Park District	1.075	1,817,019	
City of Piedmont 1915 Act Bonds	95.208-100.	5,105,906	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$106,432,424	
OVERLAPPING GENERAL FUND DEBT:			
Alameda County General Fund Obligations	1.789%	$12,754,246	
Alameda County Pension Obligations	1.789	2,765,521	
Alameda-Contra Costa Transit District Certificates of Participation	2.183	817,861	
Peralta Community College District Pension and Benefit Obligations	5.494	8,334,897	
TOTAL OVERLAPPING GENERAL FUND DEBT		$24,672,525	
COMBINED TOTAL DEBT		$131,104,949	(2)

(1)Excludes issue to be sold.
(2)Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2010-11 Assessed Valuation:
Direct Debt ($71,462,599)..2.37%
Total Direct and Overlapping Tax and Assessment Debt.................3.53%
Combined Total Debt...4.34%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/10: $0

ALAMEDA COUNTY INVESTMENT POOL

In accordance with Education Code Section 41001, substantially all District operating funds are required to be held by the Alameda County Treasurer (the **"County Treasurer"**). The County is required to invest such funds in accordance with Government Code 53601, *et seq*. In addition, counties are required to establish their own investment policies which are generally intended to outline further limitations beyond those required by the Government Code.

The Building Fund and the Debt Service Fund for the Bonds will be held by the County Treasurer. Moneys and will be accounted for separately and invested by the County Treasurer in legal investments, and may include the Alameda County Pooled Investment Fund and the State of California Local Agency Investment Fund.

The County's investment policy and current portfolio holdings are accessible on the web site for County's Treasurer's Office: http://www.acgov.org/treasurer. *Information on the web site is provided by the County Treasurer, such information is not incorporated in this Official Statement by reference and the District takes no responsibility for the accuracy or completeness thereof.*

TAX MATTERS

Series D Bonds Federal Tax Status. In the opinion of Bond Counsel, subject, however to the qualifications set forth below, under existing law, the Series D Bonds constitute "qualified school construction bonds" within the meaning of Section 54F of the Tax Code. The District has irrevocably elected to apply the provisions of Section 6431(f) of the Tax Code to the Series D Bonds, and the Series D Bonds are specified tax credit bonds (**"Qualified Bonds"**) eligible for the credit payable by the federal government under Section 6431(f)(2) of the Tax Code (the **"Bond Subsidy Payments"**). The opinions set forth in the preceding sentences are subject to the condition that the District complies with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Series D Bonds in order for the Series D Bonds to be treated as Qualified Bonds and continue to be eligible for the Bond Subsidy Payments. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may result in a delay or forfeiture of all or a portion of the Bond Subsidy Payments and may cause the Series D Bonds to cease to be treated as Qualified Bonds either prospectively from the date of determination of a failure to comply with the requirements or retroactively to the date of issuance of the Series D Bonds. Bond Counsel express no opinion regarding the procedures regarding, and availability of funds with respect to, the payment of the Bond Subsidy Payments by the federal government, nor does Bond Counsel express any opinion regarding other federal tax consequences arising with respect to the Series D Bonds. **Interest on the Series D Bonds is <u>not</u> intended to be excluded from gross income for federal income tax purposes, and the holders of the Series D Bonds will not be entitled to any tax credits as a result of their ownership of such Series D Bonds.**

Series D Bonds - Expenditure Period. In the event the District fails to expend all of certain proceeds of the Series D Bonds for a qualified purpose with respect to the project within the period ending three years after the date of issue of the Series D Bonds or such later date if extended by the IRS (the **"Expenditure Period"**), the District is required to use said unexpended proceeds to redeem all or a portion of the Series D Bonds all in accordance with the requirements of Section 54A(d)(2)(B) of the Tax Code in the time and manner prescribed by the Tax Code. See "THE SERIES D BONDS – Extraordinary Mandatory Redemption."

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 opinion of Bond Counsel, interest on the Series D Bonds is exempt from California personal income taxes.

Other Tax Considerations. Owners of the Series D Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Series D 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 Series D Bonds other than as expressly described above.

Circular 230 Disclosure. To ensure compliance with requirements imposed by the IRS, Bond Counsel informs owners of the Series D Bonds that any U.S. federal tax advice contained in this Official Statement (including any attachments) (a) was not intended or written to be used and cannot be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer and (b) was written to support the promotion or marketing of the Series D Bonds. Each taxpayer should seek advice based on that taxpayer's particular circumstances from an independent tax advisor.

CERTAIN LEGAL MATTERS

Continuing Disclosure

The District has covenanted for the benefit of holders and beneficial owners of the Series D Bonds to provide certain financial information and operating data relating to the District by not later than nine (9) months following the end of the District's fiscal year (which currently would be by March 31 each year based upon the June 30 end of the District's fiscal year), commencing March 31, 2012, with the report for the 2010-11 fiscal year (the "**Annual Report**"), provided that the first Annual Report shall consist solely of the Official Statement, and to provide notices of the occurrence of certain enumerated events. Reports and notices, if any, will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or any required notices is set forth below under the caption "APPENDIX E - Form of Continuing Disclosure Certificate."

The District has never failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events.

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Series D Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the Series D Bonds. The District is not aware of any litigation pending or threatened that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* taxes or to collect other revenues or the Bond Subsidy Payments, or (iii) contests the District's ability to issue and retire the Series D Bonds.

RATING

Moody's Investor's Services ("**Moody's**") is expected to assign its municipal bond rating of "_____" to the Series D Bonds. There is no assurance that any credit rating given to the Series D Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series D Bonds. Such ratings reflect only the views of Moody's and an explanation of the significance of such rating may be obtained from Moody's.

COMPETITIVE SALE OF SERIES D BONDS

The Series D Bonds are being purchased for reoffering by __________ (the **"Purchaser"**) pursuant to competitive bidding held on April 20, 2011. The Purchaser has agreed to purchase the Series D Bonds for $_________ (representing the aggregate principal amount of the Series D Bonds, less a purchaser's discount of $_________).

The Purchaser intends to offer the Series D Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Purchaser may offer and sell to certain dealers and others at a price lower than the offering prices stated on the cover page hereof. The offering price may be changed from time to time by the Purchaser.

FINANCIAL ADVISOR

KNN Public Finance, A Division of Zions First National Bank of Oakland, California served as financial advisor (the **"Financial Advisor"**) to the District with respect to the sale of the Series D Bonds. The Financial Advisor assisted the District in matters relating to the planning, structuring, and sale of the Series D Bonds and preparation of this Official Statement and will receive compensation contingent upon the sale and delivery of the Series D Bonds. The Financial Advisor provides financial advisory services and does not engage in the underwriting, marketing, or trading of municipal securities or other negotiable instruments.

ADDITIONAL INFORMATION

The reference herein to the Resolution and the Continuing Disclosure Certificate are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and for full and complete statements of such provisions reference is made to said documents. Copies of the documents mentioned under this heading on file at the offices of the Paying Agent in San Francisco, California.

References are also made herein to certain documents and reports relating to the District; such references are brief summaries and do not purport to be complete or definitive. Copies of such documents are available upon written request to the District.

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

The execution and delivery of this Official Statement have been duly authorized by the District.

PIEDMONT UNIFIED SCHOOL DISTRICT

By: ________________________________
Superintendent

APPENDIX A

DISTRICT GENERAL AND FINANCIAL INFORMATION

GENERAL DISTRICT INFORMATION

Introduction

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 11,262 as of January 1, 2010. The District was created in 1920 and unified in 1936 and has enrollment for fiscal year 2010-11 of approximately 2,559 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 traditional high school, 1 alternative high school and 1 adult education 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 Education, together with their office and the date their term expires, are listed below:

Name	Office	Term Expires
Roy Tolles	President	February, 2014
Ray Gadbois	Member	February, 2014
June Monach	Member	February, 2012
Martha Jones	Member	February, 2012
Richard Raushenbush	Member	February, 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 2005-06 through 2011-12

School Year	Enrollment
2005-06	2,602
2006-07	2,589
2007-08	2,552
2008-09	2,531
2009-10	2,554
2010-11	2,559
2011-12(1)	2,559

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

Employee Relations

For fiscal year 2010-11. the District employs 185.63 full-time equivalent (**"FTE"**) certificated employees and 109.5 FTE classified employees. Of the total certificated and classified employees, 13.2 are FTE administrative 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	Contract Expiration Date
Piedmont Teachers Association	July 1, 2011*
California School Employees Association	June 30, 2011*

**The District expects to have these contracts settled through July 1, 2014 by June 30, 2011.*
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 2008-09 fiscal year. The District's contribution to STRS for fiscal year 2007-08 was $1,256,629, for fiscal year 2009-10 was $1,229,732, and for fiscal year 2010-11, $1,216,730 is estimated (Second Interim Report).

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% of their salary and the District is required to contribute an actuarially determined rate, which was 9.709% of annual payroll for 2009-10. The District's contribution to PERS for fiscal year 2008-09 was $410,442, for fiscal year 2009-10 was $455,712 and for 2010-11 $441,524 is estimated (Second Interim Report).

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 Postemployment Benefit Plan (the "**Plan**") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the plan consists of 44 retirees and beneficiaries currently receiving benefits and 325 active plan members.

Actuarial Study dated August 6, 2009. The District engaged Total Compensation Systems, Inc. to conduct an actuarial study to determine its actuarial accrued liability with respect to its post-employment retirement benefits. The study, dated August 6, 2009, concluded that as of April 1, 2009, the District's unfunded accrued actuarial liability (**"UAAL")** was $4,249,446. According to the study, the annual required contribution (**"ARC"**), which is the sum of the normal cost and the amortization of the UAAL over a period of 30 years at 5% interest, is $403,927 as of April 1, 2009. This results in a total added annual cost, above the normal cost, of $232,509 (which increases each year based on covered payroll) as of April 1, 2009 in order to amortize the UAAL over 30 years.

Contribution Information. The contribution requirements of plan members and the District are established and may be amended by the District, the District's bargaining units and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements between the District, the District's bargaining units and the unrepresented groups. For fiscal year 2009-10, the District contributed $353,083 to the plan, all of which was used for current premiums (approximately 90 percent of current year's annual required contributions).

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit ("**OPEB**") cost (expense) is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any UAAL (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the Plan and changes in the District's net OPEB obligation to the Plan:

Year Ended June 30	Actual Contribution	Annual OBEB Cost	Percentage Contributed	Net OPEB Obligation
2009	$ 412,541	$ 403,927	102%	$ (8,614)
2010	353,083	393,526	90%	31,829

The District is currently in the process of obtaining another actuarial report with respect to its OPEB liability.

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, 2010, 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 2010, 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
NorCal Relief	Property	$25,000-$275,000
NorCal Relief	Liability	$25,000-$1,025,000
Schools Association for Excess Risk	Excess Property	$5,250,000-$250 million
Schools Association for Excess Risk	Excess Liability	$5 million-$25 million

DISTRICT FINANCIAL INFORMATION

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 – Audited Financial Statements of the District for Fiscal Year Ended June 30, 2010" attached hereto.

Financial Statements

The District's Audited Financial Statements for the fiscal year ending fiscal year 2008-09 were prepared by Vavrinek, Trine, Day & Company, LLP, Pleasanton, California. Audited financial statements for the District for the fiscal year ended June 30, 2010 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 2009-10 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 2006-07 through 2009-10 fiscal years.

Table A4
PIEDMONT UNIFIED SCHOOL DISTRICT
Summary of General Fund Revenues, Expenditures and Changes in Fund Balance
For Fiscal Years 2006-07 through 2009-10 (Audited)

	Audited 2006-07	Audited 2007-08	Audited 2008-09	Audited 2009-10
Revenues				
Revenue limit sources	$14,333,405	$14,827,644	$14,294,635	$12,548,460
Federal revenues	594,978	615,804	1,622,416	1,187,993
Other state revenues	3,601,012	3,005,548	2,824,403	2,854,541
Other local revenues	10,484,835	11,124,308	11,656,236	12,722,344
Total Revenues	29,014,230	29,573,304	30,397,690	29,313,338
Expenditures				
Instruction	18,980,169	20,204,090	20,437,019	20,172,956
Instruction-related activities:				
Supervision of instruction	502,313	543,803	605,689	594,946
Library, media and technology	509,291	572,729	581,949	557,978
School sites administration	2,182,158	2,147,660	2,329,682	2,586,567
Pupil services:				
Home-to-school transportation	36,918	39,581	87,059	70,646
Food services			1,376	
All other pupil services	1,157,943	1,263,130	1,398,421	1,279,335
General Administration:				
Data processing	231,610	168,009	253,565	250,387
All other general administration	1,209,310	1,717,696	1,430,486	1,383,511
Plant services	2,353,540	2,431,564	2,392,294	2,424,882
Facility acquisition, construction	44,088	131,503	-	62,000
Ancillary services	92,255	87,153	281,230	351,451
Debt service: principal	91,591	62,033	-	
Total Expenditures	27,391,186	29,368,951	29,798,770	29,734,659
Excess of Revenues Over/(Under) Expend.	1,623,044	204,353	598,920	(421,321)
Other Financing Sources (Uses)				
Operating transfers in	1,338	3,490	134,829	834,585
Operating transfers out	(635,000)	(150,000)	-	(298,677)
Total Other Fin. Source(Uses)	(633,662)	(146,510)	134,829	535,908
Net change in fund balance	989,382	57,843	733,749	114,587
Fund Balance, July 1	1,098,485	2,087,867	2,145,710	2,879,459
Fund Balance, June 30	$2,087,867	$2,145,710	$2,879,459	$2,994,046

Source: Piedmont Unified School District Audit Reports.

The following table shows the District's 2010-11 Budget, as adopted by the Board of Trustees, for fiscal year 2010-11, compared to projected year totals for the General Fund for fiscal year 2010-11, taken from the First Interim Report.

Table A5
PIEDMONT UNIFIED SCHOOL DISTRICT
Adopted Budget for 2010-11

	Adopted Budget 2010-11	Projections [(1)] 2010-11
Revenues		
Revenue Limit Sources	$12,554,759	$13,266,979
Federal revenues	649,692	1,134,118
State revenues	2,340,108	2,448,092
Local revenues	12,409,544	12,937,923
Total Revenues	27,954,103	29,787,112
Expenditures		
Certificated Salaries	14,711,235	14,722,132
Classified Salaries	4,479,950	4,621,526
Employee Benefits	6,292,334	6,387,005
Books and Supplies	783,894	1,037,780
Services and Other Oper. Expenditures	2,361,414	2,518,032
Capital Outlay	105,000	105,000
Direct Support/Indirect Costs	(120,000)	(120,000)
Total Expenditures	28,613,827	29,271,475
Excess of Revenues Over/(Under) Expenditures	(659,724)	515,637
Other Financing Sources (Uses)		
Operating Transfers In	3,575	3,575
Operating Transfers Out	(275,519)	(476,556)
Total Other Financing Sources (Uses)	(271,944)	(472,981)
Net Change in Fund Balance	(931,668)	42,656
Fund Balance, July 1	2,994,046	2,994,046
Fund Balance, June 30 [(2)]	$2,062,378	$3,036,702

(1) As of February 1, 2010, based on the Second Interim Report.
Source: Piedmont Unified School District.

Reserve Levels. The District has successfully maintained its reserve for economic uncertainties well above the State requirement, with its unrestricted general fund balance being 6.2% in 2007-08, 9.94% in 2008-09, 10.18% in 2009-10, and is projected to be 10.21 in fiscal year 2010-11.

District Response to Reduced State Funding. In order to address reductions in State funding of education, the District has taken the following actions:

- Successfully negotiated a settlement with the teachers' union for medical benefits cap;

- Limited OPEB medical costs to 5 years after retirement;

- if the State Governor’s proposed 2011-12 Budget results in a loss of $200 or more per ADA, the District has negotiated a 1.5% salary rollback; and

- implemented 5 furlough days for each of the next 3 fiscal years.

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 March 1, 2011 are as follows:

Series	Issue Date	Maturity	Interest Rate	Original Principal	Bonds Outstanding 3/1/2011
2005 Ref.	1/11/2005	2021	3.0%-4.0%	$18,415,000	$14,480,000.00
2006 Elec., Srs A and B	7/27/2006	2032	4.0%-6.5%	$14,999,934	$14,599,934.40 (1)
2006 Elec., Srs. C	10/14/09	2034	1.0%-5.0%	$19,000,000	$18,280,000.00
2009 Ref. GOBs	10/14/09	2018	2.0%-3.0%	$13,145,000	$12,105,000.00

(1) Not including accreted interest on capital appreciation bonds.

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 2005-06 through 2011-12 (projected)

Fiscal Year	P-2 ADA	Base Revenue Limit Per ADA
2005-06	2,538	5,277
2006-07	2,518	5,585
2007-08	2,482	5,837
2008-09	2,475	6,166
2009-10	2,467	
2010-11(1)	2,475	
2011-12(1)	2,475	

(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

	Percentage of Total District General Fund Revenues			
Revenue Source	**2007-08**	**2008-09**	**2009-10**	**2010-11**
Revenue limit sources (1)	50%	48%	43%	44.5%
Federal revenues	2	5	4	3.8
Other State revenues	10	7	10	8.2
Other local revenues	38	40	43	43.4

(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. The District receives significant revenues from voter-approved parcel taxes. Two parcel taxes have regularly been extended by voters, most recently June 2, 2009. The Measure B parcel tax extension extended an existing parcel tax for four years. The Measure B parcel tax provides for the levy of $2,200 per parcel annually and generates approximately $8.14 million in annual revenues. The Measure E parcel tax, also approved by voters on June 2, 2009, provides for an average $249 per parcel levy for three years for the purpose of off-setting reductions in State educational spending. The Measure E parcel tax generates approximately $997,000 in revenues per year.

Other Sources. In addition to parcel tax revenues, the District receives revenues from the Piedmont Educational Foundation (**"PEF"**), which has established an endowment which contributes $168,000 per year to the District, in addition to $125,000 each year in grants to support various programs. Further, the Associated Parents Club of Piedmont Parents (the **"Club"**) is an additional source of local revenues, which fundraises based on a recommended annual gift of $1,200 per school family. For 2010-11, the Club has committed $1.3 million to the District. Finally, the District receives additional revenues from items such as interest earnings.

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. 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. See "STATE FUNDING OF EDUCATION AND RECENT STATE BUDGETS".

ALAMEDA COUNTY DEMOGRAPHIC INFORMATION

The County of Alameda (the "County") is located on the east side of the San Francisco Bay, extending from the City of Albany to the north, to the City of Fremont to the south, 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 for the last five calendar years, as of January 1.

ALAMEDA COUNTY
Population Estimates
Calendar Years 2006 through 2010 as of January 1

	2006	2007	2008	2009	2010
Alameda	72,808	73,359	74,032	74,736	75,409
Albany	16,212	16,357	16,156	16,898	17,021
Berkeley	105,269	106,017	106,520	107,250	108,119
Dublin	41,848	43,563	46,869	47,953	48,821
Emeryville	8,528	9,134	9,716	10,096	10,227
Fremont	209,895	210,995	213,170	215,787	218,128
Hayward	146,216	147,385	148,967	150,983	153,104
Livermore	81,341	82,581	83,470	84,470	85,312
Newark	43,431	43,553	43,801	44,064	44,380
Oakland	410,842	413,869	419,189	425,368	430,666
Piedmont	**10,984**	**11,019**	**11,081**	**11,173**	**11,262**
Pleasanton	67,789	68,558	69,337	70,145	70,711
San Leandro	81,110	81,347	81,859	82,531	83,183
Union City	71,064	72,068	73,285	74,030	75,054
Unincorporated County	138,877	139,445	140,602	142,265	143,460
County Total	1,506,214	1,519,250	1,538,054	1,557,749	1,574,857

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

Employment and Industry

The unemployment rate in the Oakland-Fremont-Hayward Metropolitan Division was 11.1% in January 2011, up from a revised 10.8% in December 2010, and below the year-ago estimate of 11.7%. This compares with an unadjusted unemployment rate of 12.7% for California and 9.8% for the nation during the same period. The unemployment rate was 11.0% in Alameda County, and 11.2% in Contra Costa County.

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

	2006	2007	2008	2009	2010
Civilian Labor Force [(1)]	1,257,500	1,272,700	1,287,800	1,288,600	1,277,400
Employment	1,202,500	1,213,000	1,208,500	1,153,000	1,133,200
Unemployment	55,000	59,800	79,200	135,600	144,200
Unemployment Rate	4.4%	4.7%	6.2%	10.5%	11.3%
Wage and Salary Employment: [(2)]					
Agriculture	1,500	1,500	1,400	1,400	1,500
Mining and Logging	1,200	1,200	1,200	1,200	1,200
Construction	73,300	71,700	64,900	53,500	47,600
Manufacturing	95,800	94,400	93,100	82,800	78,600
Wholesale Trade	48,800	48,700	47,600	43,700	42,100
Retail Trade	113,300	113,300	109,400	102,100	99,900
Transportation, Warehousing, Utilities	35,000	37,300	35,900	33,200	31,900
Information	30,100	29,000	27,800	25,300	23,900
Finance and Insurance	45,400	41,100	36,200	32,500	33,100
Real Estate and Rental and Leasing	18,200	17,000	16,500	15,500	15,300
Professional and Business Services	155,100	158,200	162,400	148,700	148,000
Educational and Health Services	124,800	128,300	133,000	137,200	139,700
Leisure and Hospitality	85,600	88,000	89,100	85,100	85,600
Other Services	35,900	36,200	36,100	34,700	34,600
Federal Government	17,300	17,100	17,100	16,700	15,700
State Government	164,700	166,800	160,100	155,800	151,400
Local Government	45,800	44,500	39,100	39,000	38,000
Total, All Industries [(3)]	1,046,900	1,049,700	1,031,800	969,400	949,800

(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, listed in alphabetical order.

ALAMEDA COUNTY
Major Employers
(Listed alphabetically)
2011

Employer Name	Location	Industry
Alameda County Law Enforcement	Oakland	Sheriff
Alameda County Sheriff Dept	Pleasanton	Sheriff
Alta Bates Medical Ctr Inc	Berkeley	Hospital
Bayer Corp	Berkeley	Drug Millers (Mfrs)
Berkeley Coin & Stamp	Berkeley	Coin Dealers Supplies & Etc
California State University- East Bay	Hayward	University
Children's Hospital & Research	Oakland	Physicians & Surgeons
Clorox Co.	Oakland	Specialty Clng Plshng/Sanitation (Mfrs)
Cooper Vision Inc.	Pleasanton	Contact Lenses
East Bay Water	Oakland	Transit Lines
EMC Corporation	Oakland	Computer storage Devices
Fairmont Hospital	San Leandro	Hospitals
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)
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
Washington Hospital Healthcare	Fremont	Hospital
Waste Management Inc	Oakland	Garbage Collection

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2011 1st Edition.

Construction Activity

Provided below are the building permits and valuations for the County for calendar years 2005 through 2009.

ALAMEDA COUNTY
Total Building Permit Valuations
(Valuations in Thousands)

	2005	2006	2007	2008	2009
Permit Valuation					
New Single-family	$518,955.9	$545,570.9	$424,009.7	$238,743.0	$227,982.5
New Multi-family	482,928.9	626,797.5	315,894.0	201,122.3	96,518.0
Res. Alterations/Additions	392,480.2	357,113.0	339,842.5	285,782.4	229,873.2
Total Residential	$1,394,365.0	$1,529,481.4	$1,079,746.3	$725,647.7	554,373.7
New Commercial	199,562.0	237,780.4	219,825.1	197,181.1	72,055.6
New Industrial	55,382.4	23,350.6	65,661.4	60,200.0	89,535.4
New Other	105,370.0	93,070.1	102,269.9	95,640.7	45,100.3
Com. Alterations/Additions	413,425.1	461,992.7	503,015.7	457,412.5	391,295.8
Total Nonresidential	$773,739.6	$816,193.8	$890,772.1	$810,434.3	597,987.1
New Dwelling Units					
Single Family	1,518	1,681	1,340	761	802
Multiple Family	2,898	4,035	1,911	1,296	536
TOTAL	4,416	5,716	3,251	2,057	1,338

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 2005 through 2009.

COUNTY OF ALAMEDA
Effective Buying Income
As Of January 1, 2005 Through 2009

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2005	City of Piedmont	$ 628,608	$110,200
	Alameda County	34,772,822	52,295
	California	720,798,106	44,681
	United States	5,894,663,364	40,529
2006	City of Piedmont	$ 639,070	$114,100
	Alameda County	35,772,898	53,171
	California	764,120,963	46,275
	United States	6,107,092,244	41,255
2007	City of Piedmont	$ 659,000	$116,476
	Alameda County	37,572,278	54,688
	California	814,894,438	48,203
	United States	6,300,794,040	41,792
2008	City of Piedmont	$ 670,588	$120,599
	Alameda County	38,889,500	55,987
	California	832,531,445	48,952
	United States	6,443,994,426	42,303
2009	City of Piedmont	$ 611,215	$122,284
	Alameda County	40,053,865	57,997
	California	844,823,319	49,736
	United States	6,571,536,768	43,252

Source: *The Nielsen Company (US), Inc.*

Commercial Activity

In 2009, the State Board of Equalization converted the business codes of sales and use tax permit holders to North American Industry Classification System codes. As a result of the coding change, data for 2009 is not comparable to that of prior years. A summary of historic taxable sales within the City during the past five years in which data is available is shown in the following table. Total taxable sales during calendar year 2009 in the City were reported to be $12,035,000, a 22.8% decrease over the total taxable sales of $15,592,000 reported during calendar year 2008. Figures are not yet available for 2010.

CITY OF PIEDMONT
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
2005	72	$14,782	201	$16,691
2006	69	15,343	195	17,852
2007	61	15,146	183	17,090
2008	68	13,947	187	15,592
2009 (1)	114	10,332	188	12,035

(1) Not comparable to prior years. "Retail" category now includes "Food Services".
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable transactions during calendar year 2009 in the County were reported to be $20,430,195,000, a 14.4% decrease over the total taxable transactions of $23,862,947,000 reported during calendar year 2008. 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. Figures are not yet available for 2010.

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
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
2008	20,186	14,547,749	41,783	23,862,947
2009 (1)	24,596	12,641,415	38,663	20,430,195

(1) Not comparable to prior years. "Retail" category now includes "Food Services".
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2010

APPENDIX C

GENERAL INFORMATION ABOUT ALAMEDA COUNTY

The County of Alameda (the "County") is located on the east side of the San Francisco Bay, extending from the City of Albany to the north, to the City of Fremont to the south, 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 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, listed in alphabetical order.

ALAMEDA COUNTY
Major Employers
(Listed alphabetically)
2010

Employer Name	Location	Industry
ALAMEDA COUNTY LAW ENFORCEMENT	Oakland	SHERIFF
ALAMEDA COUNTY SHERIFF DEPT	Pleasanton	SHERIFF
ALTA BATES MEDICAL CTR INC	Berkeley	HOSPITALS
BAYER CORP	Berkeley	DRUG MILLERS (MFRS)
BERKELEY COIN & STAMP	Berkeley	COIN DEALERS SUPPLIES & ETC
CHILDREN'S HOSPITAL & RESEARCH	Oakland	HOSPITALS
CLOROX CO	Oakland	SPECIALTY CLNG PLSHNG/SANIT. (MFRS)
CLOROX CO	Pleasanton	SPECIALTY CLNG PLSHNG/SANIT. (MFRS)
COOPER VISION INC	Pleasanton	CONTACT LENSES-MANUFACTURERS
EAST BAY WATER	Oakland	TRANSIT LINES
EMC CORP	Pleasanton	COMPUTER STORAGE DEVICES (MFRS)
FAIRMONT HOSPITAL	San Leandro	HOSPITALS
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 MFG INC	Fremont	AUTOMOBILE & TRUCK BROKERS (WHLS)
ORACLE	Pleasanton	COMPUTER SOFTWARE-MANUFACTURERS
RESIDENTIAL & STUDENT SVC PROG	Berkeley	GIFTWARES-MANUFACTURERS
TRANSPORTATION DEPT-CALIFORNIA	Oakland	STATE GOVERNMENT-TRANS. PROGRAMS
UC BERKELEY EXTENSION	Berkeley	SCHOOLS-UNIV. & COLLEGE ACADEMIC
UNIVERSITY OF CA-BERKELEY	Berkeley	SCHOOLS-UNIV. & COLLEGES ACADEMIC
WASHINGTON HOSPITAL HEALTHCARE	Fremont	HOSPITALS
WASTE MANAGEMENT INC	Oakland	COUNTY GOV.T-ENVIRON. PROGRAMS
WESTERN DIGITAL CORP	Fremont	COMPUTER STORAGE DEVICES (MFRS)

Source: America's Labor Market Information System (ALMIS) Employer Database, 2010 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 quarter of calendar year 2009 in the County were reported to be $4,762,260,000, a 16.4% decrease over the total taxable transactions of $5,695,460,000 reported during the first quarter of calendar year 2008. 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 2009.

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
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
2008	20,186	14,547,749	41,783	23,862,947

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

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Piedmont Unified School District
760 Magnolia Avenue
Piedmont, California 94611

OPINION: $____________ Piedmont Unified School District (Alameda County, California) General Obligation Bonds, Election of 2006, Series D (Federally Taxable Direct-Pay Qualified School Construction 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 District of its Piedmont Unified School District (Alameda County, California) General Obligation Bonds, Election of 2006, Series D (Federally Taxable Direct Pay Qualified School Construction Bonds) in the aggregate principal amount of $____________ (the "Bonds"), under Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Act") and under a resolution of the Board of Education (the "Board") of the District adopted on March 23, 2011 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we have 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 certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

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

1. The District is duly established and validly existing as a 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 against the District in accordance with its terms.

3. 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 under the Act to levy an *ad valorem* tax upon the property in the District, without regard to rate or amount, for the payment of principal of and interest on the Bonds.

4. The Bonds constitute “qualified school construction bonds” within the meaning of Section 54F of the Internal Revenue Code of 1986, as amended (the “Tax Code”). The District has irrevocably elected to apply the provisions of Section 6431(f) of the Tax Code to the Bonds, and the Bonds are specified tax credit bonds (“Qualified Bonds”) eligible for the credit payable by the Federal government under Section 6431(f) of the Tax Code (the “Bond Subsidy Payments”). The opinions set forth in the preceding sentences are subject to the condition that the District complies with all requirements of the Tax Code that must be satisfied subsequent to the issuance of the Bonds in order for the Bonds to be treated as Qualified Bonds and continue to be eligible for the Bond Subsidy Payments. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may result in a delay or forfeiture of all or a portion of the Bond Subsidy Payments and may cause the Bonds to cease to be treated as Qualified Bonds either prospectively from the date of determination or retroactively to the date of issuance of the Bonds. We express no opinion regarding the procedures regarding, and availability of funds with respect to, the payment of the Bond Subsidy Payments by the Federal government, nor do we express any opinion regarding other federal tax consequences arising with respect to the Bonds.

5. 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.

To ensure compliance with requirements imposed by the IRS, Bond Counsel informs owners of the Bonds that any U.S. federal tax advice contained in this Official Statement (including any attachments) (a) was not intended or written to be used and cannot be used by any taxpayer for the purpose of avoiding penalties that may be imposed on the taxpayer and (b) was written to support the promotion or marketing of the Bonds. Each taxpayer should seek advice based on that taxpayer's particular circumstances from an independent tax advisor.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Piedmont Unified School District (the "District") in connection with the issuance of $____________ aggregate principal amount of Piedmont Unified School District (Alameda County, California) General Obligation Bonds, Election of 2006, Series D (Federally Taxable Direct Pay Qualified School Construction Bonds) (the "Bonds"). The Series D Bonds are being issued under a resolution adopted by the Board of Education of the District on March 23, 2011 (the "Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

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

"*Annual Report*" means any Annual Report provided by the District under and as described in Sections 3 and 4.

"*Annual Report Date*" means the date that is nine months after the end of the District's fiscal year (currently March 31 based on the District's fiscal year end of June 30).

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

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

"*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.

"*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. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to provide, not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing no later than March 31, 2012 with the report for the 2010-11 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; provided that the first Annual Report shall consist solely of the Official Statement. 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.

(c) With respect to the 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 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 Annual Report shall contain or incorporate by reference the following:

(a) 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) To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

(i) the average daily attendance in District schools on an aggregate basis for the preceding fiscal year;

(ii) aggregate principal amount of short-term borrowings, lease obligations and other long-term borrowings of the district as of the end of the preceding fiscal year;

(iii) description of amount of general fund revenues and expenditures which have been budgeted for the current fiscal year, together with audited actual budget figures for the preceding fiscal year; and

(iv) if the County is no longer operating under the "Teeter Plan", the prior fiscal year total secured property tax levy and collections, showing current collections as a percent of the total levy, to the extent this information is made available to the District.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further 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.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

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

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

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

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

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

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

(13) The consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive

agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, and, if the Listed Event is described in sections (a)(2), (a)(6), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13) or (a)(14) above, 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 file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. 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 such Agent, with or without appointing a successor Dissemination Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision hereof, 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 Resolution for amendments to the 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 under 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 9. Additional Information. Nothing in this Disclosure Certificate prevents the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. If the District fails to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the 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 11. Duties, Immunities and Liabilities of Dissemination Agent. 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 it 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 obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: ___________, 2011

PIEDMONT UNIFIED SCHOOL DISTRICT

By: ________________________________

Superintendent

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Piedmont Unified School District

Name of Bond Issue: $____________ aggregate principal amount of Piedmont Unified School District (Alameda County, California) General Obligation Bonds, Election of 2006, Series D (Federally Taxable Direct Pay Qualified School Construction Bonds)

Date of Issuance: ___________, 2011

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the resolution adopted by the Board of Education of the District authorizing the issuance of the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:_____________

PIEDMONT UNIFIED SCHOOL DISTRICT

By: _________________________________

Authorized Officer

APPENDIX F

DTC AND THE BOOK-ENTRY 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 Section.

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) Bonds 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 ("DTC"), New York, NY, will act as securities depository for the securities (the "Bonds"). The Bonds will be issued as fully-registered bonds 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 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 Bond will be issued with respect to each $500 million of principal amount and an additional Bond 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.

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. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Paying Agent's DTC account.

10. 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, security Bonds are required to be printed and delivered.

11. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, security Bonds will be printed and delivered to DTC.

12. 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.