PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 25, 2024

NEW ISSUE -- FULL BOOK-ENTRY

RATINGS: Moody's: "__"
Standard & Poor's: "__"
See "RATINGS" herein.

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 interest on the Bonds (as defined herein) is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. See "TAX MATTERS."

$27,000,000*
MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds
Election of 2018, Series D

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

Authority and Purpose. The captioned bonds (the "Bonds") are being issued by the Mountain View-Los Altos Union High School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Trustees of the District adopted on December 18, 2023 (the "Bond Resolution"). The Bonds were authorized at an election of the registered voters of the District held on June 5, 2018, which authorized the issuance of $295,000,000 maximum principal amount of general obligation bonds for the purpose of financing acquisition and construction of school facilities. The Bonds are the fourth and final series of bonds to be issued under this authorization. See "THE BONDS – Authority for Issuance" and "THE FINANCING PLAN."

Security. The Bonds are general obligation bonds of the District payable solely from *ad valorem* taxes. The Board of Supervisors of Santa Clara 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 Bonds. See "SECURITY FOR THE BONDS."

Redemption. The Bonds are subject to redemption prior to maturity, and may, at bidder's option, be subject to mandatory sinking fund redemption prior to maturity as described herein. See "THE BONDS – Optional Redemption" and "– Mandatory Sinking Fund Redemption."

Book-Entry Only. The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS – Book-Entry Only System."

Payments. The Bonds are dated the date of delivery and are being issued as current interest bonds. The Bonds accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing August 1, 2024. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as the designated paying agent, registrar and transfer agent (the "Paying Agent"), in San Francisco, California, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS."

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 Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be sold and awarded pursuant to competitive public bids to be received on February 1, 2024, as set forth in an Official Notice of Sale with respect to the Bonds. The 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. It is anticipated that the Bonds in definitive form will be available for delivery to Cede & Co., as nominee of The Depository Trust Company, on or about February 15, 2024.*

The date of this Official Statement is ______ ___, 2024.

**Preliminary; subject to change.*

MATURITY SCHEDULE*

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds
Election of 2018, Series D

Base CUSIP†: ___________

Maturity Date	Principal Amount	Interest Rate	Yield	Price	CUSIP†

**Preliminary; subject to change.*
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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to 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 Purchaser.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Purchaser 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 or the Purchaser.

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

Estimates and Forecasts. 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 or any other entity described or referenced herein, 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. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

Involvement of Purchaser. The following statement has been included in this Official Statement on behalf of the successful Purchaser: The Purchaser has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Purchaser does not guarantee the accuracy or completeness of such information.

Stabilization of and Changes to Offering Prices. In connection with the offering of the Bonds, the Purchaser may over allot or effect transactions which stabilize or maintain the market price of such Bonds at a level above that which might otherwise prevail in the open market. Such stabilization, if commenced, may be discontinued at any time. The Purchaser may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Purchaser.

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 Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

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

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, 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, is not incorporated herein by reference, and should not be relied upon in making an investment decision with respect to the Bonds.

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
(Santa Clara County, California)

DISTRICT ADMINISTRATION

Nellie Meyer, Ed.D., *Superintendent*
Mike Mathiesen, *Associate Superintendent, Business Services*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Dale Scott & Company, Inc.
San Francisco, California

BOND AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

BOND REGISTRAR, TRANSFER AGENT AND PAYING AGENT

U.S. Bank Trust Company, National Association
San Francisco, California

TABLE OF CONTENTS

OFFICIAL STATEMENT

$27,000,000*
MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds
Election of 2018, Series D

*This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale and delivery by the Mountain View-Los Altos Union High School District (the "**District**") of the Mountain View-Los Altos Union High School District (Santa Clara County, California) General Obligation Bonds, Election of 2018, Series D, in the principal amount of $27,000,000* (the "**Bonds**").*

INTRODUCTION

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

The District. The District is located in Santa Clara County, California (the "**County**"), serving the Cities of Mountain View and Los Altos, the Town of Los Altos Hills, and certain unincorporated areas of the County. The District operates two comprehensive traditional high schools, two non-traditional high schools, an alternative high school, and an adult education center. The District's enrollment for fiscal year 2023-24 is approximately 4,473 students, and the District's 2023-24 total assessed valuation is over $75 billion. As described in the following paragraph, the District has operated as a "Basic Aid" school district for education funding purposes for many years. *For more information regarding the District and its finances, see Appendix A and Appendix B attached hereto. See also Appendix C hereto for demographic and other information regarding the City of Mountain View, the City of Los Altos, and Santa Clara County.*

Basic Aid District. For purposes of education funding in the State of California (the "**State**"), the District is a "**Basic Aid**" district (also referred to as a "**Community Supported District**"), meaning that the District's share of local property taxes exceeds the amount of its entitlement grant under the State's education funding formula. As such, in lieu of an entitlement grant from the State, the District is entitled to keep its full share of local property taxes that exceed what the District would have received under the State's funding formula. The District does receive from the State special education funding and certain minimum guaranteed amounts of State apportionments. The District has been in Basic Aid status for many years, and anticipates that it will continue to be so in the near and far future.

Authority and Purpose of Issue; Financing Plan. The Bonds will be issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (commencing with Section 53506) (the "**Bond Law**") and pursuant to a resolution adopted by the Board of Trustees of the District on December 18, 2023 (the "**Bond**

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* *Preliminary; subject to change.*

Resolution"). The Bonds are the fourth and final series of bonds issued by the District pursuant to an election held by the District on June 5, 2018 (the "**Bond Election**") at which more than 55% of the qualified electors of the District authorized the District to issue general obligation bonds in a maximum principal amount of $295,000,000 (the "**Authorization**"). The net proceeds of the Bonds will be used to finance school construction and improvements as approved by District voters at the Bond Election. See "THE BONDS – Authority for Issuance" and "THE FINANCING PLAN" and "SOURCES AND USES OF FUNDS" herein.

Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable solely from *ad valorem* taxes. The Board of Supervisors of the County has the power and is obligated to annually levy an *ad valorem* tax for the payment of the 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). See "SECURITY FOR THE BONDS" herein.

The District has other series of general obligation bonds outstanding that are payable from *ad valorem* taxes levied on taxable property in the District. See "DEBT SERVICE SCHEDULES" and "DISTRICT FINANCIAL INFORMATION – Existing Debt Obligations- Outstanding General Obligation Bonds" in Appendix A.

Description of the Bonds.

Form of Bonds. The Bonds are being issued as bonds which will bear current interest and will mature in the years and in the amounts as set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See "THE BONDS – General Description of the Bonds" and "– Book-Entry Only System," below and "APPENDIX F – DTC and the Book-Entry System."

Redemption*. The Bonds are subject to optional redemption prior to maturity. The Bonds may be subject to mandatory sinking fund redemption at the option of the bidders. See discussion of redemption features under the heading "THE BONDS" herein.

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

Tax Matters. In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" and Appendix D hereto for the form of Bond Counsel's opinion to be delivered concurrently with the Bonds.

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this

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* *Preliminary; subject to change.*

Official Statement and information concerning the Bonds are available from the District from the Superintendent's Office at 1299 Bryant Ave., Mountain View, California 94040; telephone (650) 940-4650. The District may impose a charge for copying, mailing and handling.

END OF INTRODUCTION

THE FINANCING PLAN

The proceeds of the Bonds will be used to finance projects approved by the voters pursuant to the Authorization, including to pay related costs of issuance. The abbreviated form of the ballot measure is as follows:

> *"To improve neighborhood high schools by expanding classrooms, science labs, libraries/student support facilities to accommodate growing enrollment; modernizing science, technology, engineering, arts/math classrooms for 21st-century learning; and repairing, upgrading/constructing classrooms/school facilities; shall Mountain View-Los Altos Union High School District issue $295,000,000 of bonds at legal rates with citizen oversight/audits, averaging $18 million raised annually for bonds until approximately 2039, from rates estimated at $0.03 per $100 assessed valuation, with all funds exclusively for local schools?"*

As part of the ballot materials presented to District voters at the Bond Election, the voters authorized a specific list of projects (the **"Project List"**) eligible to be funded with proceeds of bonds sold pursuant to the Authorization, including the Bonds. The District makes no representation as to the specific application of the proceeds of the Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the Authorization will provide sufficient funds to complete any particular project listed in the Project List.

The District has previously issued three series of bonds pursuant to the Authorization in the principal amounts of $100,000,000, $100,000,000, and $68,000,000, respectively, leaving $27,000,000 principal amount of unissued bonds pursuant to the Authorization, prior to the issuance of the Bonds. The Bonds described herein will be the fourth and final series of bonds issued pursuant to the Authorization. See "DEBT SERVICE SCHEDULES" herein for the combined debt service due with respect to general obligation bonds and refunding general obligation bonds of the District, including the Bonds.

THE BONDS

Authority for Issuance

The Bonds will be issued under the Bond Law and the Bond Resolution. The Bonds are the fourth and final series of bonds issued by the District pursuant to the Authorization.

See "DEBT SERVICE SCHEDULES" herein for the debt service schedule for the Bonds, and a combined debt service due with respect to all of the District's outstanding general obligation bonds, including the Bonds.

General Description of the Bonds

The Bonds mature in the years and in the amounts as set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See "– Book-Entry Only System" below and "APPENDIX F – DTC and the Book-Entry System."

The Bonds will be issued in denominations of $5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August

1, commencing August 1, 2024 (each, an "**Interest Payment Date**"). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is registered and authenticated prior to an Interest Payment Date and after the close of business on the 15th day of the month preceding the Interest Payment Date (each, a "**Record Date**"), in which event it will bear interest from such Interest Payment Date, or (iii) it is registered and authenticated prior to July 15, 2024, in which event it will bear interest from the Delivery Date identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds.

Paying Agent

U.S. Bank Trust Company, National Association, San Francisco, California will act as the registrar, transfer agent, and paying agent for the Bonds (the "**Paying Agent**"). As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send all payments with respect to principal and interest on the Bonds, and any notice of redemption or other notices to owners of the Bonds, 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 Bonds called for redemption or of any other action covered by such notice.

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

Optional Redemption

The Bonds maturing on or before August 1, 20__, are not subject to redemption prior to maturity. The Bonds maturing on or after August 1, 20__, are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption**

The Bonds maturing on August 1, 20___ (the "**Term Bonds**") are subject to mandatory sinking fund redemption on August 1, 20___ and each August 1 thereafter in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments amounts, and on the dates, set forth below, without premium, together with interest accrued thereon to the redemption date.

** *Designation of term bonds subject to mandatory sinking fund redemption is at bidder's option.*

Term Bonds Maturing August 1, 20___

Redemption Date (August 1)	Sinking Fund Redemption

If some but not all of the Term Bonds have been redeemed pursuant to the optional redemption provisions described above, the aggregate principal amount of Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be reduced on a pro rata basis in integral multiples of $5,000, or on such other basis as designated pursuant to written notice filed by the District with the Paying Agent.

Notice of Redemption

The Paying Agent is required to give notice of the redemption of the Bonds, at the expense of the District, to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective owners of any Bonds designated for redemption, at their addresses appearing on the registration books. Notice of any redemption of Bonds will specify: (a) that the Bonds or a designated portion thereof (in the case of redemption of the Bonds in part but not in whole) are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the Bonds must be submitted for redemption, descriptive information about the Bonds, including the dated date, interest rate and stated maturity date. Such notice will further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, and redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

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

Upon the surrender of any Bond redeemed in part only, the District will execute and the Paying Agent will authenticate and deliver to the owner thereof, at the expense of the District, a new Bond or Bonds of the same maturity and of authorized denominations equal in aggregate amounts equal to the unredeemed portion of the Bonds surrendered. Such partial redemption will be valid upon payment of the amount required to be paid to such owner, and the County and the District will be released and discharged thereupon from all liability to the extent of such payment.

Right to Rescind Notice of Optional Redemption

The District has the right to rescind any notice of the optional redemption of the Bonds by written notice to the Paying Agent on or prior to the date 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 Bonds then called for redemption. The District and the Paying Agent have no liability to the Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall give notice of such rescission of redemption in the same manner as the original notice of redemption was given under the Bond Resolution.

Book-Entry Only System

The Bonds will be registered initially in the name of "Cede & Co.," as nominee of The Depository Trust Company, New York, New York ("**DTC**"), which has been appointed as securities depository for the Bonds, and registered ownership may not be transferred thereafter except as provided in the Bond Resolution. Purchasers will not receive certificates representing their interests in the Bonds. Principal of the Bonds will be paid by the Paying Agent to DTC, which in turn is obligated to remit such principal to its participants for subsequent disbursement to beneficial owners of the Bonds as described herein. See "APPENDIX F – DTC and the Book-Entry System."

In the event that the securities depository (either DTC or its successor depository) determines not to continue to act as securities depository for the Bonds, or the District determines to terminate the depository as such, then the District will thereupon discontinue the book-entry system with such securities depository. In such event, the securities depository will cooperate with the District and the Paying Agent in the issuance of replacement Bonds by providing the Paying Agent with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the nominee of the securities depository, to the Paying Agent on or before the date such replacement Bonds are to be issued.

Registration, Transfer and Exchange of Bonds

The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which will at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as provided in the Bond Resolution.

Any Bond may, in accordance with its terms, be transferred, upon the registration books required to be kept pursuant to 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 at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent will require the payment by the owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. Whenever any Bond(s) shall be surrendered for transfer, the District will execute, and the Paying Agent will authenticate and deliver, a new Bond(s), for like aggregate principal amount.

Bonds may be exchanged at the principal Office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The Paying Agent will require the payment by the owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No transfers or exchanges of Bonds will be required to be made (a) fifteen days prior to 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.

Defeasance

The 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 Bond Resolution) to pay or redeem such Bonds; or

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

If the District pays all the Bonds that are outstanding and also pays or causes to be paid all other sums payable under the Bond Resolution by the District, then and in that case, at the election of the District, and notwithstanding that any Bonds have not been surrendered for payment, the Bond Resolution and other assets made under the Bond Resolution and all covenants, agreements and other obligations of the District under the Bond Resolution will cease, terminate, become void and be completely discharged and satisfied, except only as provided in the Bond Resolution.

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 Bond that is outstanding, whether upon or prior to its maturity date), then all liability of 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 as aforesaid for such payment.

Whenever in the Bond Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent or other financial institution money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established pursuant to the Bond 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; 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 Bonds to be paid, as such principal or redemption price and interest become due.

As used in the foregoing defeasance provision, the term "**Federal Securities**" means: (a) any direct general non-callable obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America; (b) any obligations the timely payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America or which are secured by obligations described in the preceding clause (a); (c) the interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form; and (d) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies: (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iii) Federal Financing Bank bonds and debentures; (iv) guaranteed Title XI financings of the U.S. Maritime Administration; (v) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development; and (vi) obligations of the Federal Home Loan Bank (FHLB).

SOURCES AND USES OF FUNDS

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

Sources of Funds

Principal Amount of Bonds
Plus Net Original Issue Premium
Total Sources

Uses of Funds

Deposit to Building Fund
Debt Service Fund
Costs of Issuance(1)
Total Uses

(1) All estimated costs of issuance including, but not limited to, Purchaser's discount, printing costs, and fees of Bond Counsel, Disclosure Counsel, the Financial Advisor, the Paying Agent, and the rating agencies.

APPLICATION OF PROCEEDS OF BONDS

Building Fund

The proceeds from the sale of the Bonds, to the extent of the principal amount thereof, will be paid to the County Treasurer to the credit of the fund created and established in the Bond Resolution and known as the "Election of 2018, 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 Bonds are being issued, including for the payment of permissible costs of issuance. All interest and other gain arising from the investment of proceeds of the Bonds shall be retained in the Building Fund and used for the purposes thereof. Any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof will be withdrawn from the Building Fund and transferred to the Debt Service Fund established for the Bonds, to be applied to pay the principal of and interest on the Bonds. If excess amounts remain on deposit in the Building Fund after payment in full of the Bonds, any such excess amounts shall be transferred to the general fund of the District, to be applied for the purposes for which the Bonds have been authorized or otherwise in accordance with the Bond Law.

Debt Service Fund

As described herein under the heading "SECURITY FOR THE BONDS - Debt Service Fund," the County will establish a debt service fund for the Bonds to be designated the "Election of 2018, Series D General Obligation Bonds Debt Service Fund" (the "**Debt Service Fund**"). Accrued interest and premium, if any, received by the County from the sale of the Bonds will be deposited in 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 Bonds. Interest earnings on the investment of monies held in the Debt Service Fund will be retained in the Debt Service Fund and used to pay the principal of and interest on the Bonds when due. Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid, will be transferred to any other interest and sinking fund for general obligation bond indebtedness of the District, and in the event there is no such debt outstanding, will be transferred to the District's general fund upon the order of the County Auditor, as provided in Section 15234 of the Education Code.

Investment of Proceeds of Bonds

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. All amounts deposited into the Debt Service Fund, as well as proceeds of taxes held therein for payment of the Bonds, shall be invested at the sole discretion of the County Treasurer pursuant to law and the investment policy of the County. All amounts deposited in the Building Fund of the District shall be invested at the sole discretion of the County Treasurer. See Appendix G for the County's current investment policy and recent investment report. The County Treasurer neither monitors investments for arbitrage compliance, nor does it perform arbitrage calculations. The District shall maintain or cause to be maintained detailed records with respect to the applicable proceeds.

DEBT SERVICE SCHEDULES

The Bonds. The following table shows the annual debt service schedule with respect to the Bonds, assuming no optional redemption of the Bonds prior to maturity.

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
Annual Debt Service Schedule
for the Bonds

Period Ending August 1	Principal	Interest	Total Debt Service
2024			
2025			
2026			
2027			
2028			
2029			
2030			
Total			

Combined Debt Service Table. The District has other series of general obligation bonds and refunding general obligation bonds currently outstanding, which are secured by *ad valorem* taxes upon all property subject to taxation by the District. The following table shows the combined annual debt service schedule with respect to general obligation bonds secured by *ad valorem* taxes. See Appendix A under the heading "DISTRICT FINANCIAL INFORMATION – Existing Debt Obligations -Outstanding General Obligation Bonds" for additional information.

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
Combined Annual Debt Service Schedule
All Outstanding General Obligation Debt

Period Ending Aug. 1	1995 Election Series D Bonds	2010 Election Series A Bonds	2010 Election Series C Bonds	2018 Series A Bonds	2018 Series B Bonds	2018 Series C Bonds	The Bonds	Aggregate Debt Service
2024	$1,110,000.00	$3,586,012.50	$3,162,906.26	$2,410,800.00	$7,531,356.26	$9,692,550.00		
2025	--	4,381,012.50	3,872,906.26	2,410,800.00	7,836,356.26	5,676,000.00		
2026	--	4,586,012.50	4,072,906.26	2,410,800.00	8,145,756.26	5,967,400.00		
2027	--	4,806,012.50	4,287,906.26	5,410,800.00	7,128,556.26	4,701,400.00		
2028	--	5,031,707.50	4,517,687.50	5,990,800.00	7,201,956.26	4,699,600.00		
2029	--	5,270,515.00	4,755,093.76	6,257,800.00	7,428,556.26	4,868,200.00		
2030	--	5,525,632.50	4,999,562.50	6,978,200.00	7,466,756.26	4,810,200.00		
2031	--	--	--	7,283,200.00	7,698,356.26	4,439,200.00		
2032	--	--	--	7,702,950.00	7,895,956.26	5,032,600.00		
2033	--	--	--	7,947,950.00	8,183,606.26	5,222,200.00		
2034	--	--	--	8,262,750.00	8,450,531.26	5,388,000.00		
2035	--	--	--	8,629,150.00	--	5,575,400.00		
2036	--	--	--	11,265,150.00	--	5,773,000.00		
2037	--	--	--	--	--	5,974,800.00		
TOTAL	$1,110,000.00	$33,186,905.00	$29,668,968.80	$82,961,150.00	$84,967,743.86	$77,820,550.00		

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). In no event is the District obligated to pay principal of and interest and redemption premium, if any, on the Bonds out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District; provided, however, nothing in the Bond Resolution prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

Other Debt Payable from Ad Valorem Property Taxes. In addition to the District's general obligation bonds, there is other debt issued by entities with jurisdiction in the District, which is payable from *ad valorem* taxes levied on parcels in the District. See "PROPERTY TAXATION – Typical Tax Rates" and "– Debt Obligations" below.

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

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property.

Statutory Lien on Ad Valorem Tax Revenues. Pursuant to Senate Bill 222 effective January 1, 2016, voter-approved general obligation bonds which are secured by *ad valorem* tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. In addition, the District has granted a consensual lien on said revenues pursuant to the Bond Resolution. Said liens attach automatically and are valid and binding from the time the bonds are executed and delivered. The liens are enforceable against the school district or community college district, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the liens and without the need for any further act.

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

Economic and other factors beyond the District's control, such as economic recession, deflation of property values, outbreaks of disease, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, drought or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate. See "PROPERTY TAXATION – Assessed Valuations – Factors Relating to Increases/Decreases in Assessed Value." See also below under the heading "--Disclosure Regarding COVID-19 Pandemic."

Debt Service Fund

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

Any moneys remaining in the Debt Service Fund after the Bonds and the interest thereon have been paid by the District, shall be transferred to any other interest and sinking fund for general obligation bond indebtedness of the District, and in the event there is no such debt outstanding, shall be transferred to the District's general fund upon the order of the County, as provided in Section 15234 of the Education Code.

Not a County Obligation

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

Disclosure Regarding COVID-19 Pandemic

Coronavirus disease (**"COVID-19"**) is an infectious disease caused by a virus generally causing respiratory illness and other symptoms which can range from mild to fatal. Commencing in approximately March 2020, COVID-19 became a well-known and world-wide pandemic (the **"COVID-19 Pandemic"**), which continued through approximately May 2023 at which time the federal government declared end of the public health emergency. During said period at times restrictions on activities were imposed by governing authorities, world, national and local economies were disrupted, and several vaccines and related boosters were developed and made generally widely available in the United States. In the United States there were several federal relief packages adopted during said period, as well as at the State level, each implemented in an effort to minimize disruptions to operations and address long-term impacts of the COVID-19 Pandemic

The impacts of the COVID-19 Pandemic on all levels of economies may be reflected in some of the data presented herein, and operations of the District may have been impacted during said period. There may be several direct and indirect results of the COVID-19 Pandemic on the District's enrollment, attendance, and finances, and on property values in certain years, and otherwise which the District is unable to predict. However, Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, levied in the District. The Bonds are not payable from the general fund of the District. See "SECURITY FOR THE BONDS – *Ad Valorem* Taxes" and Appendix A under "DISTRICT GENERAL INFORMATION - District's Response to COVID-19 Pandemic."

PROPERTY TAXATION

Property Tax Collection Procedures

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

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

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

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

Disclaimer Regarding Property Tax Collection Procedures. The property tax collection procedures described above are subject to amendment based on legislation or executive order which may be enacted by the State legislature or declared by the Governor from time to time. The District cannot predict whether future amendments or orders will occur, and what impact, if any, said future amendments or orders could have on the procedures relating to the levy and collection of property taxes, and related interest and penalties.

Taxation of State-Assessed Utility Property

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

Assessed Valuations

Assessed Valuation History. 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 Appendix A under the heading "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

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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.

The table following shows a recent history of the District's assessed valuation.

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
Assessed Valuation
Fiscal Years 2005-06 through 2023-24

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2005-06	$19,878,819,874	$783,438	$1,569,263,952	$21,448,867,264	--
2006-07	21,887,696,614	644,127	1,739,413,148	23,627,753,889	10.16%
2007-08	23,655,789,584	0	1,718,867,504	25,374,657,088	7.39
2008-09	25,639,999,709	274,660	1,637,429,826	27,277,704,195	7.50
2009-10	26,976,482,075	274,660	1,985,853,619	28,962,610,354	6.18
2010-11	26,728,994,528	274,660	1,683,953,635	28,413,222,823	-1.90
2011-12	27,488,548,127	300,820	1,858,592,906	29,347,441,853	3.29
2012-13	28,649,351,565	300,820	2,411,095,578	31,060,747,963	5.84
2013-14	31,091,640,233	300,820	2,573,211,320	33,665,152,373	8.38
2014-15	34,061,991,261	26,160	2,105,421,529	36,167,438,950	7.43
2015-16	37,634,298,120	26,160	2,415,511,484	40,049,835,764	10.73
2016-17	41,649,244,615	26,160	2,629,028,930	44,278,299,705	10.56
2017-18	45,238,277,881	26,160	3,132,489,591	48,370,793,632	9.24
2018-19	48,632,455,756	0	2,570,714,746	51,203,170,502	5.85
2019-20	52,539,851,103	0	2,581,154,902	55,121,006,005	7.65
2020-21	57,836,799,601	0	2,547,299,871	60,384,099,472	9.55
2021-22	61,711,737,944	0	2,374,259,111	64,085,997,055	6.13
2022-23	67,390,942,089	0	2,360,683,264	69,751,625,353	8.84
2023-24	71,911,822,924	0	3,159,424,234	75,071,247,158	7.63

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. Economic Conditions; Disasters. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and man-made or natural disasters which include but are not limited to earthquakes, fires/wildfires, floods, drought, mudslides and the consequences of climate change such as heat waves and excessive heat, droughts, sea level rise and floods, which could have an impact on assessed values. The State including the region the District is located has in recent years experienced significant natural disasters such as earthquakes, droughts, mudslides and floods. Public health disasters such as the COVID-19 pandemic could also have direct and indirect impacts on economic conditions and property values.

The District is located in a seismically active region. The 1989 Loma Prieta earthquake on the San Andreas fault was centered about 60 miles south of San Francisco and registered 6.9 on the Richter scale of earthquake intensity, and caused fires and collapses of and structural damage to buildings, highways, and bridges in the Bay region. In 2015, the 2014 Working Group on California Earthquake Probabilities (a collaborative effort of the United States Geological Survey, the California Geological Society and the Southern California Earthquake Center) updated the 30-year earthquake forecast for California and concluded that there is a 72% probability that at least one earthquake of magnitude 6.7 or greater will strike somewhere in the San Francisco Bay region before the year 2043. Such an earthquake would likely be very destructive and property within the District could sustain significant damage in a major earthquake, and the area's economic activity could be adversely affected.

Future Conditions and Disasters Cannot be Predicted. The District cannot predict or make any representations regarding the effects that any natural or manmade disasters, including health disasters such as the COVID-19 pandemic, and the effects of climate change, and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Assessed Valuation by Jurisdiction

The following table shows the assessed valuation of local secured property within the District by jurisdiction for fiscal year 2023-24.

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
Assessed Valuations by Jurisdiction
Fiscal Year 2023-24

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Los Altos	$17,515,039,923	23.33%	$21,621,096,145	81.01%
City of Los Altos Hills	6,776,511,905	9.03	$10,506,367,711	64.50%
City of Mountain View	43,824,584,348	58.38	$44,283,287,677	98.96%
City of Palo Alto	596,725,971	0.79	$49,422,898,924	1.21%
City of Sunnyvale	3,020,793,956	4.02	$67,576,263,156	4.47%
Unincorporated Santa Clara Co.	3,337,591,055	4.45	$23,251,521,092	14.35%
Total District	$75,071,247,158	100.00%		
Santa Clara County	$75,071,247,158	100.00%	$660,080,440,806	11.37%

Source: California Municipal Statistics, Inc.

Parcels by Land Use

The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2023-24.

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2023-24

Non-Residential:	2023-24 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Agricultural/Rural	$ 29,583,099	0.04%	71	0.21%
Commercial	15,541,993,527	21.61	1,530	4.58
Industrial	5,250,474,484	7.30	370	1.11
Recreational	43,194,287	0.06	11	0.03
Government/Social/Institutional	54,817,271	0.08	89	0.27
Miscellaneous	47,712,874	0.07	84	0.25
Subtotal Non-Residential	$20,967,775,542	29.16%	2,155	6.45%
Residential:				
Single Family Residence	$35,769,972,497	49.74%	19,609	58.70%
Condominium/Townhouse	7,549,599,621	10.50	8,756	26.21
Mobile Home	83,192,355	0.12	859	2.57
2-4 Residential Units	997,417,787	1.39	1,005	3.01
5+ Residential Units/Apartments	5,807,936,184	8.08	603	1.81
Subtotal Residential	$50,208,118,444	69.82%	30,832	92.29%
Vacant Parcels	$735,928,938	1.02%	420	1.26%
Total	$71,911,822,924	100.00%	33,407	100.00%

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

Per Parcel Assessed Valuation of Single-Family Homes

The following table sets forth the per-parcel assessed valuation of single-family homes in fiscal year 2023-24.

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single-Family Homes
Fiscal Year 2023-24

	No. of Parcels	2023-24 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	19,609	$35,769,972,497	$1,824,161	$1,377,870

2023-24 Assessed Valuation	No. of Parcels [1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 -$199,999	1,917	9.776%	9.776%	$ 249,523,138	0.698%	0.698%
$200,000 -$399,999	1,347	6.869	16.645	390,333,706	1.091	1.789
$400,000 -$599,999	1,364	6.956	23.601	688,588,166	1.925	3.714
$600,000 -$799,999	1,357	6.920	30.522	954,857,161	2.669	6.383
$800,000 -$999,999	1,406	7.170	37.692	1,261,773,793	3.527	9.911
$1,000,000 -$1,199,999	1,435	7.318	45.010	1,575,519,454	4.405	14.315
$1,200,000 -$1,399,999	1,079	5.503	50.513	1,397,707,101	3.907	18.223
$1,400,000 -$1,599,999	872	4.447	54.959	1,304,636,206	3.647	21.870
$1,600,000 -$1,799,999	945	4.819	59.779	1,608,619,215	4.497	26.367
$1,800,000 -$1,999,999	985	5.023	64.802	1,868,376,425	5.223	31.591
$2,000,000 -$2,199,999	874	4.457	69.259	1,834,175,055	5.128	36.718
$2,200,000 -$2,399,999	683	3.483	72.742	1,567,617,675	4.382	41.101
$2,400,000 -$2,599,999	580	2.958	75.700	1,447,930,456	4.048	45.149
$2,600,000 -$2,799,999	606	3.090	78.790	1,637,936,779	4.579	49.728
$2,800,000 -$2,999,999	531	2.708	81.498	1,539,253,901	4.303	54.031
$3,000,000 -$3,199,999	447	2.280	83.778	1,384,726,967	3.871	57.902
$3,200,000 -$3,399,999	413	2.106	85.884	1,361,795,586	3.807	61.709
$3,400,000 -$3,599,999	350	1.785	87.669	1,224,740,110	3.424	65.133
$3,600,000 -$3,799,999	344	1.754	89.423	1,272,361,990	3.557	68.690
$3,800,000 -$3,999,999	306	1.561	90.984	1,190,481,297	3.328	72.018
$4,000,000 and greater	1,768	9.016	100.000	10,009,018,316	27.982	100.000
	19,609	100.000%		$35,769,972,497	100.000%	

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

Reassessments and Appeals of Assessed Value

There are general means by which assessed values can be reassessed or appealed that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" in Appendix A.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values, adjusted for inflation, when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Proposition 8 reductions may also be unilaterally applied by the County Assessor. The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or by reductions initiated by the County Assessor. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding general obligation bonds, if any) may be paid.

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Typical Tax Rates

Below are historical typical tax rates in the tax rate area within the District for the years 2019-20 through 2023-24.

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
Typical Tax Rates per $100 of Assessed Valuation
Tax Rate Area 5-000(1)
Fiscal Years 2019-20 through 2023-24

	2019-20	2020-21	2021-22	2022-23	2023-24
General Tax Rate	$1.00000	$1.00000	$1.00000	$1.00000	$1.00000
County Retirement Levy	0.03880	0.03880	0.03880	0.03880	0.03880
County Hospital Bonds and Housing Bonds	0.01690	0.00690	0.01876	0.01710	0.01500
Mountain View Elementary School District	0.01570	--	--	--	--
Mountain View-Whisman Elementary School District	0.02390	--	--	--	--
Mountain View and Mountain View-Whisman ESD	--	0.05960	0.04780	0.05380	0.04570
El Camino Hospital District	0.01000	0.01000	0.01000	0.00900	0.00500
Foothill-De Anza Community College District	0.02080	0.03640	0.03310	0.02910	0.02780
Mountain View-Los Altos Union High School District	0.03650	0.04000	0.02780	0.03550	0.03100
Mid-peninsula Open Space District	0.00160	0.00150	0.00150	0.00130	0 .00120
Total Tax Rate	$1.16420	$1.19320	$1.17776	$.18460	$1.16450
Santa Clara Valley Water District-State Water Project	$0.00410	$0.00370	$0.00510	$0.00440	$0.00410
Total Tax Rate	$0.00410	$0.00370	$0.00510	$0.00440	$0.00410

(1) 2023-24 assessed valuation of TRA 5-000 is $20,146,052,454 which is 26.84% of the district's assessed valuation.
Source: California Municipal Statistics, Inc.

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Top Twenty Property Owners

The twenty taxpayers in the District with the greatest combined assessed valuation of taxable property on the fiscal year 2023-24 tax roll, and the assessed valuations thereof, are shown in the following table.

The more property (by assessed value) which is owned by a single taxpayer in the District, the greater amount of tax collections is exposed to weaknesses in the taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
Top Twenty Secured Property Taxpayers
Fiscal Year 2023-24

	Property Owner	Primary Land Use	2023-24 Assessed Valuation	% of Total (1)
1.	Google Inc.	Research & Development	$5,446,447,833	7.57%
2.	Planetary Ventures LLC	Research/Air Hangers	1,477,464,205	2.05
3.	Baccarat Shoreline LLC	Office Building	694,943,481	0.97
4.	Orion V Sac Village Office Property LLC	Office Building	655,972,199	0.91
5.	MT2 B3-4 LLC	Office Building	550,869,850	0.77
6.	MT1 ABC LLC	Office Building	492,019,904	0.68
7.	Sobrato Interests	Office Building	405,774,983	0.56
8.	San Antonio Apartments LLC	Apartments	381,192,927	0.53
9.	Intuit Inc	Office Building	366,687,946	0.51
10.	Ellis Street Owner LLC	Office Building	352,475,248	0.49
11.	MT2 B1 LLC	Office Building	347,691,104	0.48
12.	MT2 B5 LLC	Office Building	346,833,400	0.48
13.	MT2 B2 LLC	Office Building	336,990,106	0.47
14.	BPREP Village Residences LLC	Apartments	306,526,972	0.43
15.	Paul Guarantor LLC	Office Building	294,076,148	0.41
16.	Samsung Electronics America Inc.	Office Building	288,760,246	0.40
17.	Linkedin Corporation	Office Building	268,774,143	0.37
18.	KR 690 Middlefield LLC	Office Building	237,341,805	0.33
19.	Nor Cal Plymouth Realty LLC	Office Building	230,079,399	0.32
20.	Richard Tod and Catherine R. Spieker, Trustees	Apartments	229,030,888	0.32
			$13,709,952,787	19.06%

(1) 2023-24 Total Secured Assessed Valuation: $71,911,822,924.
Source: California Municipal Statistics, Inc.

Tax Levies and Delinquencies

The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, each entity levying property taxes in the County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. The District participates in the Teeter Plan, and thus receives 100% of secured property taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes.

So long as the Teeter Plan remains in effect and the County continues to include the District in the Teeter Plan, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes on the secured roll will not be dependent upon actual collections of the *ad valorem* property taxes by the County. However, under the statute creating the Teeter Plan, the Board of Supervisors could under certain circumstances terminate the Teeter Plan in its entirety and, in addition, the Board of Supervisors could terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. In the event that the Teeter Plan were terminated with regard to the secured tax roll, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District. With respect to general obligation bonds, county assessors are authorized to levy taxes sufficient to pay debt service on bonds coming due, including as a rate that will provide for a reserve. The District cannot represent the sufficiency of any such reserve to the extent necessary to cover delinquent taxes, to the extent the Teeter Plan were amended or discontinued.

The District cannot provide any assurances that the County will continue to maintain the Teeter Plan described above, or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster. See "SECURITY FOR THE BONDS – Disclosure Regarding COVID-19 Pandemic."

Furthermore, the District cannot predict the impact, if any, that changes or modifications to property tax collection procedures might have on the County's Teeter Plan. See "PROPERTY TAXATION – Property Tax Collection Procedures" herein.

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Notwithstanding the operation of the Teeter Plan, historical secured tax levy collections and delinquencies in the District, with respect to the one percent general fund apportionment, are summarized in the following table.

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
Secured Tax Charges and Delinquencies[1]
Fiscal Years 2005-06 through 2022-23

Year	Secured Tax Charge[1]	Amount Delinquent As of June 30th	% Delinquent As of June 30th
2005-06	$3,472,717	$30,032	0.86%
2006-07	3,660,005	28,455	0.78
2007-08	3,735,563	32,979	0.88
2008-09	3,769,517	53,967	1.43
2009-10	3,930,460	46,094	1.17
2010-11	3,979,237	36,859	0.93
2011-12	3,935,940	28,412	0.72
2012-13[2]	N/A	N/A	0.51
2013-14	3,795,350	20,454	0.54
2014-15	4,560,330	25,230	0.55
2015-16	4,507,081	29,177	0.65
2016-17	4,656,314	25,129	0.54
2017-18	4,770,237	13,552	0.28
2018-19	19,755,362	115,870	0.59
2019-20	19,261,332	81,211	0.42
2020-21	23,215,216	152,547	0.66
2021-22	17,146,823	129,854	0.76
2022-23	24,035,015	155,705	0.65

(1) Bond debt service only.
(2) Secured tax charge and amount delinquent as of June 30 is not available for districts in the County for fiscal year 2012-13.
Source: California Municipal Statistics, Inc.

Debt Obligations

Set forth on the following page is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. and dated December 1, 2023 with respect to debt issued as of December 1, 2023. 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.

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of December 1, 2023

2023-24 Assessed Valuation: $75,071,247,158

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 12/1/23**
Santa Clara County	11.373%	$ 108,813,452
Foothill-DeAnza Community College District	32.044	177,901,702
Mountain View-Los Altos Union High School District	**100.000**	**234,055,373**(1)
Los Altos School District	100.000	132,000,000
Mountain View School District	100.000	485,000
Mountain View-Whisman School District	100.000	350,765,000
Whisman School District	100.000	2,880,377
City of Palo Alto	1.207	562,703
El Camino Hospital District	55.246	56,454,195
Santa Clara Valley Water District Benefit Assessment District	11.373	4,424,097
Midpeninsula Regional Open Space District	18.479	14,912,553
City 1915 Act Bonds	100.000	1,865,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$1,085,119,452
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Santa Clara County General Fund Obligations	11.373%	$125,621,674
Santa Clara County Pension Obligation Bonds	11.373	36,818,220
Santa Clara County Board of Education Certificates of Participation	11.373	106,338
Foothill-De Anza Community College District Certificates of Participation	32.044	6,615,484
Mountain View-Los Altos Union HSD Certificates of Participation	**100.000**	**1,452,406**
Los Altos School District General Fund Obligations	100.000	1,325,848
City of Los Altos Certificates of Participation	81.009	7,524,958
Other City General Fund Obligations	Various	7,575,200
Midpeninsula Regional Open Space District General Fund Obligations	18.479	15,708,185
Santa Clara County Vector Control District Certificates of Participation	11.373	139,888
Santa Clara County Central Fire District General Fund Obligations	0.630	174,857
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$203,063,058
Less: Santa Clara County Obligations supported by hospital and airport revenues		1,170,306
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$201,892,752
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$82,300,000
GROSS COMBINED TOTAL DEBT		$1,370,482,510 (2)
NET COMBINED TOTAL DEBT		$1,369,312,204

Ratios to 2023-24 Assessed Valuation:

Direct Debt ($234,055,373)	**0.31%**
Total Direct and Overlapping Tax and Assessment Debt	1.45%
Combined Direct Debt ($235,507,779)	**0.31%**
Gross Combined Total Debt	1.83%
Net Combined Total Debt	1.82%

Ratios to Redevelopment Incremental Valuation ($6,640,072,868):

Total Overlapping Tax Increment Debt	1.24%

(1) Excludes the Bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

TAX MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public 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 personal income taxes. If the initial offering price to the public at which a 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 personal income taxes. *De minimis* original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State personal income tax and federal income tax consequences of owning such Bonds.

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

Other Tax Considerations

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

Form of Opinion

A copy of the proposed form of approving legal opinion of Bond Counsel is attached hereto as Appendix D.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District by not later than nine 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 by March 31, 2024 with the report for the 2022-23 Fiscal Year (the "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events. The Annual Report and any event notices will be filed by the District with the Municipal Securities Rulemaking Board (the "**MSRB**"). The specific nature of the information to be contained in an Annual Report or other notices is set forth below under the caption "APPENDIX E – Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Purchaser in complying with S.E.C. Rule 15c2-12(b)(5) (the "**Rule**").

The District has existing disclosure undertakings that have been made pursuant to the Rule in connection with the issuance of outstanding general obligation bonds. In the previous five years, _____________.

In order to assist it in complying with its disclosure undertakings for its outstanding general obligation bonds, the District has engaged Dale Scott & Company, Inc., to serve as its dissemination agent with respect to its each of its disclosure undertakings, including the Continuing Disclosure Certificate to be executed in connection with the Bonds.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**") and Moody's Investors Services ("**Moody's**") have assigned the ratings of "___" and "___", respectively, to the Bonds. Such ratings reflect only the views of S&P and Moody's and an explanation of the significance of such ratings may be obtained only from S&P and Moody's. The District has provided certain additional information and materials to S&P and Moody's (some of which does not appear in this Official Statement). There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by S&P or Moody's, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

COMPETITIVE SALE OF BONDS

The Bonds were sold following a competitive bidding process and were awarded to the purchaser identified in the following paragraph, whose proposal represented the lowest true interest cost for the Bonds as determined in accordance with the Official Notice of Sale. The following is the purchase prices for the Bonds:

> ***Purchase Price for the Bonds.*** ___________, the Purchaser, has agreed to purchase the Bonds at a price of $____________, which is equal to the initial principal amount of the Bonds of $____________ plus a net original issue premium of $___________, less a purchaser's discount of $_________.

The Purchaser intends to offer the 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 inside cover page hereof. The offering price may be changed from time to time by the Bond Purchaser.

MISCELLANEOUS

Legality for Investment

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

Absence of Material Litigation

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to purchasers at the time of the original delivery of the 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 (iii) contests the District's ability to issue and issue and sell the Bonds.

[UPDATE WITH CURRENT INFORMATION including SB 218 claims, if any]
The District is subject to lawsuits and claims that might or arise or have arisen in the regular course of administering the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under lawsuits and claims currently known to the District will not materially affect the financial position or operations of the District.

Cyber Risks

[UPDATE WITH CURRENT INFORMATION]
The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information.

The District had a ransomware attack in January 2020 which impacted the phone system and blocked access to certain files on the District's server. The District responded swiftly by taking its servers offline to prevent further spread of the ransomware. The teaching and learning environment were not substantially disrupted. Subsequent research indicated that student data and privacy were not breached. The District has cybersecurity insurance which is available to cover such attacks, beyond the $50,000 deductible. However, no payments were needed to recover from or respond to the attack in order to resume regular operations. Subsequently, the District has enhanced its network and Wi-Fi system with upgrades relating to security features.

The District continues to maintain insurance coverage for cyber events, and employees have undertaken training on cyber security.

No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful. The District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of *ad valorem* property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

Compensation of Certain Professionals

Payment of the fees and expenses of Bond Counsel, Disclosure Counsel, and Dale Scott & Company, Inc., as financial advisor to the District, is contingent upon issuance of the Bonds.

Additional Information

The discussions herein about the Bond 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 such documents. Copies of these documents are available from the District and following delivery of the Bonds will be 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 Bonds.

EXECUTION

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

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT

By: ____________________________________
Associate Superintendent,
Business Services

APPENDIX A

DISTRICT GENERAL AND FINANCIAL INFORMATION

The information in this section concerning the operations of the District, its operating budget and the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds are payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" in the main body of the Official Statement.

DISTRICT GENERAL INFORMATION

General Information

The District is located in Santa Clara County, California (the "**County**"), serving the Cities of Mountain View and Los Altos, the Town of Los Altos Hills, and certain unincorporated areas of the County. The District operates two comprehensive traditional high schools, two non-traditional high schools, an alternative high school, and an adult education center. The District's enrollment for fiscal year 2023-24 is approximately 4,473 students, and it has a 2023-24 total assessed valuation of $75,071,247,158.

Basic Aid Status/Community Supported District

The District's local property taxes have greatly exceeded the State's calculated funding amount for the District for many years, resulting in the District's being securely within "**Basic Aid**" status for purposes of general purpose education funding by the State. As a Basic Aid District, the District does not receive a general purpose entitlement grant from the State but instead is entitled to keep its share of local property taxes in excess of its State funding entitlement amount under the State's education funding formula known as the Local Control Funding Formula (the "**LCFF**"). A Basic Aid district is also referred to as a **"Community Supported District."** The District expects to continue to have local property tax revenue in excess of its LCFF entitlement grant amount for the near and distant future. The District estimates that its Basic Aid status will produce approximately $___ million more in funding in fiscal year 2023-24 over what it would have received under the LCFF entitlement formula. The District does receive from the State special education funding and certain minimum guaranteed amounts of State apportionments. For more information on the District's Basic Aid status, see "-Basic Aid District" below.

Administration

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

BOARD OF TRUSTEES
Mountain View-Los Altos Union High School District

Name	Office	Term Expires
Phil Faillace	President	December 2024
Sanjay Dave	Vice President	December 2024
Esmeralda Ortiz	Clerk	December 2026
Thida Cornes	Trustee	December 2026
Catherine Vonnegut	Trustee	December 2026

Superintendent and Administrative Personnel. The Superintendent of the District is appointed by the Board, is responsible for management of the District's day-to-day operations, and supervises the work of other District administrators. Dr. Nellie Meyer serves as the Superintendent and Michael Mathiesen serves as the Associate Superintendent, Business Services of the District.

Recent Enrollment Trends

The following table shows recent enrollment and average daily attendance history ("**ADA**") for the District.

ANNUAL ENROLLMENT and AVERAGE DAILY ATTENDANCE
Fiscal Years 2012-13 through 2023-24 (Budgeted)
Mountain View-Los Altos Union High School District

School Year	Enrollment	Percent Change	ADA	Percent Change
2012-13	3,678	--%	3,590	--%
2013-14	3,766	2.4	3,627	1.0
2014-15	3,881	3.1	3,734	3.0
2015-16	4,028	3.8	3,874	3.7
2016-17	4,101	1.8	3,940	1.7
2017-18	4,304	5.0	4,094	3.9
2018-19	4,394	2.1	4,194	2.4
2019-20*	4,548	3.5	4,224	0.7
2020-21*	4,563	0.3	4,224	0.0
2021-22	4,539	(0.5)	4,131	(2.2)
2022-23	4,448	(2.0)	[to come]	
2023-24*	4,473	0.6	[to come]	

* The COVID-19 Pandemic commenced in approximately March 2020, at which time schools were required to transition to remote learning. Subsequently, State law permitted schools to be held harmless for losses in ADA for funding purposes, generally until fiscal year 2021-22. Budgeted for fiscal year 2023-24. Because the District is funded as Basic Aid, reductions in ADA do not impact the District's revenues.
Source: California Department of Education; the District.

District's Response to COVID-19 Emergency

The COVID-19 pandemic commenced in approximately March 2020 and caused a health emergency which resulted in shelter in place orders and remote learning, among other consequences, throughout the State. The District took all required actions based on State-wide and local orders, as well as pursuant to recommendations of the County Office of Education. The District has resumed all in-person learning with independent study options.

Federal and State legislation was enacted providing additional funding for educational agencies in order to respond the additional costs and services required as a result of the COVID-19 pandemic. The District has received a total amount of $____ million in COVID-relief funding and been allocated a total of $____ million under such programs. These funds will be spent in accordance with applicable guidelines, generally by no later than September 30, 2024.

Employee Relations

in fiscal year 2023-24, the District has ___ certificated, ___ classified and ___ management full-time equivalent positions. The certificated and classified employees of the District are represented by their respective bargaining units, as set forth in the following table.

BARGAINING UNITS
Mountain View-Los Altos Union High School District

Employee Group	Representation	Contract Expiration Date
Mountain View-Los Altos District Teachers' Association	Certificated	June 30, 2024
California School Employees Association Chapter No. 527	Classified	June 30, 2024

Source: Mountain View-Los Altos Union High School District.

Regarding compensation re-openers, [include status].

Insurance – Joint Powers Agreements

The District is a member, along with other school districts, of the following four joint power agencies ("**JPA**s"): South Bay Area Schools Insurance Authority, Santa Clara Valley Transportation Agency, Schools Excess Liability Fund, and Community Health Awareness Council. The relationship between the District and the JPAs is such that the JPAs are not component units of the District for financial reporting purposes.

For more information regarding the District's involvement in the JPAs, see Note 10 of Appendix B to the Official Statement.

DISTRICT FINANCIAL INFORMATION

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax required to be levied by the County in an amount sufficient for the payment thereof.

Education Funding Generally

School districts in California receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the one percent general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly affect a school district's revenues and operations.

From 1973-74 to 2012-13, California school districts operated under general purpose revenue limits established by the State Legislature. In general, revenue limits were calculated for each school district by multiplying (1) the average daily attendance ("**ADA**") for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were 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 was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District's revenue limit and its local property tax revenues. Districts which had local property tax revenues which exceeded its revenue limit entitlement were deemed "Basic Aid Districts" and received full funding from local property tax revenues and were entitled to keep those tax revenues which exceeded its revenue limit funding entitlement.

The fiscal year 2013-14 State budget replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the **"LCFF"**). Under the LCFF, revenue limits and most state categorical programs were eliminated. School districts instead receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is $2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.

- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.

- An additional concentration grant of up to 65% (which was increased from 50% as part of the State's trailer bill to the 2021-22 State Budget - Assembly Bill 130) of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.

- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and was phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget (based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**")), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap. The legislation implementing LCFF also included a "hold harmless" provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments.

Funding levels used in the LCFF entitlement calculations for fiscal year 2023-24 are set forth in the following table.

Fiscal Year 2023-24 Base Grant Funding* Under LCFF
by Grade Span

Entitlement Factor	TK/K-3	4-6	7-8	9-12
A. 2022-23 Base Grant per ADA	$9,166	$9,304	$9,580	$11,102
B. 2023-24 COLA for LCFF (A x 8.22%)	$753	$765	$787	$913
C. 2023-24 Base Grant per ADA before Grade Span Adjustments (A+B)	$9,919	$10,069	$10,367	$12,015
D. Grade Span Adjustments (TK-3: C x 10.4%; 9-12: C x 2.6%)	$1,032	n/a	n/a	$312
E. 2023-24 Base Grant/Adjusted Base Grant per ADA (C + D)	$10,951	$10,069	$10,367	$12,327

*Add-ons to the Base Grant, as may be applicable, are: (1) Supplemental Grant: For the supplemental grant funding entitlement, for each grade span, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times Unduplicated Pupil Percentage, times 20%, (2) Concentration Grant: For the concentration grant funding entitlement, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times portion of Unduplicated Pupil Percentage that exceeds 55%, times 65%, and (3) Transitional Kindergarten Add-On: For the TK add-on funding, the amount in fiscal year 2023-24 is the rate of $3,044 times the school district's current year TK ADA.
Source: California Department of Education.

The LCFF includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the State Budget for fiscal year 2013-14 created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

Basic Aid or Community Supported districts are school districts which have local property tax revenues which exceed such district's funding entitlement under LCFF. As such, in lieu of State funding under LCFF, Basic Aid districts are entitled to keep the full share of local property tax revenues, even the amount which exceeds its funding entitlement under LCFF. The District's funding formula is as a Basic Aid district, as further described in the following paragraph.

Basic Aid/Community Supported District. The District has been a Basic Aid District for purposes of State general purpose education funding for many years. As a Basic Aid District, the District does not receive a general purpose entitlement grant from the State but instead has been entitled to keep its share of local property taxes in excess of its State funding entitlement amount. With implementation of the LCFF commencing in fiscal year 2013-14, a school district, such as the District, which has property tax revenues that exceed its entitlement under the LCFF continued to be entitled to keep its local property tax revenues which exceed its LCFF funding entitlement, essentially maintaining its status as Basic Aid, sometimes referred to as a "Community Supported District." The District expects to continue to be funded as a Basic Aid district and to have local property tax revenue in excess of its LCFF entitlement amount for the near and distant future. The District estimates that its Basic Aid status provides a funding benefit above what would be provided under LCFF of over $__ million.

District 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.

District accounting is organized on the basis of funds, with each group consisting of a separate accounting entity. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30. For more information on the District's basis of accounting and fund accounting, see "APPENDIX B – Audited Financial Statements of the District for Fiscal Year Ended June 30, 2022 – Note 1 - Significant Accounting Policies" herein.

District expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

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

Financial Statements

General. The District's Audited Financial Statements for the fiscal year ending June 30, 2022 were prepared by Crowe LLP, Sacramento, California, (the "**Auditor**"). Audited financial statements for the District for the fiscal year ended June 30, 2022 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 the Audited Financial Statements for fiscal year 2021-22. The District has not requested, and the Auditor has not provided, any additional review of such financial statements in connection with their inclusion in the Official Statement. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District.

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General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows the audited income and expense statements for the General Fund of the District for the fiscal years 2017-18 through 2021-22.

REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
Fiscal Years 2017-18 through 2021-22 (Audited)
Mountain View-Los Altos Union High School District

	Audited 2017-18	Audited 2018-19	Audited 2019-20	Audited 2020-21	Audited 2021-22
Revenues:					
Local Control Funding Formula[1]:					
State Apportionment	$3,800,886	$3,823,748	$3,825,238	$3,824,828	$3,823,660
Local Sources	72,335,937	77,432,234	83,273,277	91,008,606	96,389,198
Total LCFF	76,136,823	81,255,982	87,098,515	94,833,434	100,212,858
Federal Sources	1,137,257	1,363,174	1,283,851	3,050,330	2,404,637
Other State Sources	6,093,195	9,031,274	7,285,297	9,693,889	9,504,836
Other Local Sources	6,479,828	6,900,310	6,535,887	7,085,111	7,525,060
Total Revenues	89,847,103	98,550,740	102,203,550	114,662,764	119,647,391
Expenditures:					
Certificated Salaries	38,710,331	42,519,798	42,977,388	47,211,669	50,390,731
Classified Salaries	12,699,982	13,754,660	13,943,759	14,826,470	16,342,183
Employee Benefits	21,368,712	27,295,681	27,215,579	27,744,973	31,151,476
Books & Supplies	2,632,852	2,844,327	2,478,348	4,253,117	3,726,261
Contract Services & Operating					14,328,904
Expenditures	9,377,464	11,170,574	11,455,463	12,431,853	
Other Outgo	19,912	34,155	35,000	--	20,000
Capital Outlay	573,212	2,571,465	1,607,466	5,931,921	2,199,849
Debt Service:					
Principal Retirement	--	--	--	239,166	225,418
Interest	--	--	--	22,936	36,685
Total Expenditures	85,382,465	100,190,660	99,713,003	112,662,105	118,421,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,464,638	(1,639,920)	2,490,547	2,000,659	1,225,884
Other Financing (Uses) Sources:					
Transfers In	296,307	206,238	199,218	181,297	201,369
Transfers Out	(350,000)	(318,618)	(525,265)	(795,000)	--
Proceeds from leases	--	--	--	1,310,511	--
Total Other Financing (Uses) Sources	(53,693)	(112,380)	(326,047)	696,808	201,369
Net Change in Fund Balances	4,410,945	(1,752,300)	2,164,500	2,697,467	1,427,253
Fund Balances, July 1	18,021,934	22,432,868	20,680,568	22,845,068	25,542,535
Fund Balances, June 30	$22,432,868	$20,680,568	$22,845,068	$25,542,535	$26,969,788

(1) The District has been a Basic Aid district for many years. As such, its Local Sources reflect local property tax revenues which it is entitled to keep for education funding purposes.
Source: District Audited Financial Statements for fiscal years 2017-18 through 2021-22.

District Budget and Interim Financial Reporting

District Budget Process. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district board of trustees must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Santa Clara County Superintendent of Schools (the "**County Superintendent**"), which is a separate office independent of the County.

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for board of trustees approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's board of trustees of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 (**"A.B. 1200"**) imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

District's Budget Approval/Disapproval and Certification History*.* In the past five years, each of the District's interim reports has been certified as positive, and each of its budgets has been approved by the County Superintendent.

Copies of the District's budget, interim reports and certifications may be obtained upon request from the Superintendent's Office at 1299 Bryant Ave., Mountain View, California 94040; telephone: (650) 940-4650. The District may impose charges for copying, mailing and handling.

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District's General Fund Fiscal Year 2022-23 (Unaudited Actuals) and Fiscal Year 2023-24 (Adopted Budget). The following table shows revenues, expenditures and changes in fund balances for the District's general fund for fiscal year 2022-23 (unaudited actuals) and fiscal year 2023-24 (adopted budget).

REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE[1]
Fiscal Year 2022-23 (Unaudited Actuals)
Fiscal Year 2023-24 (Adopted Budget)
Mountain View-Los Altos Union High School District

Revenues	Unaudited Actuals 2023-24	Adopted Budget 2023-24
LCFF[2]	$109,517,513	$116,455,295
Federal Revenues	3,584,625	1,314,349
Other State Revenues	11,414,193	7,569,226
Other Local Revenues	9,636,080	9,097,423
Total Revenues	134,152,410	134,436,293
Expenditures		
Certificated Salaries	53,936,743	56,322,562
Classified Salaries	18,716,362	20,050,745
Employee Benefits	34,611,737	36,510,867
Books & Supplies	4,377,317	5,244,729
Contract Services & Operating Exp.	16,146,991	16,179,896
Capital Outlay	1,436,270	1,050,000
Other Outgo (Excluding Indirect Costs)	280,962	270,000
Other Outgo – Transfers of Indirect Costs	(212,651)	(218,713)
Total Expenditures	129,293,731	135,410,085
Excess of Revenues Over/(Under) Expenditures	4,858,678	(973,792)
Other Financing Sources (Uses)		
Operating Transfers In	--	--
Operating Transfers Out	(133,050)	(184,670)
Contributions	--	--
Total Other Financing Sources/(Uses)	(133,050)	(184,670)
Net Change in Fund Balance	4,725,628	(1,158,462)
Fund Balance, July 1	12,835,403	13,827,838
Fund Balance, June 30	$17,561,032	$12,669,376

(1) Totals may not add due to rounding. *Budget and estimated actuals exclude from the general fund certain reserves that, in compliance with GASB 54, are included in the Audited General Fund balance shown in the prior table.*
(2) Because the District is Basic Aid funded, LCFF line item primarily represents the District's share of local property taxes.
Source: The District.

The First Interim Report was approved by the Board on ________, 2023.

District Reserves. The District's ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State's minimum required reserve of 3% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future. The District Board has established a Board Policy which requires an unrestricted reserve of at least 25% of expenditures, which significantly exceeds the State's minimum requirements.

Under State law (Education Code Section 42127.01), there are certain restrictions on the amount of reserves that can be maintained by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or revised budget shall not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the State's Public School System Stabilization Account and is triggered in a fiscal year when the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multiyear infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap has been triggered for fiscal year 2023-24 and as such, for school districts to which it applies, the cap must be taken into account in its budgeting documents or an exemption must be sought. The District has taken the reserve cap into account in its budgeting documents.

Attendance - District's Basic Aid Status

As previously described herein, the District is a Basic Aid District and as such, its revenues are not dependent on average daily attendance. As a Basic Aid District, the District estimates that it receives approximately $__ million over of what it would have been entitled to under the LCFF.

Unduplicated Count. The District's unduplicated pupil count is approximately 15%. If the District were funded under the LCFF, supplemental funding would be based on such percentage, and the District would not qualify for concentration grant funding under LCFF.

Revenue Sources

The District categorizes its general fund revenues into four sources, being the LCFF, Federal Revenues, Other State Revenues and Local Revenues. Each of these revenue sources is described below.

LCFF Sources. District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding. Because the District is a Basic Aid District, the District does not receive a general purpose entitlement grant from the State but does receive from the State certain minimum guaranteed amounts of State apportionments (referred to as "Minimum State Aid and Education Protection Account funding under Proposition 30").

Beginning in fiscal year 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.

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Section 42238(h) of the Education Code of the State itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under Every Student Succeeds, the Individuals with Disabilities Education Act, and specialized programs such as Drug Free Schools.

Other State Revenues*.* Other State Revenues consist primarily of apportionments for mandated costs reimbursements, special education master plan, and State lottery apportionments.

Other Local Revenues; Education Foundation Revenues*.* In addition to property taxes, the District receives additional local revenues from items such as interest earnings, leases and rentals.

> Mountain View-Los Altos High School Foundation. In particular, the District receives education foundation revenues from the Mountain View-Los Altos High School Foundation (the "**Foundation**"), which was established to raise funds from parents and community members to invest in a program-rich environment that students, colleges, employers, and the District's community value. In fiscal year 2022-23, the Foundation raised approximately $2.5 million.

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Purchaser.*

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. The plan is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. The benefit provisions and contribution amounts are established by State laws, as amended from time to time.

Prior to fiscal year 2014-15, contribution rates were constant and not subject to annual variations. K-14 school districts were required by statute to contribute 8.25% of eligible salary expenditures, and participants contributed 8% of their respective salaries. In September 2013, however, STRS projected that the plan would be depleted in 31 years if existing contribution rates continued and other actuarial assumptions were realized, largely due to significant investment losses.

Assembly Bill 1469 was adopted as part of the State's fiscal year 2014-15 budget (**"AB 1469"**), aimed at fully funding the unfunded actuarial obligation of STRS with respect to service credited to member of STRS prior to July 1, 2014 (the **"2014 Liability"**), within 32 years, by increasing contribution rates of members, K-14 school district employers, and the State. Under AB 1469, employer contributions were steadily increased over seven years. However, several modifications to the schedule were undertaken in connection with State budgets. Contribution rates for the past several years are summarized pursuant to the following schedule:

STRS EMPLOYER CONTRIBUTION RATES
Effective Dates of July 1, 2014 through July 1, 2023

Effective Date	Employer Contribution Rate
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	17.10*
July 1, 2020*	16.15*
July 1, 2021	16.92*
July 1, 2022	19.10
July 1, 2023	19.10

*The contribution rates identified in AB 1469 were subsequently reduced by the State legislature in certain years. Noted rates represent the reduced contribution rate.
Source: AB 1469; STRS

The State also continues to contribute to STRS, and its contribution rate in fiscal year 2023-24 is 8.328%.

STRS Contributions
Mountain View-Los Altos Union High School District

Fiscal Year	Amount
2017-18	$5,733,893
2018-19	6,993,644
2019-20	7,447,476
2020-21	7,629,028
2021-22	8,576,683
2022-23(1)	14,758,844
2023-24(1)	15,544,833

(1) Unaudited Actual/Budgeted; includes State on behalf amount.
Source: The District.

The STRS defined benefit program continues to have unfunded actuarial liabilities estimated at approximately $85.8 (on a market value of assets basis) and $88.6 billion (on an actuarial value of assets basis) as of June 30, 2022, which is the date of the last actuarial valuation.

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the "Schools Pool." Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by employers and employees. Each fiscal year, employers are required to contribute an amount based on an actuarially determined employer rate, and employees make contributions which vary based on their date of hire.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. To address this issue, the PERS board has taken a number of actions, including changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates and adopting changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy incrementally lowering its discount rate (its assumed rate of investment return) in years of good investment returns, to help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. SB 90, and Assembly Bill 84/Senate Bill 111 (**"AB 84"**) of June 2020, directed contributions of $430 million and $330 million in satisfaction of portions of employer contribution rates in fiscal years 2020-21 and 2021-22, respectively. Recent employer contribution rates are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2019-20 through 2022-23[(1)]

Fiscal Year	Employer Contribution Rate[(1)]
2019-20	19.721%
2020-21	20.700
2021-22	22.910
2022-23	25.370

(1) Expressed as a percentage of covered payroll.
Source: PERS

The District's employer contributions to PERS for recent fiscal years are set forth in the following table.

PERS Contributions
Mountain View-Los Altos Union High School District

Fiscal Year	Amount
2018-19	$2,362,985
2019-20	2,559,860
2020-21	2,799,209
2021-22	3,499,048
2022-23[(1)]	4,038,451
2023-24[(1)]	4,885,925

(1) Unaudited Actual/Budgeted.
Source: The District.

PERS continues to have an unfunded liability which, on a market value of assets basis, was approximately $37.6 billion (on a market value of assets basis) as of June 30, 2022, which is the date of the last actuarial valuation.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013

("**PEPRA**"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PERS has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer's current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

Additional Information - STRS and PERS. Additional information regarding the District's retirement programs is available in Notes 8 and 9 to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811.

More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained* *on these websites may not be current and has not been reviewed by the District or the Purchaser for accuracy or completeness.*

Other Post-Employment Benefit Obligation

The Plan Generally. The District's Retiree Employee's Healthcare Plan ("**REHP**") is a single employer defined benefit healthcare plan administered by the District. REHP provides medical, dental and vision insurance benefits to eligible retirees and their spouses. The contribution requirements of REHP members and the District are established and may be amended by the Board of Trustees. As of June 30, 2022 the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's total OPEB liability. Membership of the REHP consists of 6 retirees and beneficiaries receiving benefits and 91 active plan members.

Benefits Provided. In accordance with contracts between the District and the respective employee groups, eligible employees are entitled to receive certain medical, dental, and vision benefits through the REHP. All employees must be eligible participants in the District-provided healthcare plans prior to retirement, in order to qualify for the postretirement benefits provided through the REHP. Eligibility requirements and benefits vary depending on employee group, hire date, and years of service to the District:

<u>Classified Employees</u>: Classified employees and their dependents may receive benefits through REHP for up to 5, 7, or 10 years after retirement, depending on certain years of service and age limitations as described in the negotiated agreement between the California School Employees Association and the District. Classified employees must be eligible to retire under CalPERS to receive benefits through REHP at retirement. All benefits through REHP cease when the classified retiree reaches age 65 or becomes eligible for other available healthcare benefits, whichever comes first.

<u>Certificated Employees</u>: Certificated employees and their dependents who retire from the District having reached age 50 with at least 10 years of consecutive service to the District, and 10 years of cumulative STRS credit are eligible to receive benefits through REHP for up to 5 years, or until the certificated retiree reaches age 65, whichever comes first. As of June 30, 2022 there are currently no active or retiree employees eligible for benefits through the REHP.

Contributions. California Government Code specifies that the District's contribution requirements for covered employees are established and may be amended by the Board of Trustees. The District's premium rates being charged to these retirees are lower than the expected cost for a retiree population under age 65. Thus, an implicit subsidy exists as a result of this difference between the actual cost and the true retiree cost. Contributions to the REHP from the District were $254,367 for the year ended June 30, 2022. Employees are not required to contribute to the REHP.

Actuarial Assumptions and Other Inputs. The District's total OPEB liability of $3,134,835 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2020 using several actuarial assumptions which are subject to change.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District as of June 30, 2022, as summarized in the District's audited financial statement for fiscal year 2021-22, is shown in the following table:

CHANGES IN TOTAL OPEB LIABILITY
Mountain View-Los Altos Union High School District
Year Ending June 30, 2022

	Total OPEB Liability
Balance at July 1, 2021	$4,863,474
Service Cost	366,400
Interest	106,261
Changes in assumptions	(293,812)
Difference between actual and expected experience	(1,653,121)
Benefit payments	(254,367)
Net changes in Total OPEB Liability	**(1,728,639)**
Balance at June 30, 2022	$3,134,835

Source: Mountain View-Los Altos Union High School District.

OPEB Expense. For the year ended June 30, 2022, the District recognized an OPEB expense of $360,260.

For more information regarding the District's OPEB, see Note 6 of Appendix B to the Official Statement.

Existing Debt Obligations

Outstanding General Obligation Bonds*.* The District currently has outstanding general obligation and refunding bonds secured by voter-approved *ad valorem* taxes, which are summarized in the following table.

SUMMARY OF OUTSTANDING
GENERAL OBLIGATION BOND INDEBTEDNESS
Mountain View-Los Altos Union High School District

Series	**Issue Date**	**Maturity Date**	**Original Principal Amount**	**Amount Outstanding December 1, 2023**
General Obligation Bonds, Election of 1995, Series D	09/01/1999	08/01/2024	$16,354,999.30	[to come]
General Obligation Bonds, Election of 2010, Series A	09/09/2010	08/01/2030	18,999,709.00	
General Obligation Bonds, Election of 2010, Series C	07/12/2012	08/01/2030	20,298,347.00	
General Obligation Bonds, Election of 2018, Series A	09/13/2018	08/01/2036	100,000,000.00	
General Obligation Bonds, Election of 2018, Series B	07/23/2020	08/01/2034	100,000,000.00	
General Obligation Bonds, Election of 2018, Series C	06/09/2022	08/01/2037	68,000,000.00	
			Total Outstanding:	

Source: The District.

Refunding Lease Agreement – General Fund Obligation. In October 2014, the District entered into a refunding lease agreement (the "**Lease Agreement**"), sold on a private placement basis. The Lease Agreement was entered into to refund on an advance basis, the District's outstanding 2003 Refunding Certificates of Participation and 2004 Certificates of Participation. The following is a summary of future lease payments:

2015 REFUNDING LEASE AGREEMENT
Mountain View-Los Altos Union High School District
Lease Payment Schedule

Year Ending June 30	Lease Payments
2023	$150,963
2024	152,599
2025	149,161
2026	150,648
2027	151,985
2028-2032	765,199
2033	152,243
	$1,672,798
Less amount representing Interest	(247,798)
Total	$1,425,000

Capitalized Leases. The District has entered into a lease agreement with a third party vendor for a total amount of $1,310,511. The lease was issued for the purpose of acquiring certain technology hardware upgrades to be installed across various District sites. The lease bears interest at 3.8415% with payments due annually through August 21, 2024. The following is a summary of future capitalized lease payments:

2015 REFUNDING LEASE AGREEMENT
Mountain View-Los Altos Union High School District
Lease Payment Schedule

Year Ending June 30	Lease Payments
2023	$262,102
2024	262,102
2025	382,926
	$907,130
Less amount representing Interest	(61,203)
Total	$845,927

Compensated Absences. Compensated absences (unpaid employee vacation) for the District at June 30, 2022, amounted to $547,138.

Investment of District Funds

In accordance with Government Code Section 53600 *et seq*., the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq*. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. See Appendix G for information regarding the County's investment policy and investment report.

Effect of State Budget on Revenues

Public school districts in the State are dependent on revenues from the State for a large portion of their operating budgets. School districts in the State generally receive the majority of their operating revenues from various State sources. The primary source of funding for school districts in the State is LCFF funding, which is derived from a combination of State funds and local property taxes (see "—Education Funding Generally" and "—Attendance —Revenue Limit and LCFF Funding" above). State funds typically make up the majority of a district's LCFF funding. School districts in the State also receive funding from the State for some specialized programs such as special education.

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" below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may further be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding. See "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS" below.

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

*The information in this section concerning the State's budget or budgets has been compiled from publicly-available information provided by the State or the Legislative Analyst's Office (the **"LAO"**). Neither the District, the Purchaser nor the County is responsible for the information provided in this section.*

State Budgeting for Education Generally

The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. The primary source of funding for school districts are revenues under the LCFF, which are a combination of State funds and local property taxes (see "DISTRICT FINANCIAL INFORMATION - Education Funding Generally" above). State funds typically make up the majority of a district's LCFF allocation, although Basic Aid school districts derive most of their revenues from local property taxes. School districts also receive substantial funding from the State for various categorical programs.

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

The Budget Process

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

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

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each house of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each house of the Legislature and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

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

Available Public Resources

Certain information about the State budgeting process and the State budget is available through several State sources. Convenient sources of information include:

- www.treasurer.ca.gov: The California State Treasurer internet home page, under the link to "Bond Finance" and sub-heading "-Public Finance Division", includes links to recent State official statements and various State financial documents which includes information regarding State budgets and finances.

- www.dof.ca.gov: The California Department of Finance's (the **"DOF"**) internet home page, under the link to "California Budget", includes the text of proposed and adopted State Budgets.

- www.lao.ca.gov: The LAO's internet home page includes a link to "-The Budget" which includes analyses and commentary on fiscal outlooks.

The above references to internet websites shown are shown for reference and convenience only. The information contained within the websites may include outdated information and has not been reviewed for accuracy by the District or the Purchaser. Such information is <u>*not*</u> *incorporated herein by reference.*

The 2023-24 State Budget

Governor Gavin Newsom (the **"Governor"**) signed the State budget bill for fiscal year 2023-24 on June 27, 2023 (the **"2023-24 State Budget"**), prior to the July 1, 2023 deadline. Although a summary of the enacted budget is not as of this date available from the State Department of Finance, the overall State spending plan totals $310 billion ($226 billion General Fund/$84 billion Special Fund) and solves a $31.5 billion deficit problem. The deficit is largely the result of falling State revenues in recent months due to a downturn in the stock market and resulting decreased capital gains, which is a volatile yet significant source of the State's revenues. The 2023-24 State Budget maintains the largest-ever reserves aimed at weathering projected deficits in the out-years as well as a potential economic recession in the coming year or two.

The 2023-24 State Budget marked a turnabout from several previous years of record surpluses, big ongoing program commitments, and major one-time augmentations for projects. Adding to uncertainties in budgeting was the delayed income tax return filing date due to the federal and State winter storm disaster declarations. As a result, actual revenues in the new budget can be only an educated guess until October 15, 2023 and further adjustments may be necessary early next year if revenues continue to underperform projections.

The deficit gap was addressed with a combination of spending reductions totaling $8 billion, including a planned $750 million payment to the federal government to reduce the State's $20 billion unemployment insurance debt and about $4 billion in funding previously earmarked for climate change and zero-emission programs, delayed spending of nearly $8 billion previously approved for coming years, including funding for building facilities for transitional and full-day kindergarten, postponement in spending $500 million in broadband expansion funding, and more than $15 billion in revised revenue estimates, internal fund shifts and internal borrowing.

Highlights of the 2023-24 State Budget include:

Public Education: Continuing full funding for public K–14 education, which will see an 8.4% increase in state funding, and keep commitments to previously authorized spending increases for the University of California and California State University.

Health Care: Provides continued funding for other previous multiyear health care commitments, including (a) increases to fund California's universal access to affordable health care, such as the state's Medi-Cal eligibility expansion for undocumented adults and significant reforms under the Governor's California Advancing and Innovating Medi-Cal, and (b) agreement to place a bond measure on the March ballot asking voters to increase bond funding for more behavioral health beds and transitional housing aimed at reducing the incidence of homelessness.

Managed Care Organization Tax: Implements allocations of available funds from the renewal of the Managed Care Organization (**"MCO"**) tax to provide $2.7 billion in State funds (and billions of matching federal dollars) for reimbursement rate increases and other investments annually, beginning in 2025 and going through 2029.

Climate Change: Fiscal year 2022-23's multiyear commitment of more than $6 billion toward battling climate change was reduced by $2.9 billion. The Governor indicated that he is seeking federal funding from the Inflation Reduction Act and the Infrastructure and Investment and Jobs Act to make up for the cuts, and asked the Legislature to seek voters' approval of a climate bond ranging from $6 billion to $16 billion.

Housing and Homelessness**:** $1 billion for local homeless programs, and directs $100 million to the Housing and Community Development Department's flagship Multi-Family Housing Program for developing additional affordable housing and leveraging additional public and private investment dollars.

Public Transit**:** $5.1 billion for transit across four years, with 100% flexibility for capital and operations expenses and accountability provisions.

With respect more particularly to education funding, the 2023-24 State Budget will provide slightly less funding for schools and community colleges than in the 2022-23 fiscal year, yet assures school districts will have a sizable increase in general operational funding. The 2023-24 State Budget marks a retrenchment from three years of record education funding supplemented by tens of billions in one-time federal and state COVID-19 relief, which together set in motion ambitious new programs. These include $4.4 billion for community schools and $4 billion for after-school and summer programs for low-income children through the Expanded Learning Opportunities Program. Funding for all of those priorities remains intact in the 2023-24 State Budget, as does an 8.2% cost of living increase for the LCFF, special education and other ongoing programs.

Funding for Proposition 98, the formula that sets the portion of the state general fund going to TK-12, community schools and some child care funding, will be $108.3 billion. That is $2.1 billion less than the Legislature adopted a year ago for the current year.

The 8.2% cost-of-living adjustment will raise the funding formula, which is the primary funding source for general expenses and additional money for high-needs students, by 4.5% to

$79 billion. The additional funding takes into account a projected 3.16% decline statewide in ADA, including fewer students than projected enrolling in traditional kindergarten.

Other additional spending in the education portion of the 2023-24 State Budget includes:

- $300 million to the funding formula to create what Newsom is calling the "equity multiplier" program. It will enable at least several hundred high-needs schools to close opportunity and achievement gaps by addressing learning needs for the lowest-performing racial and ethnic student groups, students with disabilities and English learners in those schools. The criteria to qualify for the funding includes schools with 90% or more students qualifying for free school meals, and factors in school instability, reflecting high rates of expelled and truant students, dropouts, homeless and foster-care students plus a minimum of 70% low-income students.

- $250 million in one-time funding to double grants over five years to high-poverty schools to train and hire literacy coaches for one-on-one and small-group interventions for struggling readers.

- $80 million in ongoing funding for juvenile court and alternative schools operated by county offices of education.

- $20 million in professional development grants for bilingual teachers.

- $6 million more to the Golden State Teacher Grant program, which offers up to $20,000 to a teacher candidate who commits to working in a priority school for four years, for teacher candidates preparing to become special education teachers.

- $3.5 million ongoing to county offices of education to stock opioid overdose reversal medication, with at least two units at all middle and high schools within each county office's jurisdiction.

- $1 million to develop a state "literacy roadmap" to provide guidance on teaching, training and using evidence-based practices on effective reading instruction.

- $1 million for a panel to identify a choice of screening instruments from which all schools must choose, starting in 2025-26, to identify students at risk for dyslexia and other reading difficulties.

- $1 million for professional development and leadership training through the Museum of Tolerance.

Trailer bills implementing the provisions of the 2023-24 State Budget were considered and voted upon in the weeks following the final budget agreement.

Disclaimer Regarding State Budgets

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2023-24 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Purchaser or the Owners of the Bonds to provide State Budget information to the District or the owners of the Bonds. Although the sources of information provided herein are known to be reliable, neither the District nor the Purchaser assume any responsibility for the accuracy of the budget information set forth or referred to in this Official Statement or incorporated herein.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory provisions relating to education funding in the State has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto, and how such events could impact the District and its finances.

Uncertainty Regarding Future State Budgets

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

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory regulations has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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

Constitutionally Required Funding of Education

The State Constitution requires that from all State revenues, there shall be first set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. School districts receive a significant portion of their funding from State appropriations. As a result, decreases and increases in State revenues can significantly affect appropriations made by the State Legislature to school districts.

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* property taxes may be levied to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978, (b) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (c) (as a result of an amendment to Article XIIIA approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

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

Article XIIIB of the California Constitution

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

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

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

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, in the event that a school district's revenues exceed its spending limit, the district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund under Section 8.5 of Article XVI of the State Constitution.

Unitary Property

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

Articles XIIIC and XIIID of the California Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections , and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (e) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Proposition 98

On November 8, 1988, California voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "**Accountability Act**"). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changes State funding of public education below the university level and the operation of the State's appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as "K-14 school districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, and (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the Legislature to suspend this formula for a one-year period.

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Proposition 111

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

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

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

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

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

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

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

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as **"Proposition 39"**) to the California Constitution. This amendment (a) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (b) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (a) any local government debts approved by the voters prior to July 1, 1978 or (b) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (a) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (b) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (c) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary school district or high school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

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

Proposition 22, a constitutional initiative entitled the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," approved on November 2, 2010, superseded many of the provision of Proposition 1A. This initiative amends the State constitution to prohibit the legislature from diverting or shifting revenues that are dedicated to funding services provided by local government or funds dedicated to transportation improvement projects and services. Under this proposition, the State is not allowed to take revenue derived from locally imposed taxes, such as hotel taxes, parcel taxes, utility taxes and sales taxes, and local public transit and transportation funds. Further, in the event that a local governmental agency sues the State alleging a violation of these provisions and wins, then the State must automatically appropriate the funds needed to pay that local government. This Proposition was intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. Proposition 22 did not prevent the California State Legislature from dissolving State redevelopment agencies pursuant to AB 1X26, as confirmed by the decision of the California Supreme Court decision in *California Redevelopment Association v. Matosantos* (2011).

Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment, also known as **"Proposition 30"**, temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases for such period the marginal personal income tax rate by: (a) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $340,000 but less than $408,000 for head of household filers and over $500,000 but less than $600,000 for joint filers), (b) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $408,000 but less than $680,000 for head of household filers and over $600,000 but less than $1,000,000 for joint filers), and (c) 3% for taxable income over

$500,000 for single filers (over $680,000 for head of household filers and over $1,000,000 for joint filers). Proposition 55 (described below) extended said increases to personal income rates through the end of 2030.

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "Proposition 98" and "Proposition 111" above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the **"EPA"**). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016 general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through the end of 2030, instead of the scheduled expiration date of December 31, 2018. The extensions did not apply to the sales tax and excise taxes imposed by Proposition 30. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges.

California Senate Bill 222

Senate Bill 222 (**"SB 222"**) was signed by the California Governor on July 13, 2015, and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by *ad valorem* property tax collections are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds, such as the Bonds, as secured debt in bankruptcy due to the existence of a statutory lien.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment (**"Proposition 19"**), which amends Article XIIIA to (i) expand as of April 1, 2021 special rules that govern the transfer of a residential property's tax base value to a replacement residence for homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home anywhere within the State, (ii) narrows as of February 16, 2021 existing special rules for the valuation of inherited real property due to a transfer between family members, and (iii) allocates most resulting State revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes. The District cannot predict whether the implementation of Proposition 19 will increase, decrease or have no overall impact on the District's assessed values.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 22, 26, 30 and 39 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2022

APPENDIX C

GENERAL DEMOGRAPHIC INFORMATION ABOUT THE CITY OF MOUNTAIN VIEW, THE CITY OF LOS ALTOS, AND THE COUNTY OF SANTA CLARA COUNTY

*The following information concerning the City of Mountain View ("**Mountain View**"), the City of Los Altos ("**Los Altos**" and together with Mountain View, the "**Cities**") the County of Santa Clara (the "**County**"), and surrounding areas is included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the Cities, County, the State of California (the "**State**") or any of its political subdivisions, and none of Mountain View, Los Altos, the County, the State or any of its political subdivisions (other than the District) is liable therefor.*

General

Mountain View. Incorporated November 7, 1902, Mountain View is one of the major cities that makes up Silicon Valley. Many of the largest technology companies including Google, Mozilla Foundation, Symantec, and Intuit are headquartered in Mountain View. Mountain View borders Palo Alto and the San Francisco Bay to the north, Los Altos to the south, and Moffett Federal Airfield and Sunnyvale to the east. Mountain View operates under a council-manager form of government. Policy-making and legislative authority are vested with the city council, which is composed of seven council members elected by seat number for staggered four-year terms, with a two-term limit. In January of each year, the council elects one of its members as mayor and another as vice mayor.

Los Altos. Incorporated December 1, 1952, Los Altos is an affluent commuter town located in northern Silicon Valley. Los Altos operates under a council-manager form of government. Policy-making and legislative authority are vested with the city council, which is composed of five council members elected by seat number for staggered four-year terms.

The County. Situated northeast of San Francisco, the County is bounded by San Francisco and San Pablo Bays, the Sacramento River Delta, and by Alameda County on the south. Ranges of hills effectively divide the County into three distinct regions. The western portion, with its access to water, contains much of the County's heavy industry. The central section is rapidly developing from a suburban area into a major commercial and financial headquarters center. The eastern part is also undergoing substantial change, from a rural, agricultural area, to a suburban region. The County has extensive and varied transportation facilities-ports accessible to ocean-going vessels, railroads, freeways, and rapid transit lines connecting the area with Alameda County and San Francisco.

Population

The following table lists population figures for the Cities and the County for the last five calendar years.

SANTA CLARA COUNTY
Calendar Years 2019 Through 2023

	2019	2020	2021	2022	2023
Campbell	41,977	41,898	43,541	43,092	42,713
Cupertino	59,436	59,244	60,183	59,673	59,154
Gilroy	56,635	56,704	60,063	59,709	60,078
Los Altos	**30,871**	**30,754**	**31,507**	**31,257**	**31,021**
Los Altos Hills	8,438	8,418	8,468	8,414	8,380
Los Gatos	30,501	31,087	33,423	33,167	33,102
Milpitas	75,796	77,180	80,633	80,862	81,067
Monte Sereno	3,633	3,622	3,467	3,481	3,519
Morgan Hill	45,745	46,299	46,568	46,201	45,892
Mountain View	**80,986**	**81,302**	**83,520**	**83,856**	**83,601**
Palo Alto	68,272	68,145	67,953	67,693	67,287
San Jose	1,043,617	1,041,466	989,396	963,745	959,256
Santa Clara	125,908	127,301	129,926	130,462	132,476
Saratoga	30,940	30,850	30,990	30,758	30,567
Sunnyvale	154,074	154,252	156,085	156,364	156,317
Unincorporated County	87,904	86,644	84,828	92,233	91,649
County Total	**1,944,733**	**1,945,166**	**1,910,551**	**1,890,967**	**1,886,079**

Source: California Department of Finance for January 1.

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Employment and Industry

The District is part of the San José-Sunnyvale-Santa Clara Metropolitan Statistical Area ("**MSA**"), which is comprised of Santa Clara and San Benito Counties. The unemployment rate in the MSA was 3.8% in October 2023, up from a revised 3.7% in September 2023, and above the year-ago estimate of 2.5%. This compares with an unadjusted unemployment rate of 4.8% for California and 3.6% for the nation during the same period. The unemployment rate was 5.4% in San Benito County, and 3.8% in Santa Clara County.

The table below list employment by industry group for the years 2018 through 2022.

SAN JOSÉ-SUNNYVALE-SANTA CLARA MSA
(San Benito and Santa Clara Counties)
Annual Average Civilian Labor Force, Employment and Unemployment,
Employment by Industry
Calendar Years 2018 through 2022
(March 2022 Benchmark)

	2018	2019	2020	2021	2022
Civilian Labor Force (1)(2)	1,073,700	1,083,000	1,058,200	1,044,200	1,073,300
Employment	1,044,600	1,054,900	981,900	993,300	1,044,100
Unemployment	29,200	28,000	76,300	51,000	29,200
Unemployment Rate	2.7%	2.6%	7.2%	4.9%	2.7%
Wage and Salary Employment: (3)					
Agriculture	5,800	5,600	5,300	5,000	4,800
Mining and Logging	200	200	200	200	200
Construction	49,900	53,000	50,100	51,700	53,900
Manufacturing	171,100	170,300	165,800	167,400	179,100
Wholesale Trade	32,200	31,400	29,200	28,300	29,000
Retail Trade	85,700	83,100	73,000	73,700	73,700
Transportation, Warehousing, Utilities	15,800	16,100	15,800	16,900	19,200
Information	92,100	100,600	105,900	107,100	106,400
Finance and Insurance	21,600	22,000	22,900	23,400	22,200
Real Estate and Rental and Leasing	15,200	15,900	15,100	15,100	15,800
Professional and Business Services	236,200	243,100	237,600	242,600	253,700
Educational and Health Services	176,200	178,700	172,700	178,400	187,100
Leisure and Hospitality	105,700	107,500	73,100	79,000	96,600
Other Services	28,900	28,900	22,100	22,800	25,100
Federal Government	9,900	10,000	10,700	10,500	10,200
State Government	7,100	6,900	7,000	6,900	7,000
Local Government	79,700	80,400	76,300	76,000	78,800
Total all Industries	1,133,300	1,153,700	1,082,700	1,104,800	1,162,600

(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.

Principal Employers

The following table shows the principal employers in Mountain View, as shown in the Mountain View's Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

CITY OF MOUNTAIN VIEW
Principal Employers

Employer	Number of Employees	Percent of Total Employment
Google LLC	26,900	20.8%
El Camino Hospital	2,900	2.2
Microsoft Corporation	2,600	2.0
Intuit Inc.	2,600	2.0
Waymo LLC	1,800	1.4
Pure Storage	1,400	1.1
Synopsys Inc.	1,000	0.8
Nuro, Inc.	700	0.5
City of Mountain View	700	0.5
Samsung Info Systems America	500	0.4

Source: City of Mountain View, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022.

The following table shows the principal employers in Los Altos, as shown in the Los Altos' Annual Comprehensive Financial Report for fiscal year ending June 30, 2022.

CITY OF LOS ALTOS
Principal Employers

Employer	Number of Employees	Percent of Total Employment
Los Altos School District	459	3.12%
Los Altos Sub-Acute & Rehabilitation Center	241	1.64
Whole Food Market	233	1.59
Los Altos High School	212	1.44
Toyota Research Institute (HQ)	187	1.27
Compass (formerly Alain Pinel Realtors)	166	1.13
The David and Lucile Packard Foundation	131	0.89
City of Los Altos	120	0.82
Adobe Animal Hospital	120	0.82
Palo Alto Medical Foundation	110	0.75

Source: City of Los Altos, Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2022.

Major Employers

The table below lists the major employers in the County, listed alphabetically.

SANTA CLARA COUNTY
Major Employers
December 2023

Employer Name	Location	Industry
Adobe Inc	San Jose	Digital Media & Content Creation
Advanced Micro Devices Inc	Santa Clara	Semiconductor Devices (mfrs)
Alphabet Inc	Mountain View	Internet Search Engines
Analog Devices Inc	San Jose	Semiconductor Devices-Wholesale
Apple Inc	Cupertino	Computers-Electronic-Manufacturers
Applied Materials Inc	Santa Clara	Semiconductor Manufacturing Equip (mfrs)
California's Great America	Santa Clara	Amusement & Theme Parks
Christopher Ranch LLC	Gilroy	Garlic (mfrs)
Cisco Systems Inc	San Jose	Computer Peripherals (mfrs)
Ebay Inc	San Jose	Online Retailers & Marketplaces
Flextronics International	Milpitas	Semiconductor Devices (mfrs)
Fujitsu Laboratories of Amer	Sunnyvale	Laboratories-Research & Development
Intel Corp	Santa Clara	Semiconductor Devices (mfrs)
Intuitive Surgical Inc	Sunnyvale	Orthopedic Prosthetic/Srgcl Appl (mfrs)
Lockheed Martin Space Systems	Sunnyvale	Satellite Equipment & Systems-Mfrs
Lucile Packard Children's Hosp	Palo Alto	Hospitals
Lumileds	San Jose	Lighting Fixtures-Supplies & Parts-Mfrs
NASA	Mountain View	Federal Government-Space Research & Technolog
Netapp Inc	San Jose	Computer Storage Devices (mfrs)
NVIDIA Corp	Santa Clara	Software/Application/Platform Developers & Pr
Palo Alto VA Medical Ctr	Palo Alto	Hospitals
Prime Materials	San Jose	Semiconductors & Related Devices (mfrs)
SAP Center	San Jose	Stadiums Arenas & Athletic Fields
Stanford University Sch-Mdcn	Stanford	Schools-Medical
Super Micro Computer Inc	San Jose	Computers-Electronic-Manufacturers

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2024 1st Edition.

Commercial Activity

Summaries of the historic taxable sales within Mountain View, Los Altos and the County during the past five years in which data is available are shown in the following tables.

Total taxable sales during the first two quarters of calendar year 2023 in Mountain View were reported to be $904,053,600, a 2.65% decrease over the total taxable sales of $928,704,008 reported during the first two quarters of calendar year 2022.

CITY OF MOUNTAIN VIEW
Taxable Retail Sales
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
2018	1,401	$1,205,236	2,527	$1,903,351
2019	1,357	1,219,073	2,506	1,919,058
2020	1,384	961,724	2,566	1,381,258
2021	1,263	1,140,334	2,310	1,662,339
2022	1,245	1,354,131	2,307	1,956,440

Source: State Department of Tax and Fee Administration.

Total taxable sales during the first two quarters of calendar year 2023 in Los Altos were reported to be $114,849,201, a 7.80% decrease over the total taxable sales of $124,560,582 reported during the first two quarters of calendar year 2022.

CITY OF LOS ALTOS
Taxable Retail Sales
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
2018	829	$222,861	1,357	$249,695
2019	771	213,237	1,311	239,124
2020	781	154,824	1,359	180,240
2021	648	193,211	1,145	225,463
2022	620	217,090	1,109	253,992

Source: State Department of Tax and Fee Administration.

Total taxable sales during the first too quarters of calendar year 2023 in the County were reported to be $27,139,987,401, representing a 1.58% decrease over the total taxable transactions of $27,575,258,750 that were reported in the County during the first two quarters of calendar year 2022.

COUNTY OF SANTA CLARA
Taxable Retail Sales
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**
2018	30,266	$26,885,138	52,994	$45,353,074
2019	30,024	27,882,060	53,312	47,001,964
2020	30,969	27,467,410	55,395	46,444,650
2021	28,365	31,393,299	51,015	52,994,694
2022	28,214	33,619,773	51,222	57,738,947

Source: State Department of Tax and Fee Administration.

Construction Activity

The following tables show a five-year summary of the valuation of building permits issued in Mountain View, Los Altos and the County.

CITY OF MOUNTAIN VIEW
Building Permit Valuation
For Calendar Years 2018 through 2022
(Dollars in Thousands)(1)

	2018	**2019**	**2020**	**2021**	**2022**
Permit Valuation					
New Single-family	$24,140.2	$12,832.8	$4,438.6	$43,257.9	$17,344.9
New Multi-family	48,919.8	57,180.2	0.0	40,570.2	240,152.9
Res. Alterations/Additions	25,887.0	21,467.9	1,984.2	25,122.5	33,136.9
Total Residential	98,947.0	91,480.9	6,422.8	108,950.6	290,634.7
New Commercial	243,352.4	190,501.1	50.0	914.0	95,428.0
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	718.0	864.6	15.0	94,780.3	134,116.6
Com. Alterations/Additions	359,511.3	431,237.1	12,027.3	95,974.2	135,799.8
Total Nonresidential	603,581.7	622,602.8	12,092.3	191,668.5	365,344.4
New Dwelling Units					
Single Family	68	33	14	147	59
Multiple Family	291	327	0	399	1,565
TOTAL	359	360	14	546	1,624

(1) Totals may not add due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

CITY OF LOS ALTOS
Building Permit Valuation
For Calendar Years 2018 through 2022
(Dollars in Thousands)[1]

	2018	2019	2020	2021	2022
Permit Valuation					
New Single-family	$39,332.8	$48,575.3	$29,157.4	$38,679.3	$42,057.6
New Multi-family	10,748.0	0.0	0.0	32,223.9	0.0
Res. Alterations/Additions	32,267.1	47,887.0	19,100.4	38,016.7	37,679.1
Total Residential	82,347.9	96,462.3	48,257.8	108,919.9	79,736.7
New Commercial	4,890.0	1,206.4	3,512.5	914.0	287.1
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	3,364.8	3,380.0	1,673.6	94,780.3	5,292.6
Com. Alterations/Additions	8,589.4	22,530.2	8,859.9	95,974.2	2,075.7
Total Nonresidential	16,844.2	27,116.6	14,046.0	191,668.5	7,655.4
New Dwelling Units					
Single Family	45	64	44	73	71
Multiple Family	24	0	0	57	0
TOTAL	69	64	44	130	71

(1) Totals may not add due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

SANTA CLARA COUNTY
Building Permit Valuation
For Calendar Years 2018 through 2022
(Dollars in Thousands)[1]

	2018	2019	2020	2021	2022
Permit Valuation					
New Single-family	$728,590.6	$693,032.6	$465,531.8	$604,388.6	$558,633.4
New Multi-family	1,098,643.3	567,726.7	384,856.1	488,538.1	1,239,445.8
Res. Alterations/Additions	588,024.6	555,483.1	314,179.3	351,100.6	392,595.4
Total Residential	2,415,258.5	1,816,242.4	1,164,567.2	1,444,027.3	2,190,674.6
New Commercial	1,962,366.5	2,664,298.3	1,216,184.5	309,537.0	774,988.7
New Industrial	32,080.0	41,875.8	72,481.3	8,982.3	0.0
New Other	120,557.4	273,529.1	145,437.8	451,952.6	623,244.7
Com Alterations/Additions	2,017,142.2	2,467,939.0	1,382,406.5	812,157.1	1,249,080.3
Total Nonresidential	4,132,146.1	5,447,642.2	2,816,510.1	1,582,629.0	2,647,313.7
New Dwelling Units					
Single Family	2,011	1,814	1,329	1,789	1,538
Multiple Family	6,342	3,216	2,245	3,210	6,765
TOTAL	8,353	5,030	3,574	4,999	8,303

(1) Totals may not foot due to rounding.
Source: Construction Industry Research Board, Building Permit Summary.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and non-tax 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), non-tax 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 and median household effective buying income for the Cities, the County, the State and the United States for the period 2020 through 2024.

CITY OF MOUTNAIN VIEW, CITY OF LOS ALTOS,
SANTA CLARA COUNTY, THE STATE OF CALIFORNIA AND THE UNITED STATES
Effective Buying Income
As of January 1, 2020 through 2024

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2020	City of Mountain View	$5,786,510	$109,451
	City of Los Altos	2,852,581	195,466
	Santa Clara County	97,710,060	98,882
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of Mountain View	$6,028,965	$114,742
	City of Los Altos	2,897,567	205,981
	Santa Clara County	103,006,380	103,458
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790
2022	City of Mountain View	$6,715,404	$133,995
	City of Los Altos	3,097,429	255,137
	Santa Clara County	113,347,038	118,652
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of Mountain View	$6,618,894	$137,209
	City of Los Altos	2,909,155	254,591
	Santa Clara County	112,532,636	121,559
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of Mountain View	$6,885,795	$144,662
	City of Los Altos	2,862,472	263,210
	Santa Clara County	114,948,530	125,048
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876

Source: Claritas, LLC.

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

[Closing Date]

Board of Trustees
Mountain View-Los Altos Union High School District
1299 Bryant Avenue
Mountain View, California 94040

OPINION: $_________ Mountain View-Los Altos Union High School District
(Santa Clara County, California)
General Obligation Bonds, Election of 2018, Series D

Members of the Board of Trustees:

We have acted as bond counsel to the Mountain View-Los Altos Union High School District (the "District") in connection with the issuance by the District of $___________ principal amount of Mountain View-Los Altos Union High School District (Santa Clara County, California) General Obligation Bonds, Election of 2018, Series D, dated the date hereof (the "Bonds") under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and Resolution No. ____ adopted by the Board of Trustees of the District (the "Board") on December 18, 2023 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

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

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

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

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

4. The Board of Supervisors of Santa Clara County is required under the laws of the State of California to levy an *ad valorem* tax upon the property in the District which is subject to taxation, unlimited as to rate or amount, for the payment of principal and interest on the Bonds.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. It should be noted however that interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

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

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$_________
MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds
Election of 2018, Series D

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the Mountain View-Los Altos Union High School District (the "District") in connection with the execution and delivery of the captioned bonds (the "Bonds"). The Bonds are being executed and delivered pursuant to a resolution adopted by the Board of Trustees of the District on December 18, 2023 (the "Bond Resolution"). U.S. Bank Trust Company, National Association, San Francisco, California, is initially acting as paying agent for the Bonds (the "Paying Agent").

The District hereby covenants and agrees as follows:

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

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

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

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District (currently June 30th), the first being March 31, 2024.

"*Dissemination Agent*" means, initially, Dale Scott & Company, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

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

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

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

"*Paying Agent*" means U.S. Bank Trust Company, National Association, San Francisco, California, or any successor thereto.

"*Participating Underwriter*" means the original purchasers 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, not later than the Annual Report Date, commencing not later than March 31, 2024 with the report for the 2022-23 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. 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; 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, a notice in an electronic format as prescribed by the MSRB, with a copy to the Paying Agent and Participating Underwriter.

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

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

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

Section 4. Content of Annual Reports. The District's Annual Report shall contain or 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) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information:

(i) Assessed value of taxable property in the jurisdiction of the District for the most recently completed fiscal year or the then-current fiscal year, if available at the time of filing the Annual Report;

(ii) Assessed valuation of the properties of the top 20 secured property taxpayers in the District for the most recently completed fiscal year or the then-current fiscal year, if available at the time of filing the Annual Report;

(iii) Property tax collection delinquencies for the District for the most recently completed fiscal year, or if not available, for the previous fiscal year, but only if available from the County at the time of filing the Annual Report and only if the District's general obligation bond levies are not included in Santa Clara County's Teeter Plan;

(iv) The District's most recently adopted Budget or approved interim report with budgeted figures, which is available at the time of filing the Annual Report; and

(v) Such further information, if any, as may be necessary to make the statements made pursuant to (a) and (b) of this Section, in the light of the circumstances under which they are made, not misleading.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section, the District shall give, or cause to be given, notice of the occurrence of any of the following 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 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 District.

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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.

(15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material.

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, and, if the Listed Event is described in subsections (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.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

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

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Dale Scott & Company, Inc. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

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

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

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

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

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

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

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

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Date: _______, 2024

MOUNTAIN VIEW-LOS ALTOS UNION HIGH SCHOOL DISTRICT

By: ________________________________

Name: ______________________________

Title: _______________________________

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 (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds 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 Bond 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 will 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 MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to 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 District or 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, Paying Agent, or 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 District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to District or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

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

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

APPENDIX G

SANTA CLARA COUNTY INVESTMENT POLICY AND INVESTMENT REPORT